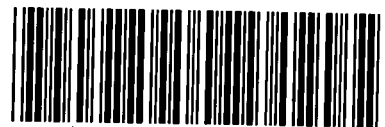


DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017
FOR
DHX WORLDWIDE LIMITED

Registered No. 05786060

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DHX WORLDWIDE LIMITED
Registered No. 05786060

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for the year ended 30 June 2017

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DHX WORLDWIDE LIMITED
Registered No. 05786060

COMPANY INFORMATION
for the year ended 30 June 2017

DIRECTORS:

Ms A S Mirviss
Mr M Gosine
Mr K P Byrne
Mr M P Donovan

SECRETARY:

Ms A Loi

REGISTERED OFFICE:

1 Queen Caroline Street
2nd Floor
London
W6 9YD

REGISTERED NUMBER:

05786060

INDEPENDENT AUDITORS:

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

DHX WORLDWIDE LIMITED
Registered No. 05786060

DIRECTORS' REPORT
for the year ended 30 June 2017

The directors present their report and the audited financial statements of the Company for the year ended 30 June 2017.

RESULTS AND DIVIDENDS

The Company's profit for the year ended 30 June 2017 is £7,627,073 (2016: loss of £7,506,230). During the year the Company paid no dividends (2016 - £nil).

GOING CONCERN

The financial statements have been prepared on a going concern basis as the ultimate parent undertaking has indicated its intention to provide continuing financial support to the Company for at least twelve months from the date of signing these financial statements, and the foreseeable future thereafter.

DIRECTORS

The directors who served in the year and up to the date of signing the financial statements were:

Ms A S Mirviss
Mr M Gosine
Mr M P Donovan
Mr K P Byrne

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DHX WORLDWIDE LIMITED
Registered No. 05786060

DIRECTORS' REPORT (Continued)
for the year ended 30 June 2017

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

ON BEHALF OF THE BOARD:



Ms A S Mirviss - Director

Date: 28 September 2018

DHX WORLDWIDE LIMITED
Registered No. 05786060

STRATEGIC REPORT
for the year ended 30 June 2017

The directors present their Strategic Report for the year ended 30 June 2017.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The Company's principal activity is the acquisition and global distribution of children's entertainment properties including television programmes and licensing of associated intellectual property rights. The Company expects to continue doing as such.

The directors are satisfied with the performance of the business during the year and the financial position of the Company at the year end. The directors believe that the financial statements and related notes give a comprehensive view of the Company's performance and financial position.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors of DHX Media Ltd. (the ultimate parent company) manage the group's risk at a group level, rather than at an individual entity level, including financial risk management.

For this reason, the Company's directors believe that a discussion of the Company's risks would not be appropriate for an understanding of the development, performance or position of the business.

The principal risks and uncertainties of DHX Media Ltd., which include those of the Company, are disclosed in the group's annual report, which does not form part of this report.

Copies of DHX Media Ltd.'s consolidated financial statements are available from 1478 Queen Street, Halifax, Nova Scotia, Canada, B3J 2H7.

KEY PERFORMANCE INDICATORS ("KPIs")

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business. The KPI analysis and discussion has been performed in the annual report of the ultimate parent company.

ON BEHALF OF THE BOARD:



Ms A S Mirviss - Director

Date: 28 September 2018

Independent auditors' report to the members of DHX Worldwide Limited

Report on the audit of the financial statements

Opinion

In our opinion, DHX Worldwide Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 30 June 2017; the Statement of Comprehensive Income, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 June 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

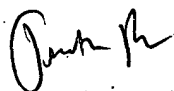
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Jonathan Ford (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

28 September 2018

DHX WORLDWIDE LIMITED
Registered No. 05786060

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2017

	Notes	Year ended 30 June 2017	Year ended 30 June 2016 (as restated)
		£	£
Turnover	3	38,332,346	32,143,153
Cost of sales		(26,395,756)	(22,392,726)
Gross profit		11,936,590	9,750,427
Exceptional costs	5	-	(15,210,025)
Administrative expenses		(4,453,603)	(2,037,103)
Operating profit/(loss)	4	7,482,987	(7,496,701)
Interest receivable/(payable)		368,311	493,013
Profit/(loss) before taxation		8,321,651	(7,003,688)
Taxation	7	(224,225)	(502,542)
Profit/(loss) and total comprehensive income/(expense) for the year		7,627,073	(7,506,230)

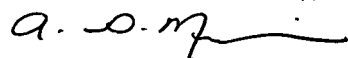
The notes on pages 11 to 22 form part of these financial statements.

DHX WORLDWIDE LIMITED
Registered No. 05786060

BALANCE SHEET
as at 30 June 2017

	Notes	30 June 2017	30 June 2016 (as restated)
		£	£
FIXED ASSETS			
Investments	11	10,866,819	1,112
Intangible assets	8	4,027,341	3,938,940
Tangible assets	9	705,680	53,325
Investments in programmes	10	34,461,602	22,326,433
		50,061,442	26,319,810
CURRENT ASSETS			
Trade debtors: amounts falling due in more than one year	12	7,694,770	9,803,970
Trade debtors: amounts falling due in less than one year	12	66,244,725	30,352,268
Cash		1,844,577	4,190,609
		75,784,072	44,346,347
CREDITORS			
Amounts falling due within one year	13	(83,963,348)	(45,129,682)
TOTAL ASSETS LESS CURRENT LIABILITIES		41,882,166	25,536,475
CREDITORS			
Amounts falling due after one year	13	(798,735)	(2,974,875)
PROVISIONS			
Deferred taxation	14	(74,188)	(45,137)
NET ASSETS		41,009,243	22,516,463
CAPITAL AND RESERVES			
Share capital	15	10,966,717	101,010
Share premium	16	15,210,025	15,210,025
Retained earnings	16	14,832,501	7,205,428
		41,009,243	22,516,463

The financial statements were approved by the Board of Directors and were signed on its behalf by:



Ms A S Mirviss
Director

Date: 28 September 2018

The notes on pages 11 to 22 form part of these financial statements.

DHX WORLDWIDE LIMITED
Registered No. 05786060

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2017

	Share capital £	Share premium £	Retained earnings (as restated) £	Total equity £
Balance at 1 July 2015	101,010	-	14,711,658	14,812,668
Loss for the year (as restated)	-	-	(7,506,230)	(7,506,230)
Issue of share capital	-	15,210,025	-	15,210,025
Balance at 30 June 2016	101,010	15,210,025	7,205,428	22,516,463
Profit for the year	-	-	7,627,073	7,627,073
Issue of share capital	10,865,707	-	-	10,865,707
Balance at 30 June 2017	10,966,717	15,210,025	14,832,501	41,009,243

The notes on pages 11 to 22 form part of these financial statements.

DHX WORLDWIDE LIMITED
Registered No. 05786060

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

I. ACCOUNTING POLICIES

Basis of preparation

DHX Worldwide Limited is a private limited company registered in England and Wales. The address of the registered office is 1 Queen Caroline Street, 2nd Floor, London, W6 9YD.

These financial statements are prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" under the historical cost convention.

Exemptions

In preparing these financial statements, the Company has taken advantage of the following exemptions available under FRS 102:

- the requirements of Section 7, Statement of Cash Flows;
- the requirements of Section 3, Financial Statement Presentation, paragraph 3.17(d);
- the requirements of Section 11, Financial Instruments, paragraphs 11.39 to 11.48A; and
- the requirements of Section 33, Related Party Disclosures, paragraphs 33.7 – 33.9.

Going concern

The financial statements have been prepared on a going concern basis as the ultimate parent undertaking has indicated its intention to provide continuing financial support to the Company for at least twelve months from the date of signing these financial statements, and the foreseeable future thereafter.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable from the distribution of entertainment content and related merchandising rights, net of VAT and other sales related taxes.

Distribution revenue is recognised on the latter of the delivery of materials and the beginning of the licencing period. Merchandising revenue for properties still in production is recognised over the licensing period. Where properties are no longer in production, revenue is recognised in line with the policy applied to distribution revenue.

Foreign currencies

Transactions in foreign currencies are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Exchange differences are taken into account in arriving at the operating result.

Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

DHX WORLDWIDE LIMITED
Registered No. 05786060

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 30 June 2017

I. ACCOUNTING POLICIES (CONTINUED)

Taxation

The tax expense represents the sum of the tax currently payable and any deferred tax.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Investments

Investments are stated at cost, less provision for permanent diminution in value.

Investments in Programmes

Investments in programmes comprise costs incurred in the production and acquisition of distribution rights to entertainment content and are stated at cost less any necessary provision for impairment in value determined with reference to projected future income on that property.

Investments in programmes are amortised on a straight line basis over their estimated useful life of 10 years.

Tangible assets

Tangible assets are recognised at cost with depreciation then provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Computer and office equipment	-	20-33% per annum
Leasehold improvements	-	5 years straight-line over term of lease

Intangible assets

Intangible assets comprise capitalised trademark costs and merchandising rights which are held at cost less amortisation which is provided over their useful economic life as follows:

Merchandising rights	-	4-10% per annum
Trademark costs	-	20% per annum

Financial instruments

Financial assets and liabilities are recognised in the balance sheet when the Company becomes party to the contractual provisions of the instrument.

Debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank.

Financial liabilities and equity instruments issued by the group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 30 June 2017

1. ACCOUNTING POLICIES (CONTINUED)

Prior year restatements

Effective for the fiscal period 30 June 2016, the criteria by which merchandise revenue is recognized was changed. During the current fiscal period, it was determined that revenues in the prior year were understated by £706,911, and deferred income was overstated by the same amount. In addition to an increase to revenues of the prior year by £706,911, associated costs of sales for the prior year have been increased by £106,037.

2. KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

The key areas of judgement and estimation uncertainty in these financial statements are highlighted below:

Impairment of investments in programmes

Investments in programmes comprise costs incurred in the production and distribution of entertainment content. These costs are released to the Statement of Comprehensive Income on a straight line basis over a 10 year period. When it becomes probable that the investment balance will exceed future revenues, an impairment charge is recognised in the Statement of Comprehensive Income.

Impairment of intangible assets

Capitalised trademark costs and merchandising rights are reviewed periodically by management for evidence of impairment with reference to the financial performance of the related properties. These costs are released to the Statement of Comprehensive Income over their useful economic life. Where indicators of impairment are identified, an impairment review is performed and an impairment charge is recognised to the extent necessary.

Amortisation of investments in programmes and intangibles

Investments in programmes and intangibles are amortised over their estimated useful life which is subject to management's judgement and prone to fluctuate by property and through technological developments in the wider market. Where the useful life of an asset is no longer considered to be appropriate, this estimate is adjusted and applied prospectively.

Impairment of investments in subsidiaries

Investment balances are reviewed periodically by management for evidence of impairment with reference to the financial position of the Company in which the investment is held. Where indicators of impairment are identified, an impairment review is performed and an impairment charge is recognised to the extent necessary.

Valuation of debtors

Debtor balances are reviewed periodically by management for evidence of impairment with reference to the financial position of the counterparty. Where indicators of impairment are identified and it is considered probable that the debt will not be recovered in full, a provision is recognised.

DHX WORLDWIDE LIMITED
Registered No. 05786060

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 30 June 2017

3. TURNOVER

All turnover is derived from the licensing of intellectual property rights and originates in the United Kingdom.

Analysis of turnover by destination:

	Year ended 30 June 2017	Year ended 30 June 2016 (as restated)
	£	£
UK	5,358,122	13,560,863
Rest of Europe	7,908,278	7,753,236
Rest of World	25,065,946	10,829,054
	<u>38,332,346</u>	<u>32,143,153</u>

4. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging/(crediting):

	Year ended 30 June 2017	Year ended 30 June 2016 (as restated)
	£	£
Amortisation of investment in programmes	3,459,693	2,418,350
Amortisation of intangible assets	428,015	227,318
Depreciation	108,550	23,942
Foreign exchange losses/(gains)	233,760	(940,242)
	<u>3,829,918</u>	<u>2,739,368</u>

The audit fee for the Company for the year ended 30 June 2017 amounted to £13,000 (2016 - £15,000).

5. EXCEPTIONAL COSTS

	Year ended 30 June 2017	Year ended 30 June 2016
	£	£
Impairment of investment in subsidiary	<u>-</u>	<u>15,210,025</u>

DHX WORLDWIDE LIMITED
Registered No. 05786060

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 30 June 2017

6. STAFF NUMBERS AND COSTS

The Company had 17 employees in the current year (2016 – 12).

The Company paid the following management charges to other DHX group companies in respect of staff costs:

	Year ended 30 June 2017	Year ended 30 June 2016
	£	£
Staff costs	282,000	1,182,056

Directors emoluments are borne by other group companies and are not recharged to DHX Worldwide Limited.

7. TAX ON PROFITS

a) Analysis of the tax charge

	Year ended 30 June 2017	Year ended 30 June 2016
	£	£
UK corporation tax charge	270,446	446,672
Adjustment in respect of prior periods	(80,767)	78,679
Overseas tax charge	396,236	243,448
Double taxation relief	(390,741)	(238,009)
Total current tax	195,176	530,790
Deferred tax		
Current year	2,411	(28,248)
Adjustment in respect of prior periods	26,640	-
	224,225	502,542

DHX WORLDWIDE LIMITED
Registered No. 05786060

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 30 June 2017

7. TAX ON PROFITS (CONTINUED)

b) Factors affecting the tax charge for the year

The difference between the total tax expense shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	Year ended 30 June 2017	Year ended 30 June 2016 (as restated)
	£	£
Profit/(loss) on ordinary activities before taxation	7,851,298	(7,003,688)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in UK of 19.75% (2016: 20%)	1,550,631	(1,400,738)
Effects of:		
Expenses not deductible for tax purposes	7,219	3,043,514
Fixed asset differences	2,184	2,765
Group relief claimed	(1,285,690)	(1,225,240)
Foreign tax credits	5,495	5,439
Adjustments to tax charge in respect of previous periods	(54,127)	78,679
Adjustments for change in tax rate	(1,487)	(1,877)
	<u>224,225</u>	<u>502,542</u>

8. INTANGIBLE FIXED ASSETS

	Trademark costs £	Merchandising rights £	Total £
COST			
At 1 July 2016	1,237,562	3,046,874	4,284,436
Additions	516,416	-	516,416
At 30 June 2017	<u>1,753,978</u>	<u>3,046,874</u>	<u>4,800,852</u>
ACCUMULATED AMORTISATION			
At 1 July 2016	191,792	153,704	345,496
Charge for the year	277,403	150,612	428,015
At 30 June 2017	<u>469,195</u>	<u>304,316</u>	<u>773,511</u>
NET BOOK VALUE			
At 30 June 2017	<u>1,284,783</u>	<u>2,742,558</u>	<u>4,027,341</u>
At 30 June 2016	<u>1,045,770</u>	<u>2,893,170</u>	<u>3,938,940</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 30 June 2017

9. TANGIBLE FIXED ASSETS

	£
COST	
At 1 July 2016	78,355
Additions	760,905
At 30 June 2017	<u>839,260</u>

DHX WORLDWIDE LIMITED
Registered No. 05786060

ACCUMULATED DEPRECIATION

At 1 July 2016	25,030
Charge for the year	108,550
At 30 June 2017	133,580

NET BOOK VALUE

At 30 June 2017	705,680
At 30 June 2016	53,325

DHX WORLDWIDE LIMITED
Registered No. 05786060

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 30 June 2017

10. INVESTMENT IN PROGRAMMES

	£
COST	
At 1 July 2016	48,428,080
Additions	15,360,248
At 30 June 2017	<u>63,788,328</u>
ACCUMULATED AMORTISATION	
At 1 July 2016, as restated	25,984,340
Charge for the year	3,459,693
At 30 June 2017	<u>29,444,033</u>
NET BOOK VALUE	
At 30 June 2017	34,461,602
At 30 June 2016, as restated	<u>22,326,433</u>

11. INVESTMENTS

	Investment in subsidiaries £
COST OR VALUATION	
At 1 July 2016	15,211,137
Additions	10,865,707
At 30 June 2017	<u>26,076,844</u>
ACCUMULATED IMPAIRMENT	
At 1 July 2016	15,210,025
Charge for the year	-
At 30 June 2017	<u>15,210,025</u>
NET BOOK VALUE	
At 30 June 2017	10,866,819
At 30 June 2016	<u>1,112</u>

Ordinary shares issued by Cookie Jar Entertainment Holdings UK Ltd with a nominal value of US\$1 each were acquired by the Company in consideration of a loan with a total value of £10,865,707.

DHX WORLDWIDE LIMITED
Registered No. 05786060

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 30 June 2016

11. INVESTMENTS (Continued)

The following are subsidiary undertakings of the Company:

Name	Country of Incorporation	Class of shares	Holding	Principal activity
Cookie Jar Entertainment UK Limited	United Kingdom	Ordinary	100%	Holding company
Cookie Jar Entertainment Holdings UK Limited	United Kingdom	Ordinary	100%	Holding company
DHX Worldwide (U) Limited	United Kingdom	Ordinary	100%	The acquisition and global distribution of children's entertainment properties and licensing of associated intellectual property rights.
Cookie Jar Distribution Limited	United Kingdom	Ordinary	100%	Motion picture and video production
Copyright Promotions Group Limited	United Kingdom	Ordinary	100%	Holding company
Stamhill Limited	United Kingdom	Ordinary	100%	Inactive
The Copyright Promotions Licensing Group Limited	United Kingdom	Ordinary	100%	Licensing intellectual properties on behalf of rights holders
Copyright Promotions Limited	United Kingdom	Ordinary	100%	Dormant
Copyright Promotions Europe BV	Netherlands	Ordinary	100%	Licensing intellectual properties on behalf of rights holders
Copyright Promotions Licensing Group GmbH	Germany	Ordinary	100%	Licensing intellectual properties on behalf of rights holders
Copyright Promotions Licensing Group Nordic AB	Sweden	Ordinary	100%	Licensing intellectual properties on behalf of rights holders
DHX-RD Developments Limited	United Kingdom	Ordinary	100%	Dormant
DHX-RD Holdings Limited	United Kingdom	Ordinary	100%	Dormant
DHX-RD Rights Limited	United Kingdom	Ordinary	100%	Dormant

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NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 30 June 2017

12. DEBTORS

Amounts due within one year

	Year ended 30 June 2017 £	Year ended 30 June 2016 £
Trade debtors	7,821,245	6,319,609
Prepayments and accrued income	20,467,907	9,085,607
Amounts due from group undertakings	35,562,669	14,947,052
Other taxation and social security	400,580	-
Corporation tax	1,992,324	-
	<u>66,244,725</u>	<u>30,352,268</u>

Amounts due after one year

	Year ended 30 June 2017 £	Year ended 30 June 2016 £
Prepayments and accrued income	7,694,770	9,803,970
	<u>7,694,770</u>	<u>9,803,970</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

13. CREDITORS

Amounts due within one year

	Year ended 30 June 2017 £	Year ended 30 June 2016 (as restated) £
Trade creditors	9,904,533	1,286,498
Amounts due to group undertakings	48,536,021	28,562,029
Other taxation and social security	-	992,291
Other creditors	17,845,498	10,894,304
Accruals and deferred income	7,677,296	3,394,560
	<u>83,963,348</u>	<u>45,129,682</u>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 30 June 2017

13. CREDITORS (CONTINUED)
Amounts due after one year

	Year ended 30 June 2017 £	Year ended 30 June 2016 £
Other creditors	625,794	2,439,774
Accruals and deferred income	172,941	535,101
	<u>798,735</u>	<u>2,974,875</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

14. DEFERRED TAXATION

	2017 £	2016 £
Accelerated capital allowance	45,940	45,940
Short term timing differences	28,248	(803)
	<u>74,188</u>	<u>45,137</u>

15. SHARE CAPITAL

Issued and fully paid	Number	£
At 1 July 2016		
A Ordinary	505,051	50,505
B Ordinary	505,050	50,505
	<u>1,010,101</u>	<u>101,010</u>
Issued during the year: Ordinary shares of US \$1 each	13,366,993	10,865,707
At 30 June 2017	<u>14,377,094</u>	<u>10,966,717</u>

During the year the Company issued ordinary shares of US \$1 each, acquired by DHX UK Holdings Limited in consideration of a loan with a total value of £10,865,707.

16. RESERVES

Share premium account

Share premium reflects amounts received in excess of nominal value on the issue of share capital.

Retained earnings

This reserve relates to cumulative retained earnings less amounts distributed to shareholders.

DHX WORLDWIDE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 30 June 2017

17. CONTINGENCIES

The Company is party to a cross guarantee dated 31 March 2016 with DHX UK Holdings Limited, DHX Media Ltd, DHX Media (UK) Limited and DHX Worldwide Holdings Limited.

Under the terms of this agreement, a fixed charge is provided over the shares of the Company. At 30 June 2017 total borrowings subject to the agreement were £nil (2016: £nil)

18. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

DHX Worldwide Holdings Limited is the immediate parent company, which is incorporated in the United Kingdom. DHX Worldwide Holdings Limited is a wholly owned subsidiary of DHX Media Ltd., a company incorporated in Canada.

DHX Media Ltd. is the ultimate parent undertaking. Copies of the consolidated financial statements of DHX media Ltd. which include the results of DHX Worldwide Limited are available from 1478 Queen Street, Halifax, Nova Scotia, Canada, B3J 2H7.

There is not considered to be an ultimate controlling party of DHX Media Ltd.