

BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES
ABN 65 003 174 409

Final Report

For the Year Ended 30 June 2020

Beyond International Limited

ACN 003 174 409

This final report is provided to the Australian Securities Exchange (ASX) under ASX Listing Rule 4.3A

This announcement has been authorised for release to the ASX by the Board of Beyond International Limited.

Current Reporting Period:

Financial year ended 30 June 2020

Previous Corresponding Period:

Financial year ended 30 June 2019

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DIRECTORS' REPORT

Your Directors present their report on the Company and its controlled entities ("Consolidated Entity" or "Group") for the financial year ended 30 June 2020.

1. Directors

The names of Directors in office at any time during or since the end of the financial year are;

Ian Ingram	-	Non-Executive Chairman
Mikael Borglund	-	Managing Director
Anthony Lee	-	Non-Executive Director
Ian Robertson	-	Non-Executive Director

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

2. Company secretary

The following person held the position of Company Secretary during and at the end of the financial year:

Mr. Paul Wylie joined Beyond on the 7 November 2013 and was appointed Company Secretary on 7 November 2013. Mr. Wylie is also the General Manager of Finance for the Group.

3. Principal activities of the group

The principal activities of the group during the financial year were television program production, international sales of television programs, home entertainment distribution/sales and digital marketing. There was no significant change in the nature of those activities during the financial year.

4. Operating results

The consolidated loss attributable to members of the Company for the financial year was \$6,394,000 (2019: \$2,774,000).

5. Dividends

No dividends have been declared in relation to the 2020 financial year.

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6. Review of operations

Revenue from operations for the year was higher than revenues for 2019 at \$85,148,000 compared to \$83,014,000 with operating expenses increasing by \$5,511,000 or 7.0% year on year. Revenues and operating expenditure include trading results for TCB Media Rights for the period 15 April 2020 to 30 June 2020.

Net loss after tax before minority interests is \$6,066,000 for the 2020 financial year – this compares unfavourably to the loss after tax before minority interests of \$2,739,000 reported for the 2019 financial year.

Net cash flow from operating activities was \$2,446,000 (2019: \$1,899,000).

Net cash increased by \$3,011,000 in the 2020 financial year. This included loan drawdowns of \$4,000,000 in relation to the revolving bill facility established with St George. The funds were used to acquire TCB Media Rights Limited (TCB). A further \$4,195,000 was drawn from Comerica Bank to fund the production of Halifax Retribution. The amount drawn from Comerica is secured against Australian tax credits, state government grants and international sales. A further \$441,000 was received as a non-recourse loan from the US Government under the Paycheck Protection Program.

The Company received \$775,000 in Job Keeper support to 30 June 2020.

Television Productions and Copyright Segment

Television production revenue decreased by \$1,229,000 or 2.7% to \$44,312,000. The segment received \$460,000 in Job Keeper support to 30 June 2020.

In 2019 the net “copyright income” from the further exploitation of the programs by Beyond Distribution was \$3,851,000 compared to \$2,783,000 in 2019.

Segment operating EBIT for the 12-month period increased 3.6% to \$3,958,000 (2019: \$3,821,000).

The television series produced for the US market during the year includes returning titles Deadly Women (series 13 and 14) and My Lottery Dream Home (series 8 and 11). New commissions in the year include The Invisibles, White Heat Down Under and Holiday Gingerbread Showdown 2.

Australian program commissions during the period include Halifax Retribution, 2020 Santos Tour Down Under, Love It Or List It Australia 4, and season 13 of Selling Houses Australia. A number of Australian programming commissions were delayed due to COVID-19, with commissioning likely to occur in the first half of the 2021 financial year.

The 7Beyond joint venture result for the current year includes a 49.02% share of net operating profits of \$83,000. This is a decline to the share of profits in 2019 of \$1,105,000. Production of a number of programmes in the USA were delayed as a consequence of COVID-19, with commissioning likely to occur in the first half of the 2021 financial year. The venture has received a commission from HGTV for My Dream Lottery Home seasons 11 and 12 in the 2020 financial year with production to take place in the 2021 financial year.

TV and Film Distribution Segment (Beyond Distribution)

Segment revenue has increased by \$6,760,000 or 31.9% to \$27,966,000 compared to the corresponding 12-month period (2019: \$21,206,000). The improvement in revenue is due to the

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acquisition of TCB in April 2020. Revenues for TCB from the date of acquisition to 30 June 2020 was \$6,715,000.

The segment loss for the twelve months was \$74,000 compared to \$1,620,000 in 2019. Profitability was impacted by restructuring costs incurred as a consequence of acquiring TCB of \$1,000,000, the write-off of advances paid to third party producers that are not expected to be recouped (\$681,000), and a number of 3rd party produced programmes not being delivered for sale because of COVID-19.

During the year successful sales were achieved for in house produced series', which include Deadly Women, Mythbusters and The Invisibles.

The most successful third-party products sold were Highway Thru Hell, the Love It Or List It franchise, Chasing Monsters, Heavy Rescue 401 and Abandoned Engineering.

Home Entertainment Segment (BHE)

Revenue decreased to \$5,600,000 or 25.5% compared to the corresponding 12-month period (2019: \$7,515,000).

BHE recorded a loss of \$8,573,000 in the 2020 financial year compared to a loss of \$2,210,000 in the 2019 year.

The total physical DVD market contracted 25% for the twelve-months ending 30 June 2020 (2019: 22% decline).

During the second half of the financial year, the decision was taken by the Board to exit the home entertainment segment. Beyond has reached agreement with key licensors to novate contracts for programming to Regency Media, including AETN, Pokemon, AFL and NRL. The decision to exit has meant that a review of the carrying value of assets has been undertaken, with significant impairments relating to goodwill, inventory, unrecouped advances and pre-paid marketing expenditure being booked in the year ending 30 June 2020. The total write-down and impairment booked was \$6,283,000.

Home Entertainment (\$,000)	FY20	FY19	Variance	%
Total Revenues	5,648	7,515	(1,867)	(24.8%)
EBITDA	(567)	481	(1,047)	NMF
Impairments & write-downs:				
Inventory	(1,618)	-	(1,618)	-
Unrecouped advances	(1,532)	(150)	(1,382)	NMF
Goodwill	(1,699)	-	(1,699)	-
Prepaid marketing costs	(635)	-	(635)	-
Prepaid pick, pack & ship costs	(799)	-	(799)	-
	(6,283)	(150)	(6,133)	NMF
Depreciation & Amortisation	(1,723)	(2,540)	817	(32.2%)
Operating EBIT	(8,573)	(2,210)	(6,363)	NMF

A further \$223,000 of goodwill write-down relating to BHE was booked in the Other segment.

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Digital Marketing Segment (Beyond D)

Segment revenue has decreased by \$1,821,000 or 22% to \$6,573,000 compared to the corresponding 12-month period (2019: \$8,394,000). The decline in revenue was due to sluggish sales in the December 2019 quarter and the impact of COVID-19 from March 2020 as lockdowns and restrictions took effect.

The division reported a loss before impairments of \$1,070,000 for the 12 months compared to a profit of \$486,000 in 2019. After allowing for the impairment of goodwill of \$1,130,000, the division reported a loss of \$2,200,000.

7. Significant changes in the state of affairs

On 14 April 2020 Beyond acquired 100% of the share capital of TCB Media Rights Limited, a television distribution business based in the United Kingdom, from Kew Media Group, Inc.

8. Matters subsequent to the end of the financial year

As at 30 June 2020 the Group was in breach of its banking covenants. On 31 August 2020, the bank waived the covenant breaches.

The Group acquired 100% of the share capital of Seven West Studios Limited (incorporated in the United Kingdom) from Seven West Media Limited on 9 July 2020. The Group also acquired the remaining 50.98% ownership in 7Beyond Media Rights Limited (incorporated in the Republic of Ireland) that it didn't already own from Seven Network (Operations) Limited on the same date.

Effective from 1 July 2020, the operations of BHE have been transferred to Regency Media. BHE will continue to recoup costs of inventory and unrecouped advances from sales of existing inventory, as well as a small share of net revenue.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected or may significantly affect the Group's operations, the results of those operations or the Group's state of affairs in future years.

9. Likely developments and expected results of operations

Since April 2020 the Company has executed four important transactions:

1. In April 2020 the Company acquired 100% of the issued capital of TCB Media Rights Ltd. (TCB), a London based international media rights distribution business. Since that time, we have implemented a number of management changes in the Company's distribution business including appointing an experienced media executive as CEO of TCB, now Beyond Rights Limited, our existing media distribution company in England, Beyond Distribution (UK) Limited (Beyond Distribution) and a number of other entities.

A re-organisation of TCB and Beyond Distribution is in progress. Unfortunately, a number of employee redundancies are anticipated at both companies. If confirmed, the resulting expenses will be brought to account in the 2021 financial year but offset largely by synergistic

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benefits. This acquisition combined with our existing media distribution operations will significantly increase the market share and revenues of the media rights business and materially improve profitability in FY 2021 and thereafter.

The acquisition of TCB resulted in a discount on acquisition of \$9,036,000 being booked and the acquisition was funded using the Groups existing banking facilities.

2. In July 2020 the Company acquired 100% of the issued capital of Seven Studios (UK) Limited (SSUK) from the Seven West Media Ltd (ASX: SWM) group. This acquisition has resulted in Beyond now producing a new 8-part series for the BBC in August called "Pooch Perfect" and "My Lottery Dream Home International" will be produced for HGTV in FY 2021.

This corporate acquisition provides the Company with a highly regarded senior creative executive team in the UK which has a track record of having programs commissioned by UK broadcasters.

Beyond Rights will distribute the UK and Australian completed versions of Pooch Perfect and has secured the international format rights to the program.

3. In July 2020 the Company took complete control of 7Beyond Media Rights Ltd (7 Beyond) by acquiring the remaining 50.98% ownership of 7Beyond it did not previously own. The US based operations of 7Beyond will merge with Beyond Productions and will be led locally by an experienced team of experienced media executives to strengthen the Company's production and development activities with the US media platforms.

As noted Beyond has a number of long running series commissioned in the USA including My Lottery Dream Home and Deadly Women for production in FY 2021. In addition, a US version of Pooch Perfect is planned for production in the first half of this financial year.

Since July 2020 the US business has secured three new series orders from US platforms for production in the 2021 financial year.

The funding of the acquisitions of 7Beyond and SSUK is from the Company's existing banking facilities and operational cash flows.

4. In July 2020 the Company entered into a transaction with Regency Media Pty Limited (Regency) to sell and distribute the existing Beyond Home Entertainment (BHE) inventory and assume the role of contracting party to all material license agreements previously contracted to BHE. As a result, a number of staff were made redundant in the 2020 FY with additional redundancies to take place in September 2020 as Regency will manage the DVD program catalogue.

Details of the non-cash impairments resulting from this transaction are detailed above with no further losses forecast from the BHE business in FY 2021.

The Company is now set up to focus on two core activities :

- The development and creation of media content in the English language from its production operations in the USA, UK and Australia; and
- The distribution and licensing of completed media content to international market.

The impact of the above-mentioned corporate transactions combined with the existing production and distribution activities will materially increase the revenue and profits that the Company will derive in

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the 2021 financial year and the Company is projected to return to EBIT and NPAT profit in the 2021 financial year.

10. Information on Directors & Company Secretary

Name	Qualifications & experience	Special responsibilities	Directors' interests in shares of Beyond International Limited
I Ingram BA, Bsc(Econ), Honours Barrister at Law	Chairman of Winchester Investments Group Pty Ltd and Sealion Media Ltd as well as Chairman of various private venture capital and investment companies. Member of the Board since 1986	Chairman, member of the Audit Committee, member of the Remuneration Committee, and Chairman of the Nomination Committee.	19,487,059 direct/indirect
M Borglund B.Bus, CA	Extensive management & finance experience. Former member of the board of the Australian Film Institute. Member of the Board since 1990	Managing Director, CEO and member of the Nomination Committee.	3,150,949 direct/indirect
A Lee BA, MBA	Director of Aberon Pty Ltd, a private investment company, a substantial shareholder in the company. Member of the Board since 1990	Non-Executive Director, Chairman of the Audit Committee, member of the Remuneration Committee, and member of the Nomination Committee.	5,474,997 direct/indirect
Ian Robertson LL.B. BComm, FAICD	A media and corporate lawyer who heads the media and entertainment practice of national law firm Holding Redlich and is the Managing Partner of the firm's Sydney office. He is President of the Board of the Victorian Government screen agency Film Victoria, and the former Deputy Chair of the Australian Government film agency Screen Australia. Member of the Board since 2006	Non-Executive Director, Chairman of the Remuneration Committee and member of the Nomination Committee.	110,000 direct/indirect
Paul Wylie BA Acctg, CPA	Extensive media finance experience with over 30 years in broadcast and subscription television and television production industries. Company Secretary roles for a number of entities during this period	General Manager, Finance Company Secretary	2,000 Indirect

The particulars of Directors' interests in shares are as at the date of this report. No changes in Directors' interests in shares has occurred from the year ended 30 June 2020.

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11. Directors' meetings

The numbers of meetings of the Company's Board of Directors and of each Committee held during the financial year ended 30 June 2020, and the number of meetings attended by each Director was:

Board of Directors Meetings			Audit Committee Meetings		Remuneration Committee Meetings		Nomination Committee Meetings	
Director	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
I Ingram	14	14	2	2	2	2	2	2
M Borglund	14	14	-	-	-	-	2	2
A Lee	14	14	2	2	2	2	2	2
I Robertson	14	14	-	-	2	2	2	2

12. Indemnification and insurance of Directors and officers

The Company has entered into agreements to indemnify all Directors of the Company named in section 1 of this report, and current and former executive officers of the Group, against all liabilities to persons (other than the Company or a related body corporate) which arise out of the performance of their normal duties as Director or executive officer, unless the liability relates to conduct involving a lack of good faith. The Group has agreed to indemnify the Directors and executive officers against all costs and expenses incurred in defending an action that falls within the scope of the indemnity and any resulting payments.

The Group paid insurance premiums totalling \$37,070 (2019: \$25,700) in respect of Directors' and officers' liability insurance. The policy does not specify the premium of individual Directors and executive officers.

The directors' and officers' liability insurance provides cover against all costs and expenses involved in defending legal actions, and any resulting payments arising from a liability to persons (other than the Company or a related body corporate) incurred in their position as Director or executive officer, unless the conduct involves a wilful breach of duty or an improper use of inside information or position to gain advantage.

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13. Remuneration report (Audited)

A) Remuneration Policy

The broad approach by the Group to remuneration is to ensure that remuneration packages:

- properly reflect individual's duties and responsibilities;
- are competitive in attracting, retaining and motivating staff of the highest quality; and
- uphold the interests of shareholders.

The remuneration policies adopted are considered to have contributed to the growth of the Group's profits and shareholder benefit by aligning remuneration with the performance of the Group.

B) Remuneration Approach – Non-Executive Directors

Non-Executive Directors are remunerated from a maximum aggregate amount of \$350,000 per annum.

Current rates effective 1 October 2013 paid to Non-Executive Directors are:

Chairman	\$188,025 p.a.
Non-Executive Director	\$50,000 p.a.

Additional Duties

Chairman of a board committee	\$10,000 p.a.
Member of a board committee	\$5,000 p.a.

The Board's policy is to remunerate Non-Executive Directors at market rates from comparable companies having regard to the time commitments and responsibilities assumed.

There are no termination payments to Non-Executive Directors on retirement from office other than payments relating to their accrued superannuation entitlements.

C) Contractual Arrangements – Key management personnel

Name	Position	Duration of contract	Period of Notice to Terminate the Contract
M Borglund	Managing Director	No Fixed term	Either party may terminate on twelve months' notice
J Luscombe	General Manager - Productions & Senior Vice President	No Fixed term	Either party may terminate on twelve months' notice
P Tehan	General Manager - Legal & Business Affairs	No Fixed term	One-month notice given by either party
M Murphy ¹	Executive Director - Ireland	No Fixed term	Twelve weeks' notice given by either party
K Llewellyn-Jones ²	Chief Executive Officer – Beyond Rights	No Fixed term	Six months' notice given by either party

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P Wylie	General Manager - Finance & Company Secretary	No Fixed term	Three months' notice given by either party
P Maddison	General Manager - Home Entertainment	No Fixed term	One-month notice given by either party
J Ward	General Manager - Digital Marketing	No Fixed term	Three months' notice given by either party

The contracts referred to are currently on foot and variously part performed as to the duration of them. The contracts are terminable by the Company in the event of serious misconduct or non-rectified breach. Only remuneration that is due but unpaid up to the date of termination and normal statutory benefits will be paid in these circumstances.

1. Mr. Michael Murphy's role changed on 24 July 2020 from General Manager – Distribution to Executive Director – Ireland.
2. Ms. Katy Llewellyn-Jones was appointed Chief Executive Officer – Beyond Rights on 24 July 2020

D) Key Management Personnel Remuneration

The Board undertakes an annual review of its performance and the performance of the Board Committees against goals set at the start of the financial year. Any performance related bonuses are available to executives of the Company and thus no bonuses are payable to Non-Executive Directors. Any performance related bonuses will be based on the divisional net profit before tax exceeding the annual budget approved by the Board prior to the commencement of the relevant financial year by a minimum percentage and achieving pre-agreed KPI's. Details of the nature and the remuneration of each Director of Beyond International Limited and each of the six executives with the greatest authority for the strategic direction and management of the Company and the Group are set out in the following tables.

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Directors of Beyond International Limited

2020

Name	Salary & Fees*	Bonus	Non-monetary benefits	Post-employment benefits (superannuation)	Other Long-Term Benefits (Leave)	Share based payments	Total	Share based payments % of Total
M Borglund	\$756,420	-	-	\$21,003	\$53,731	-	\$831,154	0%
I Ingram	\$94,013	-	-	-	-	-	\$94,013	0%
A Lee	\$41,096	-	-	\$3,904	-	-	\$45,000	0%
I Robertson	\$41,096	-	-	\$3,904	-	-	\$45,000	0%
Total	\$932,625	-	-	\$28,811	\$53,731	-	\$1,015,167	0%

Mikael Borglund's bonus as a percentage of his salary and fees is 0% (2019: 0%).

* Reflects reduction in remuneration due to COVID-19

2019

Name	Salary & Fees	Bonus	Non-monetary benefits	Post-employment benefits (superannuation)	Other Long-Term Benefits (Leave)	Share based payments	Total	Share based payments % of Total
M Borglund	\$782,361	-	-	\$20,531	\$58,281	-	\$861,173	0%
I Ingram	\$188,025	-	-	-	-	-	\$188,025	0%
A Lee	\$54,795	-	-	\$5,205	-	-	\$60,000	0%
I Robertson	\$54,795	-	-	\$5,205	-	-	\$60,000	0%
Total	\$1,079,976	-	-	\$30,941	\$58,281	-	\$1,169,198	0%

Mikael Borglund is the only Executive Director employed by Beyond International Limited.

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For the 2020 financial year the Group did not exceed the budget by the set criteria and as such Mikael Borglund was not entitled to a performance bonus. During the 2019 financial year the Group did not exceed the budget by the set criteria and as such Mikael Borglund was not entitled to a performance bonus.

Executive Officers' Remuneration

2020

Name	Salary & Fees*	Bonus	Non-monetary benefits	Post-employment benefits (superannuation)	Other Long-Term Benefits (Leave)	Termination Benefits	Share based payments	Total	Share based payments % of Total
J Luscombe	\$580,135	\$158,025	-	\$21,003	\$47,640	-	-	\$806,803	0%
P Wylie	\$263,153	-	-	\$21,003	\$14,191	-	-	\$298,347	0%
M Murphy	\$341,078	-	-	\$18,206	\$3,023	-	-	\$362,307	0%
P Tehan	\$240,060	-	-	\$20,940	\$9,937	-	-	\$270,874	0%
P Maddison**	\$501,335	-	-	\$21,003	(\$131,555)	83,734	-	\$474,517	0%
J Ward	\$230,257	-	-	\$20,720	\$8,185	-	-	\$259,162	0%
Total	\$2,156,018	\$158,025	-	\$122,875	(\$48,578)	83,734	-	\$2,472,074	0%

* Reflects reduction in remuneration due to COVID-19

** Resigned in June 2020

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2019

Name	Salary & Fees	Bonus	Non-monetary benefits	Post-employment benefits (superannuation)	Other Long-Term Benefits (Leave)	Termination Benefits	Share based payments	Total	Share based payments % of Total
J Luscombe	\$591,594	\$427,964	-	\$20,531	\$25,397	-	-	\$1,065,486	0%
P Wylie	\$264,822	-	-	\$20,531	\$11,649	-	-	\$297,002	0%
T McGee*	\$256,963	-	-	\$20,531	(\$86,138)	152,344	-	\$343,700	0%
M Murphy	\$339,617	-	-	\$17,450	\$1,995	-	-	\$359,062	0%
P Tehan	\$241,582	-	-	\$20,528	(\$801)	-	-	\$261,309	0%
P Maddison	\$354,177	-	-	\$20,531	\$16,530	-	-	\$391,238	0%
J Ward	\$260,493	-	-	\$20,531	(\$16,204)	-	-	\$264,820	0%
Total	\$2,309,248	\$427,964	-	\$140,633	(\$47,572)	152,344	-	\$2,982,617	0%

Mr. Tim McGee resigned on 28 June 2019.

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John Luscombe's bonus as a percentage of his salary and fees is 27% (2019: 72%). The bonus calculation is based on the financial performance of programs created and produced, and divisional net profit before tax performance to budget.

During the 2020 financial year, the Group did not exceed the budget by the set criteria or for the individual divisions. As such no executives, other than John Luscombe were entitled to a performance bonus. This has been received and is detailed above.

In the 2019 financial year the budget criteria were not met and consequently those executives other than John Luscombe were not entitled to this bonus.

Executive Officers' Shareholdings

2020

Entity	Opening Balance 1.07.2019	No. Acquired (On Mkt)	No. Acquired (Off Mkt)	No. Acquired (ESS)	No. Disposed	Closing Balance 30.06.2020
J Luscombe	273,478	-	-	-	-	273,478
P Tehan	75,000	-	-	-	-	75,000
P Maddison	50,000	-	-	-	-	50,000
P Wylie	2,000	-	-	-	-	2,000
M Murphy	-	-	-	-	-	-
J Ward	-	-	-	-	-	-
	400,478	-	-	-	-	400,478

2019

Entity	Opening Balance 1.07.2017	No. Acquired (On Mkt)	No. Acquired (Off Mkt)	No. Acquired (ESS)	No. Disposed	Closing Balance 30.06.2018
J Luscombe	273,478	-	-	-	-	273,478
T McGee	75,000	-	-	-	-	75,000
P Tehan	75,000	-	-	-	-	75,000
P Maddison	50,000	-	-	-	-	50,000
P Wylie	2,000	-	-	-	-	2,000
M Murphy	-	-	-	-	-	-
J Ward	-	-	-	-	-	-
	475,478	-	-	-	-	475,478

Transactions with other related parties

J Luscombe is a director of Ryzara Pty Ltd. The company has received payments for services rendered by J Luscombe during the year. These fees are included as part of the Executive Remuneration disclosed in Note 33 and the Director's Report.

Voting and Comments made at the Company's 2019 Annual General Meeting (AGM)

The company received 99.5% of "for" votes in relation to its remuneration report for the year ended 30 June 2019. The company did not receive any specific feedback at the AGM regarding its remuneration policy.

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Beyond International Employee Share Plan

The Board has adopted an employee share plan (note 30) under which employees and Directors of the Group may subscribe for shares in the Company using funds loaned to them by the Group. The Board has also adopted a share plan on substantially the same terms for consultants of the Group (Consultant Plan). The purpose of the Employee Share Plan is to:

- assist in the retention and motivation of employees and Directors of the Group by providing them with a greater opportunity to participate as shareholders in the success of the group; and
- create a culture of share ownership amongst the employees of the Group. The employee share plan was approved by shareholders at the Company's extraordinary general meeting on 12th April 2006.

2,587,500 shares were originally issued under the Employee Share Plan to eligible employees and Directors and the Group has entered into loan agreements with participants to provide the funds necessary to subscribe for those shares. Shares have been issued in accordance with the Employee Share Plan rules. There are 1,525,000 shares still subject to the Employee Share Plan.

Under the Employee Share Plan rules the Board of the Group has the power to decide which full time or permanent part-time employees and Directors of the Group will participate in the Employee Share Plan and the number of shares offered to each participant. The number of shares offered to be issued under the Employee Share Plan and Consultants Plan in a five-year period must not exceed 5% of the total number of issued shares at the time of the offer, disregarding certain share issues.

The shares granted under the Employee Share Plan may be subject to any restrictions the Board considers appropriate and the Board may implement any procedure the Board considers appropriate to restrict the disposal of shares acquired under the Employee Share Plan. The Board also has the power to vary or terminate the Employee Share Plan at any time, subject to the ASX Listing Rules and the Corporations Act 2001.

Below are the key financial indicators for the previous 5 years.

	EBIT	Net Profit/(Loss)	EPS	NTA*	Total Equity	Dividends
	000s	000s	(Cents per share)	(Cents per share)	000s	(Cents per share)
2016	5,553	5,317	8.67	61.37	43,326	10.00
2017	(8,195)	(7,469)	-12.18	44.37	32,085	2.00
2018	354	(707)	(1.15)	42.67	30,919	0.00
2019	(1,577)	(2,774)	(4.52)	38.00	27,993	0.00
2020	(6,332)	(6,394)	(10.42)	34.00	21,048	0.00

* NTA includes right of use assets

This concludes the remuneration report that has been audited.

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14. Total number of employees

The total number of fulltime equivalent employees employed by the Group at 30 June 2020 was 112 as compared with 108 at 30 June 2019.

15. Shares under option

At the date of this report, there are no un-issued ordinary shares of Beyond International Limited under option.

16. Shares redeemed under the Employee Share Plan

No shares have been redeemed from the Beyond International Limited employee share plan during or since the end of the financial year. No further shares have been approved by the Board of Directors under this plan.

17. Environmental regulations

The Group has assessed whether there are any particular or significant environmental regulations which apply to it and has determined that there are none.

18. Corporate Governance Statement

Please see the following URL of the company website page where the statement is located.

<http://www.beyond.com.au/corporate/corporate-governance>

19. Rounding of amounts

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial Director's Report) Instrument 2016/191, issued by the Australian Securities and Investment Commission, relating to the "rounding off" of amounts in the report. Amounts in the financial report have been rounded off in accordance with that Legislative instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

20. Proceedings on behalf of Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES
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DIRECTORS' REPORT

21. Non audit services

During the year BDO, the Company's auditor, delivered tax services and performed audits in relation to non-statutory submissions.

The following fees for non-audit services were paid/payable to BDO and other BDO Network firms per note 5(c) during the year ended 30 June 2020:

Tax compliance and other assurance services	\$82,668
---	----------

When considering BDO to provide additional services the Board considers the non-audit services provided to ensure it is satisfied that the provision of these non-audit services by the auditor is compatible with and will not compromise the auditor independence requirements of the Corporations Act 2001. In particular it ensures that:

- All non-audit services are reviewed and approved by the Audit Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- Non-audit services provided do not undermine the general principles relating to audit in a management or decision-making capacity for the Company, acting as an advocate for the Company, or jointly sharing risks and rewards.

22. Auditors independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included on page 18 of the Directors' Report.

Auditor details


BDO East Coast Partnership resigned from office in accordance with section 329(5) of the *Corporations Act 2001* on 4 August 2020.

BDO Audit Pty Ltd was appointed the Company's Auditor by resolution at a Board meeting held on 25 June 2020.

In accordance with section 327C of the Act, a resolution will be proposed at the 2020 Annual General Meeting to confirm the appointment of the Company's auditor.

This report is made in accordance with a resolution of the Board of Directors.

For and on behalf of the Board



Mikael Borglund
Managing Director
8 September 2020
Sydney

DECLARATION OF INDEPENDENCE BY MARTIN COYLE TO THE DIRECTORS OF BEYOND INTERNATIONAL LIMITED

As lead auditor of Beyond International Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Beyond International Limited and the entities it controlled during the financial year.



Martin Coyle
Director

BDO Audit Pty Ltd

Sydney, 8 September 2020

BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES

ABN 65 003 174 409

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	Consolidated Entity	
		2020 \$000's	2019 \$000's Restated *
Revenue from continuing operations	5 (a)	85,148	83,014
Other income	5 (a)	10,433	411
Share of profits of joint ventures and investments in associates accounted for using the equity method	17	83	1,105
Royalty expense		16,304	11,887
Production costs		39,434	39,119
Home entertainment direct costs		3,695	5,015
Digital marketing direct costs		5,608	5,807
Administration costs		3,675	2,894
Employee benefits expense		16,118	15,014
Finance costs	5 (b)	518	598
Provisions		450	168
Depreciation, amortisation, impairment expense and write-down of content assets expense	5 (b)	16,679	6,185
Loss on disposal of property, plant and equipment	5 (b)	26	-
Loss before income tax	5 (b)	(6,842)	(2,157)
Income tax benefit/(expense)	6 (a)	776	(582)
Loss after income tax for the year		(6,066)	(2,739)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation		(880)	(74)
Other comprehensive income for the year, net of tax		(880)	(74)
Total comprehensive income for the year		(6,946)	(2,813)
Loss is attributable to:			
Owners of Beyond International Limited		(6,394)	(2,774)
Non-controlling interest		328	35
		(6,066)	(2,739)
Total comprehensive income for the year is attributable to:			
Owners of Beyond International Limited		(7,274)	(2,848)
Non-controlling interest		328	35
		(6,946)	(2,813)
Earnings per share attributable to the owners of Beyond International Limited		Cents	Cents
Basic and diluted loss per share	7	(10.4)	(4.5)
Dividends per share	26	-	-

* refer note 3 for details regarding the restatement as a result of an error.

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES
ABN 65 003 174 409
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

		Consolidated Entity	
	Note	2020	2019
		\$000's	\$000's
			Restated *
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		8,183	5,172
Trade and other receivables	9	29,268	22,817
Current tax receivables		493	506
Inventories	10	689	2,959
Other current assets	11	15,916	11,757
TOTAL CURRENT ASSETS		54,550	43,211
NON-CURRENT ASSETS			
Trade and other receivables	9	927	3,338
Investments accounted for using the equity method	17	914	814
Property plant and equipment	13	820	1,677
Right-of-use assets	14	3,424	6,026
Intangible assets	15	194	4,600
Deferred tax assets	6(c)	3,468	174
Other non-current assets	11	10,803	7,826
TOTAL NON-CURRENT ASSETS		20,549	24,455
TOTAL ASSETS		75,099	67,666
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	16	10,297	6,403
Employee benefits	18	3,861	3,749
Current tax liabilities	6(d)	105	328
Other financial liabilities	19	6,252	2,058
Lease liabilities	21	1,795	1,571
Other current liabilities	20	23,725	18,688
Borrowings	22	4,510	67
TOTAL CURRENT LIABILITIES		50,545	32,865
NON-CURRENT LIABILITIES			
Deferred tax liabilities	6(c)	1,186	1,336
Employee benefits	18	186	227
Lease liabilities	21	2,011	4,724
Other non-current liabilities	20	124	521
TOTAL NON-CURRENT LIABILITIES		3,507	6,808
TOTAL LIABILITIES		54,051	39,673
NET ASSETS		21,048	27,993
EQUITY			
Issued capital	23	34,018	34,018
Reserves	24	(623)	257
Accumulated losses		(12,647)	(6,316)
Non-controlling interests		300	34
TOTAL EQUITY		21,048	27,993

* refer note 3 for details regarding the restatement as a result of an error.

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES
ABN 65 003 174 409
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Issued capital	Reserves	Accumulated losses	Total	Non-controlling interests	Total equity
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Balance at 01 July 2019 restated*	34,018	257	(6,316)	27,959	34	27,993
Loss for the year	-	-	(6,394)	(6,394)	328	(6,066)
Other comprehensive income for the year, net of tax	-	(880)	-	(880)	-	(880)
Total comprehensive income for the year	-	(880)	(6,394)	(7,274)	328	(6,946)
Transactions with owners in their capacity as owners:						
Minority interest losses transferred on cessation of operations.	-	-	62	62	(62)	-
Balance at 30 June 2020	34,018	(623)	(12,647)	20,747	300	21,048
Balance at 01 July 2018	34,018	331	(3,208)	31,141	(334)	30,807
Loss for the year (restated*)	-	-	(2,774)	(2,774)	35	(2,739)
Other comprehensive income for the year, net of tax	-	(74)	-	(74)	-	(74)
Total comprehensive income for the year	-	(74)	(2,774)	(2,848)	35	(2,813)
Minority interest losses transferred on cessation of operations.	-	-	(333)	(333)	333	-
Balance at 30 June 2019	34,018	257	(6,316)	27,959	34	27,993

* refer note 3 for details regarding the restatement as a result of an error.

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Notes	Consolidated Entity	
		2020 \$000's	2019 \$000's
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		97,515	90,507
Payments to suppliers and employees (inclusive of GST)		(94,962)	(87,141)
Receipts from government grants		775	-
Interest received		8	18
Finance costs paid	5(a)	(518)	(598)
Income tax paid (net of refunds)	5(b)	(372)	(887)
Net cash provided by operating activities	8(a)	2,446	1,899
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(116)	(768)
Investment in websites and databases	15	(226)	-
Prepaid royalties		(372)	(541)
Prepaid royalties recouped		707	287
Proceeds from disposal of property, plant and equipment		-	135
(Payments)/proceeds for investments and joint venture		(3,643)	726
Payments for purchase of business, net of cash acquired	27	(1,488)	-
Investments in development projects		(1,121)	(335)
Net cash flows used in investing activities		(6,260)	(498)
CASH FLOWS FROM FINANCING ACTIVITIES			
Drawdowns/(repayment) of borrowings (net)		8,636	(1,770)
Lease principal repayments		(1,812)	(1,716)
Net cash flows provided by/(used in) financing activities		6,824	(3,486)
Net increase/ (decrease) in cash held		3,011	(2,084)
Cash and cash equivalents at the beginning of the financial year		5,172	7,256
Cash and cash equivalents at the end of the financial year		8,183	5,172

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES
ABN 65 003 174 409
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1 Reporting Entity

Beyond International Limited is a company limited by shares, incorporated and domiciled in Australia and whose shares are publicly traded on the Australian Securities Exchange.

The financial report covers the consolidated entity of Beyond International Limited and its controlled entities (the Consolidated Entity and/or the Group) as at and for the year ended 30 June 2020.

The financial report of Beyond International Limited for the year ended 30 June 2020 was authorised for issue in accordance with a resolution of the Board of Directors on 08 September 2020.

2 Statement of Compliance

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards, as issued by the International Accounting Standards Board (IASB).

3 Significant accounting policies

This section sets out the significant accounting policies upon which the financial statements are prepared as a whole. Specific accounting policies are described in their respective notes to the financial statements. This section also shows information on new accounting standards, amendments and interpretations, and whether they are effective in the current or later years.

The accounting policies have been consistently applied to all periods presented in these financial statements, unless otherwise stated.

Basis of preparation

The financial report has been prepared on an accruals basis and is based on historical costs, except where stated. The Consolidated Entity has not adopted a policy of revaluing its non-current assets on a regular basis. Non-current assets are revalued from time to time as considered appropriate by the directors and are not stated at amounts in excess of their recoverable amounts.

These financial statements are presented in Australian dollars, which is the Group's functional currency.

Rounding

The Consolidated Entity is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191 and in accordance with that Corporations Instrument, amounts in the directors' report and the financial statements are rounded off to the nearest thousand, or in certain cases, the nearest dollar.

BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Beyond International Limited ('company' or 'parent entity') as at 30 June 2020 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Consolidated Entity. Losses incurred by the Consolidated Entity are attributed to non-controlling interest in full, even if that results in a deficit balance until the point at which the operations of the minority interest ceases. Any residual balance is then subsequently reclassified to the retained earnings.

Where the Consolidated Entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Consolidated Entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

A list of controlled entities is contained in Note 31 to the financial statements. Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Foreign Operations

Transactions denominated in a foreign currency are converted to Australian currency at the exchange rate at the date of the transaction. Foreign currency receivables and payables at the reporting date are translated at exchange rates at the reporting date. Exchange gains and losses are brought to account in determining the profit or loss for the year.

Exchange gains and losses arising on forward foreign exchange contracts entered into as hedges of specific commitments are deferred and included in the determination of the amounts at which the transactions are brought to account. Specific hedging is undertaken in order to avoid or minimise possible adverse financial effects of movements in foreign exchange rates. If the hedging transaction is terminated prior to its maturity date and the hedged transaction is still expected to occur, deferral of any gains and losses which arose prior to termination continues, and those gains and losses are included in the measurement of the hedged transaction.

BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

In those circumstances where a hedging transaction is terminated prior to maturity because the hedged transaction is no longer expected to occur, any previous deferred gains or losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income at the date of termination. All exchange gains and losses relating to other hedge transactions are brought to account in the Statement of Financial Position in the same period as the exchange differences on the items covered by the hedge transactions. Costs on such contracts are expensed as incurred.

Exchange gains and losses on the other hedge transactions entered into as hedges of general commitments are brought to account in the Statement of Profit or Loss and Other Comprehensive Income in the financial year in which the exchange rate changes.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Assets and liabilities of overseas controlled entities and branches are translated at exchange rates existing at the reporting date and the exchange gain or loss arising on translation is carried directly to a foreign currency translation reserve.

Goods and Services Tax ("GST") and Value Added Tax ("VAT")

Revenues, expenses and assets are recognised net of the amount of GST, except when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are presented in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Use of judgements and estimates

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates.

BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Sections within this financial report whereby estimates and judgments have a material impact are as follows:

- The recoverability of distribution advances and prepaid royalties detailed in Note 11.
- The recoverability of capitalised development costs detailed in Note 11.
- The recoverability of capitalised production costs detailed in Note 11.
- The valuation of goodwill detailed in Note 15.
- The recoverability of deferred tax assets as detailed in Note 6.
- The valuation of right-of-use-assets and the lease liability values as detailed in Note 14 and 21.
- The valuation of employee benefits in Note 18.
- Uncertain tax positions in Note 6.

New standards and interpretations

The Group has adopted Interpretation AASB 23 Uncertainty over income tax treatments for the first time in the current year. Interpretation 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires an entity to:

- Determine whether uncertain tax positions are assessed separately or as a group, and
- Assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to
 - If yes, the Group should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.
 - If no, the Group should reflect the effect of uncertainty in determining its accounting tax position using either the most likely amount or the expected value method.

Management regularly review the transactions with other Beyond related entities and engage tax specialists where required to assess the appropriate tax treatment. Whilst some judgement is required, management are not currently aware of any uncertain tax treatment that would result in a material liability at the reporting date. Additionally, the Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of interpretations of tax law and prior experience.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2020. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2020 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the consolidated entity has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the consolidated entity may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the consolidated entity's financial statements.

BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES
ABN 65 003 174 409
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Going Concern

For the year ended 30 June 2020, the Consolidated Entity made a loss after income tax of \$6,066,000 (2019: loss of \$2,739,000) and was in breach of its banking covenants as disclosed in Note 22.

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business.

During the financial year, the World Health Organisation (WHO) announced a global health emergency because of a new strain of coronavirus outbreak (COVID-19) and the risks to the international community as the virus spread globally beyond its point of origin. Because of the rapid increase in exposure globally, on 11 March 2020, the WHO classified the COVID-19 outbreak as a pandemic.

The COVID-19 pandemic has caused large scale disruption and adverse economic conditions, the impact of which continues to evolve as at the date of authorisation of the Group's financial statements. Whilst the pandemic has impacted most sectors of the economy in different ways (both positive and negative), the Group's operations have most notably been effected by the delay in a number of scheduled productions due to social distancing requirements, the flow on effect which has also delayed the distribution of these programs within the distribution segment. The impact of this among other items has resulted in the Group recognising a loss after income tax for the financial year of \$6,066,000 (2019: \$2,739,000) .

Notwithstanding the above, the Directors believe that there are reasonable grounds to conclude that the Group will continue as a going concern, after consideration all of the following factors:

- ◆ As at 30 June 2020, the Group reported net current assets of \$4,005,000 (2019: \$10,346,000) and cash and cash equivalents of \$8,183,000 (2019: \$5,172,000);
- ◆ On 31 August 2020, the Group obtained a notice of waiver from the St George Bank waiving the event of default in respect to the breach of the Group's covenants imposed by St George for the financial year ended 30 June 2020;
- ◆ Management have prepared forecasts for the year ending 30 June 2021 which indicate that the Group can continue to pay its debts as and when they become due and payable for at least the twelve months from the date of authorisation of this report;
- ◆ The Group is expecting to achieve significant synergies and positive future cash flows from the acquisition of TCB Media Rights Limited during the 2021 financial year;
- ◆ Productions which were previously delayed as a result of COVID-19 social distancing requirements have either recommenced or expected to commence during the 2021 financial year; and
- ◆ In the event of continuing business challenges associated with the COVID-19 pandemic, management are confident in being able to manage working capital through the pursuit of operating efficiencies, re-negotiating financing facilities and accessing JobKeeper extensions where eligible.

Accordingly, the directors believe the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis of preparation of the consolidated financial report.

BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES
ABN 65 003 174 409
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Reclassification of comparatives

Comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Correction of error in calculating provision

During the year, Beyond Home Entertainment discovered a computational error in calculating the provision for producers share payable. The error resulted in an understatement of Beyond Home Entertainment direct costs recognised in 2019 and a corresponding understatement in the producers share payable and deferred tax liability.

The error has been corrected by restating each of the affected financial statement line items for the prior period as follows:

	2019	Movement	Restated
	\$000's	\$000's	2019
			\$000's
Statement of profit and loss (extract)			
Home entertainment direct costs	4,831	184	5,015
Loss before income tax	(1,973)	184	(2,157)
Income tax expense	(637)	(55)	(582)
Loss after income tax for the year	(2,610)	129	(2,739)
Balance sheet (extract)			
Producer share payable	10,308	184	10,492
Other current liabilities	18,504	184	18,688
Deferred tax liabilities	1,391	(55)	1,336
Net assets	28,122	(129)	27,993
Accumulated losses	(6,447)	129	(6,316)
Total equity			

BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

4. OPERATING SEGMENTS

Management, as the chief operating decision maker, has determined the operating segments based on the reports reviewed by the Board that are used to make strategic decisions. The Board considers the business on a global basis in the following four operating divisions:

1. TV production and copyright Production of television programming and ownership of television product copyright.

2. Film and Television distribution International distribution of television programmes and feature films.

3. Home Entertainment Distribution in Australia and New Zealand of DVDs.

4. Digital Marketing Online search optimisation, website creation, development and performance and online media sales in Australia and New Zealand.

Corporate benefit/(expense) Includes the parent entity, centralised administrative support services to the group comprising legal and business affairs, finance and human resources, in addition to internet development. None of these activities constitute a separately reportable business segment.

Geographical segments Although the Consolidated Entity's divisions are managed on a global basis they operate in four main geographical areas:

Australia The home country of the parent entity. The areas of operation include all core business segments.

North America A portion of the group's production, film and television sales are generated from North America, with production offices in Los Angeles.

Europe Substantial film and television distribution proceeds are derived from European markets. The group's head office for multinational activities is located in Dublin. This office is responsible for production and development, and for the acquisition and international sales of all television programmes and feature films. The Dublin office manages the direct sales and marketing activities of the office located in London, which represents the second overseas sales office base.

Rest of World The Rest of World comprises all other territories from which film and television distribution income is derived including the Middle East, Asia, and Latin America.

BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

4. OPERATING SEGMENTS (Continued)

Operating Segment	TV Production & Copyright		Film & Television Distribution		Home Entertainment		Digital Marketing		Other & Inter Segment Eliminations		Consolidation	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
REVENUE												
External revenues excluding fx, interest	44,312	45,541	27,966	21,206	5,600	7,515	6,573	8,394	(183)	357	84,268	83,014
Other income	460	-	45	-	48	-	143	-	184	-	880	-
Other segments	7,154	6,330	-	866	-	-	-	556	(7,154)	(7,752)	-	-
Total revenue	51,926	51,872	28,011	22,072	5,648	7,515	6,716	8,950	(7,153)	(7,395)	85,148	83,014
Result before fx, interest and D&A	5,781	5,179	929	2,237	(567)	481	(807)	747	(4,322)	(4,335)	1,014	4,309
Depreciation, amortisation and write-down of content assets	(3,275)	(1,359)	(1,003)	(617)	(1,723)	(2,540)	(263)	(261)	(1,231)	(1,258)	(7,495)	(6,035)
Gain on bargain purchase	-	-	-	-	-	-	-	-	9,036	-	9,036	-
Impairment of assets	-	-	-	-	(6,283)	(150)	(1,130)	-	(1,771)	-	(9,184)	(150)
Result before interest, fx & other unallocated expenses	2,506	3,821	(74)	1,620	(8,573)	(2,210)	(2,200)	486	1,712	(5,593)	(6,629)	(1,877)
Net interest expense											(510)	(580)
Foreign exchange gain											297	300
Loss before income tax											(6,842)	(2,157)
Income tax benefit/(expense)											776	(582)
Loss after income tax											(6,066)	(2,739)
Non-controlling interest portion of the (loss)											(328)	(35)
Loss for the year											(6,394)	(2,774)

BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES
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4. OPERATING SEGMENTS (Continued)

Operating Segment	TV Production & Copyright		Film & Television Distribution		Home Entertainment		Digital Marketing		Other & Inter Segment Eliminations		Consolidation	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
ASSETS												
Segment assets	19,755	15,474	50,691	29,686	1,313	9,886	2,219	3,829	(38,106)	(31,005)	35,870	27,870
Deferred tax assets & other non-current assets											3,468	174
Corporate assets											35,761	39,622
Total assets											75,099	67,666
LIABILITIES												
Segment liabilities	16,232	11,646	28,396	16,303	1,737	1,572	1,177	1,556	(5,313)	(1,578)	42,228	29,499
Deferred tax liabilities											1,186	1,336
Corporate liabilities											10,638	8,838
Total liabilities											54,051	39,673
Other												
Capital expenditure	80	252	3	-	120	243	7	5	241	268	452	768
Other non cash expenses	-	374	-	464	-	79	-	(11)	-	125	-	1,031
Impairment of assets	-	-	-	-	6,283	150	1,130	-	1,771	-	9,184	150

Geographical Information

	Segment revenues from external customers		Carrying amount of segment assets		Acquisition of non current segment assets	
	2020	2019	2020	2019	2020	2019
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Australia	40,794	33,884	20,568	33,068	278	752
North America	25,569	29,815	723	4,418	34	7
Europe	14,561	13,293	29,017	29,407	8	4
Rest of World	4,224	6,022	24,790	773	132	5
	85,148	83,014	75,099	67,666	452	768

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4. OPERATING SEGMENTS (Continued)

Notes to and forming part of the segment information

(a) Accounting policies Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. Segment assets include all assets used by a segment and consist primarily of operating cash, receivables, inventories, capitalised production and development costs, investments, distribution advances, inventories, property, plant and equipment and goodwill and other intangible assets, net of any related provisions. While most of these assets can be directly attributable to individual segments, the carrying amounts of certain assets used jointly by segments are allocated based on reasonable estimates of usage. Segment liabilities consist primarily of trade and other creditors, producers share payable, bills of exchange and employee entitlements.

(b) Other segments Segment revenues, expenses and results include transfers between segments. Such transfers are priced on an "arm's length" basis and are eliminated on consolidation.

(c) Major customers Included in each segment revenue total is revenue from customers in excess of 10% of total segment revenue. Total revenues relating to these customers are \$49m (2019: \$43m) within the TV Production & Copyright and Film & Television distribution segments, \$4.7m (2019: \$5.9m) within the Home Entertainment segment and \$1.4m (2019: \$1.4m) within the Digital Marketing segment.

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		Consolidated Entity	
		2020	2019
		\$000's	\$000's
5. REVENUES AND EXPENSES			
(a) Revenue and other income			
Revenue			
Sales revenue		83,656	82,009
Royalty revenue		1,492	1,004
Rental revenue		-	1
		85,148	83,014
Other income			
Net realised/unrealised foreign currency translation gains		297	300
Management service fees		213	86
External interest		8	18
Gain on the sale of property, plant and equipment		-	7
Gain on bargain purchase (note 27)		9,035	-
Other Items		880	-
Total revenue and other income		95,581	83,425

Recognition and measurement

Revenue from operating activities represents revenue earned from TV Productions & Copyright sales, Film & Television distribution, Home Entertainment sales, digital marketing sales and royalty revenue.

Revenue is recognised when the Group transfers control over a good or a service to a customer either at a point in time or over time. The following specific recognition criteria must also be met before revenue is recognised:

Revenue for TV Production and Copyright services are recognised over time as the production services are provided to the customer. Each customer contract for TV Production and Copyright services are unique to the customer and it has been determined that there is no alternative use of the production services to the Group. Under the TV Production and Copyright contracts with customers, the Group have an enforceable right to payment for the work completed to date. The input method for determining the amount of revenue to be recognised is assessed based on the costs incurred, which depicts the Group's transferring of the control of the production to the customer.

Revenue for Film & Television Distribution services are recognised at a point in time when the Broadcaster is able to exploit the distribution rights and when the IP rights have been delivered. Both internal and external title IP rights are delivered to the customer by episode.

Royalty revenue is recognised at a point in time, being once the revenue can be accurately estimated.

Revenue for Home Entertainment is recognised at the point in time when the goods have been accepted as delivered to the customer. For the consignment arrangements, revenue is recognised when the goods have been sold by the retailer to the end-customer.

Revenue for Digital Marketing services are recognised over time as the services are provided to the customer. The stage of completion for determining the amount of revenue to recognise is assessed based on either the costs incurred or the time elapsed, depending on which method best depicts the Group's transferring of the control to the customer.

Where amounts are invoiced before revenue is earned, a deferred revenue liability is brought to account. These contract liabilities reflect the consideration received in respect of unsatisfied performance obligations.

Other income includes jobkeeper government grant of \$775,000 which was received in the 2020 financial year. There are no unfulfilled conditions or other contingencies attached to these grants.

The acquisition of TCB Rights Ltd generated a gain on bargain purchase of \$9,035,000 refer (note 27).

Disaggregation of revenue from contracts with customers

The group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions:

	TV Production & Copyright		Film & Television Distribution		Home Entertainment		Digital Marketing		Other & Inter Segment Eliminations		Consolidation	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Geographical Regions												
Australia	33,996	23,495	2,927	5,288	5,536	7,324	3,861	4,871	(5,526)	(7,094)	40,794	33,884
North America	14,970	25,356	11,767	4,733	-	-	-	-	(1,168)	(274)	25,569	29,815
Europe	2,960	3,021	12,060	10,298	-	-	-	-	(459)	(27)	14,561	13,292
Rest of World	-	-	1,257	1,753	112	191	2,855	4,079	-	-	4,224	6,023
	51,926	51,872	28,011	22,072	5,648	7,515	6,716	8,950	(7,153)	(7,395)	85,148	83,014
Timing of Revenue Recognition												
Goods transferred at a point in time	-	-	28,011	22,072	5,648	7,515	-	-	-	-	33,659	29,587
Services transferred over time	51,926	51,872	-	-	-	-	6,716	8,950	(7,153)	(7,395)	51,489	53,427
	51,926	51,872	28,011	22,072	5,648	7,515	6,716	8,950	(7,153)	(7,395)	85,148	83,014

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		Consolidated Entity	
		2020	2019
		\$000's	\$000's
5. REVENUES AND EXPENSES (Continued)			
(b) Loss before tax includes the following:			
Bad and doubtful debts			
- Trade receivables (recovered)/written off during the period		(13)	2
- Trade receivables movement in provision (Note 9)		203	(10)
		<u>190</u>	<u>(8)</u>
Rental expense on operating leases			
- Variable payments not included in the measurement of lease liabilities		130	(27)
- Expenses relating to leases of low-value assets, excluding short term leases of low-value assets		68	78
		<u>199</u>	<u>51</u>
Finance costs			
- Interest expense on borrowings		140	152
- Interest expense on lease liabilities		378	445
		<u>518</u>	<u>598</u>
Loss on disposal of asset		26	-
Depreciation, amortisation and write-down of content assets			
- Property, plant and equipment assets (Note 13)		893	951
- Right-of-use assets (Note 14)		1,806	1,808
- Distribution Advances (Note 11)		681	451
- Prepaid Royalties (Note 11)		-	2,113
- Capitalised Production Costs (Note 11)		2,366	638
- Intangible assets (Note 15)		81	150
- Other assets (Note 11)		1,668	74
		<u>7,495</u>	<u>6,185</u>
Impairment			
- Goodwill (Note 15)		4,600	-
- Inventory (Note 10)		1,618	-
- Prepaid Royalties (Note 11)		2,652	-
- Other assets (Note 11)		314	-
		<u>9,184</u>	<u>-</u>
Total Depreciation, amortisation, impairment expense and write-down of content assets expense		16,679	6,185
Foreign exchange loss / (gain)			
Fair value decrease in derivative financial instruments		-	(161)
Other realised/unrealised foreign currency translation (gains)		(297)	(139)
		<u>(297)</u>	<u>(300)</u>
Superannuation guarantee expense		861	934
(c) Auditors' Remuneration		\$	\$
Remuneration of the auditor and their related network firms* of the parent entity and its controlled entities for:			
- Audit or review of the financial report		339,386	334,305
- Other assurance services		-	33,685
- Tax compliance services		64,024	32,912
Remuneration of network firms for:			
- Tax compliance services		18,644	35,512
Remuneration of other auditors of subsidiaries for:			
- Audit or review of the financial report		59,025	57,463
- Other assurance services		51,632	58,240
- Tax compliance services		15,352	11,614

* The BDO entity performing the audit of the Group transitioned from BDO East Coast Partnership to BDO Audit Pty Ltd on 4 August 2020. The disclosures include amounts received or due to be receivable by BDO East Coast Partnership, BDO Audit Pty Ltd and their respective related entities.

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6. INCOME TAX EXPENSE

	2020 \$000's	2019 \$000's Restated *
(a) The components of tax expense comprise:		
Current income tax	(4,767)	(1,356)
Deferred income tax	(1,005)	(316)
Withholding tax	-	20
Adjustments in respect of current income tax of previous years	251	102
Derecognition of tax losses previously brought to account	52	(1,933)
Tax losses not brought to account	4,693	1,933
Income tax benefit/(expense) reported in the Statement of Profit or Loss and Other Comprehensive Income	<u>(776)</u>	<u>(1,550)</u>
 The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:		
(b)		
Loss before income tax	<u>(6,842)</u>	<u>(2,157)</u>
Prima facie tax payable on loss from ordinary activities before income tax at 30% (2019: 30%)	<u>(2,053)</u>	<u>(647)</u>
Less:		
Tax effect of :		
- Other non-assessable/deductible items	<u>(3,581)</u>	<u>(667)</u>
	<u>(5,634)</u>	<u>(1,314)</u>
Less:		
Tax effect of :		
- Adjustments in respect of current income tax of previous years	251	102
- Withholding tax losses written off from prior years	-	20
- Derecognition of the tax losses previously brought to account	52	(1,933)
- Tax losses not brought to account	4,693	1,933
- Effect of lower tax rate on overseas income	<u>(138)</u>	<u>(358)</u>
Income tax (benefit)/expense	<u>(776)</u>	<u>(1,550)</u>
 The applicable weighted average effective tax rates are as follows:	 11%	 72%
(c) Deferred Tax		
Deferred tax liabilities		
Distribution guarantees and unrecovered program expenses	(587)	(1,339)
Capitalised production costs and other expenses	(1,664)	(1,477)
Offset deferred tax liabilities against deferred tax assets	1,065	1,480
	<u>(1,186)</u>	<u>(1,336)</u>

* refer note 3 for details regarding the restatement as a result of an error.

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6. INCOME TAX EXPENSE (Continued)	2020 \$000's	2019 \$000's
Deferred tax assets		
Provisions and accruals	2,174	1,586
Tax losses	2,359	68
Offset deferred tax liabilities against deferred tax assets	(1,065)	(1,480)
	3,468	174
Net deferred tax assets/(liabilities)	2,282	(1,162)
Movements:		
Opening balance	(1,162)	(1,275)
Additions from business combinations (note 27)	2,439	-
Credited to profit or loss	1,005	113
Closing Balance	2,282	(1,162)
(d) Liabilities		
Current		
Income tax	(105)	(328)

The above is a current provision for income tax payable by the parent and subsidiaries of the Consolidated Entity.

Recognition and measurement

In accordance with the details below, deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

The Group has recognised tax losses as shown above only to the extent that recoupment is considered probable at the reporting date or where these losses offset deferred tax liabilities. The Australian tax group has unrecognised tax losses available totalling \$25,805,704 (2019: \$16,391,128). The benefits of these unrecognised tax losses will only be realised if certain conditions are met, including:

- The group derives future assessable income of a nature and amount sufficient to enable the benefits from the deductions for the losses to be realised;
- The group continues to comply with the conditions for deductibility imposed by the law;
- The losses are available under the continuity of ownership or same business tests;
- No changes in tax legislation adversely affect the company in realising the benefit from the deductions for the losses.

Movement in deferred tax assets and deferred tax liabilities has gone through the Statement of Profit or Loss and Other Comprehensive Income.

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (or recovered from) the relevant tax authority.

Deferred tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also arise where amounts have been fully expensed but future deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Tax Consolidation

Beyond International Limited and its wholly owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidated regime. Each entity in the group recognises its own current and deferred tax assets, except for any deferred tax assets resulting from unused tax losses and tax credits, which are immediately assumed by the head entity, being Beyond International Limited. The current tax liability for each group entity is then subsequently assumed by the parent entity.

The tax consolidated group has entered into a tax funding arrangement whereby each company in the group contributes to the income tax payable by the group in proportion to their contribution to the group's taxable income. Pursuant to the funding arrangement, transfers of tax losses or tax liabilities are assumed by the head entity through intercompany loans.

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7. EARNINGS PER SHARE

	Consolidated Entity	
	2020	2019
	Cents per share	Cents per share
Basic and diluted loss per share:	(10.4)	(4.5)

The following reflects the income and share data used in the basic and diluted earnings per share computations

	Consolidated Entity	
	2020	2019
	\$000's	\$000's
Net loss attributable to ordinary equity holders (used in calculating basic earning and diluted per share)	(6,394)	(2,774)
Net loss attributable to ordinary equity holders (used in calculating diluted earning per share)	(6,394)	(2,774)
Weighted average number of ordinary shares in calculating basic earnings and diluted per share	Number	Number
	61,336,968	61,336,968

Recognition and measurement

Basic earnings per share is calculated as net (loss)/profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
 - the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
 - other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;
- divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

8. CASH FLOW INFORMATION

	Consolidated Entity	
	2020	2019
	\$000's	\$000's
(a) Reconciliation of cash flows from operations with net loss after income tax		
Loss after income tax	(6,066)	(2,739)
Adjustment for non-cash flow in loss:		
Depreciation, amortisation, impairment and write-down of content assets expense	16,679	6,185
Net gain on sale of property, plant and equipment	-	(7)
Share of profits of joint ventures and investments in associates accounted for using the equity method	(83)	(1,105)
Unrealised foreign exchange (gain)/loss	(87)	(173)
Make good provision	7	-
Gain on bargain purchase	(9,036)	-
Changes in assets and liabilities (net of effects from business combinations):		
Decrease in trade and other receivables	4,330	3,400
(Increase)/decrease in inventory	652	(16)
(Increase) in other assets	(544)	(1,379)
(Increase) in net deferred tax assets and liabilities	(1,148)	(3)
Increase in trade and other creditors	581	230
(Decrease) in other financial liabilities	-	(940)
(Decrease) in other liabilities	(2,911)	(1,697)
Increase in provisions	71	142
Cash flow from operations	2,446	1,899

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8. CASH FLOW INFORMATION (Continued)

(b) Financing facilities available

At reporting date, the following financing facilities had been negotiated and were available

Secured multi option facility

Used at reporting date *

Unused at reporting date

Total facility

Consolidated Entity
2020 2019
\$000's \$000's

3,216 1,048

680 2,063

3,896 3,111

* The amount of the facility used at reporting date is for bank guarantees on various building leases held by the Group

The multi option facility may be drawn at any time and may be terminated by the bank on demand.

The interest rate on the facility is the commercial base rate of 5.56% at 30 June 2020 (8.16% at 30 June 2019).

Bill acceptance/discount facility

Used at reporting date *

Unused at reporting date

Total facility

4,000 67

- 5,933

4,000 6,000

* The amount of the facility used at reporting date is for funding production offsets

The bill acceptance/discount facility may be drawn at any time and may be terminated by the bank on demand.

The interest rate on the facility is the discount base rate of 1.96% at 30 June 2020 (nil at 30 June 2019).

The facilities are secured by certain covenants on the Consolidated Entity that these financial conditions are met -

a) Shareholder funds to total assets greater than 38% as at 30 June 2020.

b) Minimum operating NPBT cannot be lower than Budget by 20% variance

c) Total bill facility drawdown cannot exceed 85% of total producer offsets

Secured credit card facilities

Used at reporting date

Unused at reporting date

Total facility

157 187

108 78

265 265

Secured equipment loan facility

Unused at reporting date

Total facility

500 500

500 500

The interest rate on the facility is determined on usage as at the time. As no facility is being used no rate is applicable.

Amount of Assets Pledged as Security

Fixed and floating charge over assets

75,099 67,666

Total assets pledged as security

75,099 67,666

Recognition and measurement

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

Cash and Cash equivalents has an element of restricted cash totalling \$2,121,000 (2019: \$728,000).

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

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9. TRADE AND OTHER RECEIVABLES

Current

Trade receivables

Provision for expected credit losses

Non-current

Trade receivables

Consolidated Entity
2020
\$000's

2019
\$000's

29,477
(209)
29,268

22,823
(6)
22,817

927
927

3,338
3,338

Ageing of debtors

Not past due

Past due 0-90 days

Past due 91-180 days

Past due 180+ days

	2020		2019	
	\$000's		\$000's	
	Gross	Provision	Gross	Provision
Not past due	20,342	-	20,975	-
Past due 0-90 days	5,751	-	3,546	-
Past due 91-180 days	3,208	-	1,152	-
Past due 180+ days	1,103	(209)	488	(6)
	30,404	(209)	26,161	(6)

Reconciliation of provision for expected credit loss

Opening balance

Additional provision recognised

Utilised

Closing balance

Consolidated Entity
2020
\$000's

2019
\$000's

(6)
(206)
3
(209)

(16)
-
10
(6)

Recognition and measurement

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectable amounts or expected credit losses. The following specific recognition criteria must also be met before a receivable is recognised:

Production debtors - receivables are recognised as they are due for settlement, within a term of no more than 30 days.

Licensing debtors - receivable is recognised once a licence agreement is signed by both parties and the programme is able to be delivered. Payment terms are usually based upon signature, delivery and acceptance. In certain contracts instalment payments may extend over the term of the licence agreement.

The group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. Bad debts are written off when they are identified.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 36 months before the beginning of the reporting period and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The group has identified the GDP annual growth rate and the unemployment rate of the regions in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The consolidated entity has increased its monitoring of debt recovery as there is an increased probability of customers delaying payment or being unable to pay, due to the Coronavirus (COVID-19) pandemic. As a result, the amount of expected credit losses has increased since the previous corresponding period.

A default event is defined when a debtor becomes past due. On becoming past due 0-30 days a reminder email is sent and followed up with a phone call. If the default moves into the next bracket of 31-60 days past due the sales executive makes contact with the customer. If the default moves into the 61-90 days a final email is sent and the details are passed onto the lawyers. Once it moves into the 91+ bracket the account is placed on hold and management will discuss if the amount should be written-off.

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Consolidated Entity
2020
\$000's

2019
\$000's

10. INVENTORIES

Current

DVD Stock - raw material at cost	-	83
DVD Stock - finished goods at net realisable value	683	2,860
Stock footage - at cost	6	16
	689	2,959

Recognition and measurement

Inventories are measured at the lower of cost and net realisable value. Inventories represent stock TV footage and DVD stock at cost. As the footage is used it will be included within the production cost of the programme.

Costs of purchasing inventory are determined after deducting rebates and discounts.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs to make the sale.

Inventories sold on consignment remain in the financial statements as stock on hand until sold to the end customer.

Costs are assigned to an individual item of inventory on the basis of weighed average costs.

During the year, the Group recognised an impairment charge to inventory \$1,618,000 (2019: \$nil). This impairment was on reflection of the impact of covid - 19 and in response to the execution of the long form agreement with Regency subsequent to the year end, which wrote down the balance of inventory to the Director's expectations of net realisable value as at the reporting date.

11. OTHER ASSETS

Current

Capitalised development costs	3,913	3,324
Less: deferred revenue	(1,565)	(1,583)
	2,348	1,741
Distribution advances	14,866	7,925
Write down of distribution advances	(5,109)	(4,428)
	9,757	3,497
Prepaid royalties	-	2,987
Capitalised production costs	2,888	2,299
Prepayments	923	1,232
	3,811	3,531
	15,916	11,757

Non-current

Capitalised production costs	5,877	6,527
Investment in productions and 3rd party copyright	4,926	1,299
	10,803	7,826

Recognition and measurement

Capitalised development costs

Costs of developing new programme concepts, which the Directors believe are probable of being recovered from future revenues, are capitalised. Capitalised costs are costed into the production or are written off in the event that the programme does not proceed. These costs are classified as current assets as the costs of developing new programmes are expected to be realised within one year. The 2020 accounts includes an amount of \$350,000 (2019: \$228,000) that was expensed during the year.

Capitalised production costs

Television production costs are capitalised and written down to their net realisable value on a title-by-title basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs to make the sale. Forecast sales revenues are reviewed regularly and the write-off of the asset is recognised as a write-down of content assets as disclosed in note 5(b). Where doubt exists as to the ability to recover the expenditure from future sales, the amounts in doubt is provided for in the year in which the assessment is made. The 2020 accounts includes an amount of \$915,000 (2019: \$637,000) that was expensed during the year.

Assessing future net sales pertaining to Mythbusters titles, an write-down of \$1,452,000 (2019: \$nil) was recognised against capitalised production costs to reflect their net realisable value at reporting date.

The estimates relating to future licencing revenues of each production are re-assessed each financial year and amounts that are not expected to be recouped within 12 months have been reclassified as non-current.

Capitalised production costs are disclosed in the accounts net of any cash progress payments received on projects. Where such progress payments exceed these costs the net amounts are disclosed as deferred revenue.

Distribution advances and prepaid royalties

Distribution advances for television and feature film distribution rights, and prepaid royalties for DVD rights, are capitalised at cost as paid. Distribution advances and prepaid royalties are written down to their net realisable values on a title-by-title basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs to make the sale. During the financial year, \$7,895,000 of distribution advances were acquired as part of the acquisition of TCB Media Rights Limited (refer note 27).

Distribution advances for various titles were write-down to their net realisable value resulting in a write-down for the year of \$681,000 (2019: \$451,000).

As a result of the wind down of the Home Entertainment division, prepaid royalties were impaired in full to their net realisable value. This resulted in impairment charge in the year of \$2,652,000 (2019: \$nil)

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11. OTHER ASSETS (Continued)

Prepayments

Amounts paid in advance are recorded at cost and are subsequently expensed based on the actual month of expenditure.

Investment in 3rd party copyright

The Group has invested in the rights to receive future revenue streams from 3rd party produced programs, and will be recouped from future sales.

A number of other assets relating to the wind down of the Home Entertainment division were impaired in the year, with a write-down of \$1,668,000 and an impairment charge of \$314,000 (2019: \$nil). The amounts impaired included prepaid marketing and pick, pack and ship charges.

12. FINANCIAL LIABILITIES

Fair value of financial instruments not measured at fair value on a recurring basis

The following financial instruments are not measured at fair value in the statement of financial position. These had the following fair values:

	Consolidated Entity			
	2020		2019	
	Carrying Amount \$000's	Fair Value \$000's	Carrying Amount \$000's	Fair Value \$000's
NON-CURRENT ASSETS				
Trade and other receivables	927	858	3,338	3,091
	927	858	3,338	3,091
NON-CURRENT LIABILITIES				
Other non-current liabilities	124	115	521	482
	124	115	521	482

Recognition and measurement

The fair values of the trade and other receivables and other non-current liabilities above are included in the level 2 category and have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant input being a discount of 8% to determine fair value.

Due to their short-term nature, the carrying amounts of cash and cash equivalents, current trade and other receivables, current trade and other payables are assumed to approximate their fair value.

Derivative Financial Instruments

The Consolidated Entity enters into forward foreign exchange agreements and foreign currency options on production contracts in order to manage its exposure to foreign exchange rate risks. Exchange contracts are brought to account as explained in note 3.

Refer to note 32 for further information on financial instruments.

13. PROPERTY, PLANT AND EQUIPMENT

	Consolidated Entity	
	Plant & equipment \$000's	Total \$000's
Year ended 30 June 2020		
<i>Balance at 01 July 2019</i>	1,677	1,677
Additions	115	115
Additions from business combinations (note 27)	25	25
Disposal	(104)	(104)
Depreciation charge for the year	(893)	(893)
<i>Carrying amount at 30 June 2020</i>	820	820
As at 01 July 2019		
Cost	11,926	11,926
Accumulated depreciation and impairment	(10,249)	(10,249)
Net carrying amount	1,677	1,677
As at 30 June 2020		
Cost	11,539	11,539
Accumulated depreciation and impairment	(10,719)	(10,719)
Net carrying amount	820	820

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13. PROPERTY, PLANT AND EQUIPMENT (Continued)

Year ended 30 June 2019

<i>Balance at 01 July 2018</i>
Additions
Disposal
Depreciation charge for the year
AASB 16 adjustment
<i>Carrying amount at 30 June 2019</i>

Consolidated Entity		
	Plant & equipment	Total
	\$000's	\$000's
	2,048	2,048
	768	768
	(123)	(123)
	(951)	(951)
	(65)	(65)
	1,677	1,677

Recognition and measurement

Property, plant and equipment are measured at historical cost less accumulated depreciation and impairment loss.

The expected useful lives are 3 to 10 years.

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Profit or Loss and Other Comprehensive Income.

Depreciation and Amortisation

Depreciation on property, plant and equipment is calculated on a straight line basis to write off the net cost over its expected useful life to the Consolidated Entity. Estimates of the remaining useful lives are made on a regular basis for all assets, with annual reassessment for major items.

14. RIGHT-OF-USE ASSETS

Year ended 30 June 2020

<i>Balance at 01 July 2019</i>
Modification
Additions
Additions from Business Combination (note 27)
Depreciation charge for the year
Exchange adjustment
<i>Carrying amount at 30 June 2020</i>

Consolidated Entity		
Property	Equipment	Total
\$000's	\$000's	\$000's
5,977	49	6,026
(2,543)	(7)	(2,550)
-	22	22
1,858	-	1,858
(1,790)	(15)	(1,805)
(127)	-	(127)
3,375	49	3,424
8,848	74	8,922
(2,871)	(25)	(2,896)
5,977	49	6,026
7,771	89	7,860
(4,396)	(40)	(4,436)
3,375	49	3,424

As at 01 July 2019

Cost
Accumulated depreciation
Net carrying amount

As at 30 June 2020

Cost
Accumulated depreciation
Net carrying amount

Recognition and measurement

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability (resulting in lease modifications).

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15. INTANGIBLE ASSETS

	Consolidated Entity	
	2020	2019
	\$000's	\$000's
Patents and Licenses - at cost	150	150
Less: impairment	(150)	(150)
	-	-
Websites and Databases - at cost	4,001	3,686
Less: Accumulated amortisation and impairment	(3,807)	(3,686)
	194	-
Goodwill - at cost	5,250	5,250
Accumulated amortisation and impairment	(5,250)	(650)
	-	4,600
	194	4,600

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Consolidated Entity			
	Goodwill	Websites and Databases	Patents and Licenses	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 01 July 2018	4,600	-	150	4,750
Amortisation charge	-	-	(150)	(150)
Balance at 30 June 2019	4,600	-	-	4,600
Additions from business combinations (note 27)	-	49	-	49
Additions	-	226	-	226
Amortisation charge	-	(81)	-	(81)
Impairment charge	(4,600)	-	-	(4,600)
Balance at 30 June 2020	-	194	-	194

Recognition and measurement

Intangible assets, other than goodwill, have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the Statement of Profit or Loss and Other Comprehensive Income.

If an impairment indication arises, the recoverable amount is estimated and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

Goodwill

Goodwill acquired and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill as an indefinite life asset, is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Patents and licenses

Patents and trademarks are recognised at cost of acquisition. Patents and trademarks have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful life, which is 20 years.

Websites and Databases

Websites and Databases are recognised at cost. Websites and Databases are amortised over their useful life, which is 3 years, on a straight line basis.

Impairment

There were impairment losses recognised by the consolidated entity in respect of the goodwill in the current financial year of \$4,600,000 (2019: nil).

Beyond Home Entertainment business has suffered an impairment of \$1,922,000 for 2020 reporting period. The recoverability of the CGU was determined based on the wind-down of the division.

Beyond D business has suffered an impairment of \$1,153,000 for 2020 reporting period. The recoverability of the CGU was determined based on a decline in future sales growth rates over the five-year forecast period.

Beyond Productions business has suffered an impairment of \$1,525,000 for 2020 reporting period. The segment of the Production group that the goodwill related to no longer trades.

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16. TRADE AND OTHER PAYABLES

Current (unsecured)

Trade payables

Other creditors and accruals

Consolidated Entity
2020 **2019**
\$000's **\$000's**

2,519 2,354
7,778 **4,049**
10,297 **6,403**

Recognition and measurement

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year and which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

Credit terms on trade payables vary between business units and range from 7 days to 90 days. Contractual maturities of trade and other payables have been disclosed in Note 32.

17. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Interests in joint ventures and investments in associates are accounted for using the equity method of accounting. Information relating to the consolidated entity's joint venture and associates is set out below:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2020 %	2019 %
7Beyond Media Rights Ltd	United States of America / Ireland	49.02%	49.02%

Summarised financial information

7Beyond Media Rights Ltd
2020 **2019**
\$000's **\$000's**

Summarised statement of financial position

Cash and cash equivalents

521 426

Other current assets

3,669 1,612

Non-current assets

278 491

Total assets

4,468 2,529

Other current liabilities

2,333 841

Non-current liabilities

303 58

Total liabilities

2,636 899

Net assets

1,832 1,630

Summarised statement of profit or loss and other comprehensive income

Revenue

12,724 14,542

Production costs

(12,038) (11,647)

Administration costs

(232) (170)

Net foreign exchange (loss)/gain

(83) (175)

Profit before income tax

371 2,550

Income tax expense

(202) (340)

Profit after income tax

169 2,210

Total comprehensive income

169 2,210

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17. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

	Consolidated Entity	
	2020	2019
	\$000's	\$000's
<i>Reconciliation of the consolidated entity's carrying amount</i>		
Opening carrying amount	814	414
Funds/(proceeds from) advanced to joint venture/associates	17	(705)
Share of profit after income tax	83	1,105
Closing carrying amount	914	814
<i>Contingent liabilities</i>		
There are no contingent liabilities provided for.		
<i>Commitments</i>		
There are no outstanding commitments at reporting date.		

Recognition and measurement

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in joint ventures and associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture or associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures and associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the joint venture or associate. Goodwill relating to the joint venture or associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Income earned from joint venture entities and associates reduces the carrying amount of the investment. When the consolidated entity's share of losses in a joint venture or an associate equals or exceeds its investment, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture or associate.

During the 2019 the Consolidated Entity relinquished joint control of 7Beyond Media Rights Ltd by reducing its equity interests from 50% to 49%. As the Consolidated Entity has retained significant influence over the investment, the Consolidated Entity has continued to account for the investment using the equity method and does not remeasure the retained interest.

18. EMPLOYEE BENEFITS

	Consolidated Entity	
	2020	2019
	\$000's	\$000's
Current		
Provision for annual leave and long service leave	3,861	3,749
	3,861	3,749
Non-current		
Provision for long service leave	186	227
	186	227
Total employee benefits	4,047	3,976
Annual leave obligations accounted for as current and expected to be settled after 12 months	787	722
	787	722

Recognition and measurement

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

The current provision for employee benefits includes accrued annual leave and long service leave. For long service leave it covers all unconditional entitlements where employees have completed the required period of service. The entire amount of the annual leave provision is presented as current, since the consolidated entity does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Other long-term employee benefits

The liability for long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

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	Consolidated Entity	
	2020	2019
	\$000's	\$000's
19. OTHER FINANCIAL LIABILITIES		
Current	6,252	2,058
Total other financial liabilities	6,252	2,058

In 2019 a 51% owned special purpose entity, Beyond Lonehand Pty Ltd and its 100% owned subsidiary Halifax Retribution Production 1 Pty Ltd, took out a limited recourse facility to fund production on Halifax Retribution. As at 30 June 2020, the facility drawn down was \$5,456,560 (2019: \$Nil). The facility is secured by the intellectual property created by the production. To the extent that there are insufficient sales of the finished program in territories excluding Australia and New Zealand (Rest of World Sales), Beyond Entertainment Limited (BEL) has provided a guarantee for 50% of the loan advanced and secured against Rest of World Sales. The maximum amount that BEL may need to pay under the guarantee is \$2,457,838.

In 2016 a 100% owned special purpose entity, HL Beyond Limited, took out a limited recourse facility to fund production on The White Rabbit Project. As at 30 June 2019, the facility drawn down was \$1,263,000 (2018: \$2,999,000). The facility is secured by the intellectual property created by the production and there is no recourse or obligation to repay the facility against any other company in the Group. The liability and the corresponding receivable will be extinguished on either payment by the commissioning broadcaster to the facility provider, or if the commissioning broadcaster defaults on payment.

In 2018 a 51% owned special purpose entity, Dumbots S01 Pty Ltd, took out a limited recourse facility to fund production on Dumbots. The facility is secured by the Post Digital and Visual Effects offset receivable. As at 30 June 2020, the facility drawn down was \$795,000 (2019 : \$795,000).

Recognition and measurement

Amounts were originally recognised at the fair value of the consideration received. They are subsequently measured at amortised cost using the effective interest method with the liability reduced when amounts are received from the debtor.

20. OTHER LIABILITIES

	Consolidated Entity	
	2020	2019
	\$000's	\$000's
Current		
Unsecured liabilities		
Deferred revenue	8,218	8,069
GST payable	18	49
Producer share payable	15,408	10,492
Other	82	79
	23,725	18,688
Non-current		
Unsecured liabilities		
Producer share payable	124	521
	124	521

Recognition and measurement

The Producers Share Payable balance represents liabilities for the amounts due to producers contracted under licensing and distribution sales, which are paid on collection of the revenue receivable.

* refer note 3 for details regarding the restatement as a result of an error.

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21. LEASE LIABILITIES

		Consolidated Entity	
		2020	2019
		\$000's	\$000's
Current		1,795	1,571
Non-current		2,011	4,724
Total lease liabilities		3,806	6,295

		Less than 6 months	6 months to 1 year	1 to 5 years	5+ years	Total
		\$000's	\$000's	\$000's	\$000's	\$000's
Lease payments		1,030	958	2,144	-	4,132
Finance charges		(110)	(83)	(133)	-	(326)
Net present values	2020	920	875	2,011	-	3,806
Lease payments		987	955	5,100	170	7,213
Finance charges		(199)	(173)	(541)	(5)	(917)
Net present values	2019	788	782	4,560	166	6,295

Recognition and measurement

The lease liability is initially measured at the present value of fixed lease payments that are not yet paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Variable lease payments are only included in measuring the lease liability if they depend on a rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term.

Subsequently, the lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in the market rate.

22. BORROWINGS

		Consolidated Entity	
		2020	2019
		\$000's	\$000's
Current			
Secured liabilities			
Loan - St George, Comerica & Macquarie Bank		4,510	67

Recognition and measurement

Borrowings are initially valued at fair value of the consideration received net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The Group was in breach of covenants associated with the shareholder fund to total assets and net profit before tax compared to budget. Note that the bank has subsequently waived the breaches.

Borrowing Costs

Borrowing costs are recognised as an expense when incurred. Borrowing costs include:

- Interest on bank overdraft and short-term and long-term borrowings; and
- Finance lease charges.

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23. ISSUED CAPITAL

ISSUED CAPITAL	Consolidated Entity	
	2020	2019
	\$000's	\$000's
(a) Share Capital		
61,336,968 ordinary shares - fully paid (2019: 61,336,968)	34,018	34,018

The company has authorised capital amounting to 100,000,000 ordinary shares of no par value.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(b) Share Options

On 1 May 1998 at an extraordinary general meeting shareholders approved the establishment of the Beyond Employee Share Option Plan. Under the plan any options on issue are cancellable at the Directors discretion upon an option holder ceasing to be an employee.

(c) Employee Share Plan

On 21 April 2006, a total of 962,500 shares were issued under the employee plan to eligible employees and directors, and the company has entered into limited non-recourse loan agreements with participants to provide the funds necessary to subscribe for those shares. Shares were issued in accordance with the Employee Plan rules (refer note 30).

On 7 December 2009 and 11 March 2010, a total of 1,625,000 shares were issued under the employee plan to eligible employees and directors, and the company has entered into limited non-recourse loan agreements with participants to provide the funds necessary to subscribe for those shares. Shares were issued in accordance with the Employee Plan rules (refer note 29).

24. RESERVES

Employee Share Plan Benefit Reserve

The employee share plan benefit reserve records items recognised as expenses on valuation of employee share options.

Foreign Currency Translation Reserve

The foreign currency translation reserve records the variance between converting the Statement of Financial Position at closing spot rate and the Statement of Profit or Loss and Other Comprehensive Income at average rate for TCB Media Rights Limited which has a functional currency of Great British Pounds (GBP) and for Magna Home Entertainment NZ Limited and Beyond D (NZ) Limited which have a functional currency of New Zealand Dollars (NZD).

25. NON-CONTROLLING INTEREST

	Consolidated Entity	
	2020	2019
	\$000's	\$000's
NON-CONTROLLING INTEREST		
Interest in:		
Accumulated profits	300	34
	<u>300</u>	<u>34</u>

26. DIVIDENDS

DIVIDENDS	Consolidated Entity	
	2020	2019
	\$000's	\$000's
No dividend was paid or declared during the year ended 30 June 2020 (2019: nil)		
Net franking credits available based on a tax rate of 30% (2019: 30%)	446	446

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- (c) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

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27. BUSINESS COMBINATION

(a) Summary of acquisition

On 14 April 2020 Beyond International Limited acquired 100% of the issued share capital of TCB Media Rights Limited, a Distribution company incorporated in the United Kingdom. The acquisition further strengthens the group's existing Distribution division.

Details of the purchase consideration, the net assets acquired and goodwill/(gain on bargain purchase) are as follows:

	\$000's
Purchase consideration (refer to (b) below):	
Cash Paid	4,245
Total purchase consideration	4,245

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value \$000's
Cash and cash equivalents	2,757
Trade and other receivables	8,848
Distribution guarantees	7,895
Other assets	426
Property plant and equipment	25
Right-of-use assets	1,858
Intangible assets	49
Deferred tax assets	2,451
Trade creditors	(1,596)
Other liabilities	(7,444)
Lease liabilities	(1,977)
Deferred tax liabilities	(12)
Net identifiable assets acquired	13,280
Deduct: Negative goodwill (gain on bargain purchase)	(9,035)
Purchase consideration	4,245

As the value of the net assets acquired is greater than the purchase consideration, a discount on acquisition, or negative goodwill is required to be recognised on consolidation. The negative goodwill will not be assessable for income tax purposes and occurred due to the business being in voluntary administration prior to being acquired by Beyond.

There were no acquisitions in the year ending 30 June 2019.

(i) Acquired receivables

The fair value of acquired trade receivables is \$8,848,000. The gross contractual amount for trade receivables due is \$8,848,000 with a loss allowance of nil recognised on acquisition.

(ii) Revenue and profit contribution

The acquired business contributed revenues of \$6,715,000 and net loss of \$98,000 to the group for the period from 1 April to 30 June 2020.

If the acquisition had occurred on the 1 July 2019, consolidated pro-forma revenue and profit for the year end 30 June 2020 would have been \$33,967,000 and \$1,314,000 respectively. These amounts have been calculated using the subsidiary's results and adjusting them for:

- the exceptional loan write-off, together with the consequential tax effects.

(b) Purchase consideration - cash outflow

	2020 \$000's	2019 \$000's
Outflow of cash to acquire subsidiary, net of cash acquired		
Cash consideration	4,245	-
Less: Balances acquired		
Cash	2,757	-
	2,757	-
Net outflow of cash - investing activities	1,488	-

Acquisition - related costs

Acquisition related costs of \$132,000 are included in the administrative expenses in the statement of profit and loss and in the operating cash flows in the statement of cash flows.

Recognition and measurement

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the changes in value can be identified as existing at acquisition date.

All transition costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

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Consolidated Entity	
2020	2019
\$000's	\$000's

28. CONTINGENT ASSETS AND LIABILITIES

The consolidated entity had no contingent assets as at 30 June 2020 (2019: nil).

The consolidated entity has given bank guarantees as at 30 June 2020 of \$895,000 (2019: \$895,000) to various landlords.

29. COMMITMENTS

(i) DISTRIBUTION GUARANTEE COMMITMENTS

In the course of the Consolidated Entity's feature film, television and Home Entertainment businesses, commitments to pay distribution guarantees and advances of minimum proceeds from sales have been made to producers at reporting date but not recognised in the financial statements:

Not later than one year		
Distribution Guarantee	9,049	293
Home Entertainment Advances	26	541
Later than one year but not later than five years		-
Home Entertainment Advances	182	234
	9,257	1,067

The above commitments to pay distribution guarantees have been entered into in the normal course of business.

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30. SHARE BASED PAYMENTS

General Employee Share Loan Plan

The Board has adopted an employee share plan under which employees and Directors of the Consolidated Entity may subscribe for shares in the Company using funds loaned to them by the Consolidated Entity. The Board has also adopted a share plan on substantially the same terms for consultants of the Consolidated Entity (Consultant Plan). The purpose of the Employee Plan is to:

- (a) assist in the retention and motivation of employees and Directors of the Consolidated Entity by providing them with a greater opportunity to participate as shareholders in the success of the Consolidated Entity; and
- (b) create a culture of share ownership amongst the employees of the Consolidated Entity.

There have been three issues of shares under the Employee Share plan as follows:

- On 21 April 2006, 962,500 shares were issued under the Employee Plan to eligible employees and Directors of Beyond International Limited and its controlled entities. 600,000 of these shares remain redeemable at 30 June 2020.
- On 7 December 2009, 300,000 shares were issued under the Employee Plan to eligible employees and Directors of Beyond International Limited and its controlled entities. 200,000 of these shares remain redeemable at 30 June 2020.
- On 11 March 2010, 1,325,000 shares were issued under the Employee Plan to eligible employees and Directors of Beyond International Limited and its controlled entities. 725,000 of these shares remain redeemable at 30 June 2020.

In all cases the company entered into limited non-recourse loan agreements to provide participants the funds necessary to subscribe for those shares. Shares were issued in accordance with the Employee Plan rules.

The loans were made based on the greater of market value of the shares on allotment date and \$0.645 (Dec 09 - 2010 plan), \$0.75 (Mar 10 - 2010 plan) & \$0.60 (2006 plan). As the loans are non-recourse, the value of the loans are not recognised as an asset, and the corresponding share value is not recorded in equity. The total of the Plan Shares are included in Issued Capital at note 23(a).

Notwithstanding any other provision of the Plan, each Participant has a legal and beneficial interest in the Shares issued to him or her and is at all times absolutely entitled to those Plan Shares, except that any dealings with those Shares by the Participant may be restricted in accordance with the plan rules. Plan Shares rank equally with all existing Shares from the date of issue in respect of all rights issues, bonus issues, dividends and other distributions to, or entitlements of, holders of existing Shares where the record date for such corporate actions is after the relevant Plan Shares are issued. On termination, the Participant may elect to pay the loan or transfer all of their Plan Shares back to the Company, subject to requirements of the Corporations Act. If the Participant transfers the shares back to the Company, the Company may:

- i) transfer the Plan Shares for the issue price to a person nominated by the Company; or
- ii) procure a broker to sell all or any of the Plan Shares on-market.

Share movements in the plan as follows:

	Number of shares	Change in equity value \$000's
Outstanding at the beginning of year	1,525,000	-
Redemption of shares under the employee share plan	-	-
Exercisable at year end	1,525,000	-

The Plan Shares issued as part of the 2010 Plan required that Participants could only deal with the shares on a pro-rata basis for a 3 year period. During this period, the Company accounted for the Plan Shares as if they were options. The grant fair value of the shares was amortised across the vesting period as follows:

Vesting period	Amortisation \$
11 March 2010 to 30 June 2010	15,587
Financial year ending 30 June 2011	66,718
Financial year ending 30 June 2012	66,718
Financial year ending 30 June 2013	47,602

The grant fair value of the 2010 plan was calculated by using the Black Scholes option pricing model applying the following inputs:

Weighted average exercise price	\$0.75
Weighted average life of the option	3
Underlying share price	\$0.75
Expected share price volatility (i)	30%
Risk free interest rate	5.00%
Expected dividend rate	6.00%

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30. SHARE BASED PAYMENTS (Continued)

Weighted average fair value price \$0.10

(i) Expected share price volatility has been estimated based on the historical volatility of the Company's share price.

31. GROUP STRUCTURE

(a) Controlled entities consolidated

Name of entity	Country of formation or incorporation	Beyond International Ltd direct interest in ordinary shares	
		2020 %	2019 %
Ultimate parent entity			
Beyond International Ltd	Australia		
Controlled entities of Beyond International Ltd:			
Beyond Films Ltd	Australia	100	100
Beyond Television Group Pty Ltd	Australia	100	100
Beyond Television Pty Ltd	Australia	26	26
Beyond Entertainment Pty Ltd	Australia	100	100
Beyond Simpson le Mesurier Pty Ltd	Australia	51	51
Liberty & Beyond Pty Ltd	Australia	51	51
Beyond Imagination Pty Ltd	Australia	51	51
Beyond Miall Kershaw Pty Ltd	Australia	51	51
Pacific & Beyond Pty Ltd	Australia	51	51
Beyond Screen Productions Pty Ltd	Australia	100	100
Beyond Home Entertainment Pty Ltd	Australia	100	100
Beyond Entertainment Holdings Ltd	Ireland	100	100
Beyond D Pty Ltd	Australia	100	100
Beyond West Pty Ltd	Australia	100	100
Controlled entities of Beyond Entertainment Pty Ltd:			
Mullion Creek and Beyond (partnership)	Australia	51	51
Equus Film Productions Pty Ltd	Australia	51	51
BTVUS Pty Ltd	Australia	100	100
Clandestine Beyond Pty Ltd	Australia	51	51
Blue Rocket Beyond Pty Ltd	Australia	51	51
Beyond Lone Hand Pty Ltd	Australia	51	51
Controlled entities of Liberty & Beyond Pty Ltd:			
Liberty & Beyond Productions Pty Ltd	Australia	100	100
Controlled entities of Beyond Television Group Pty Ltd:			
Beyond Television Pty Ltd	Australia	74	74
Controlled entities of Beyond Television Pty Ltd:			
Beyond Properties Pty Ltd	Australia	100	100
Beyond Productions Pty Ltd	Australia	100	100
Beyond Distribution Pty Ltd	Australia	100	100
Controlled entities of Beyond Properties Pty Ltd:			
Beyond Pty Ltd	Australia	100	100
Beyond International Group Inc	USA	100	100
The Two Thousand Unit Trust *	Australia	100	100
* The corporate trustee of the trust is Beyond Properties Pty Ltd.			
Controlled entities of Beyond International Group Inc:			
Beyond Productions Inc	USA	100	100

BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES
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31. GROUP STRUCTURE (Continued)

	Country of formation or incorporation	Beyond International Ltd direct interest in ordinary shares	
		2020 %	2019 %
Controlled entities of			
Beyond Simpson le Mesurier Pty Ltd:			
Beyond Simpson le Mesurier Productions Pty Ltd	Australia	100	100
BSLM Productions Pty Ltd	Australia	-	100
Something in the Air Pty Ltd	Australia	-	100
Something in the Air 2 Pty Ltd	Australia	-	100
Beagle Productions Pty Ltd	Australia	-	100
Stingers 3 Pty Ltd	Australia	-	100
Stingers 4 Pty Ltd	Australia	-	100
Stingers 5 Pty Ltd	Australia	-	100
Halifax 5 Pty Ltd	Australia	-	100
Halifax 6 Pty Ltd	Australia	-	100
Controlled entities of			
Beyond Entertainment Holdings Ltd			
Beyond Entertainment Ltd	Ireland	100	100
Beyond Rights Distribution Ltd	Ireland	100	100
Controlled entity of			
Beyond Rights Distribution Ltd			
HL Beyond Ltd	Ireland	100	100
Wild Weather Pty Ltd	Australia	100	-
Controlled entities of			
Beyond Entertainment Ltd			
Beyond Distribution (UK) Limited (formerly Beyond International Services Ltd)	United Kingdom	100	100
TCB Media Rights Ltd	United Kingdom	100	-
Beyond TNC Ltd	Ireland	51	-
Controlled entities of			
Beyond Distribution Pty Ltd			
Beyond TV Properties Bermuda	Bermuda	-	100
Controlled entities of			
Beyond Films Ltd			
Beyond Film Properties Bermuda	Bermuda	-	100
Controlled entities of			
Beyond Home Entertainment Pty Ltd			
Magna Home Entertainment Pty Ltd	Australia	100	100
Controlled entities of			
Magna Home Entertainment Pty Ltd			
Magna Home Entertainment (NZ) Ltd	New Zealand	100	100
Controlled entities of			
Beyond D Pty Ltd			
Beyond D (NZ) Ltd	New Zealand	100	100
Controlled entities of			
Beyond TNC Ltd			
Beyond TNC (UK) Ltd	United Kingdom	100	-
Beyond TNC (Australia) Pty Ltd	Australia	100	-
Controlled entities of			
Beyond TNC (Australia) Pty Ltd			
Memory Lane 1 Pty Ltd	Australia	100	-
Memory Lane 2 Pty Ltd	Australia	100	-
Controlled entities of			
BTVUS Pty Ltd			
B U.S.A. Holdings, Inc.	USA	100	100
Controlled entities of			
B U.S.A. Holdings, Inc			
Move It or List It, LLC	USA	100	100
11:11 US, LLC	USA	100	100

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31. GROUP STRUCTURE (Continued)

	Country of formation or incorporation	Beyond International Limited direct interest in ordinary shares	
		2020 %	2019 %
Controlled entities of			
Clandestine Beyond Pty Ltd			
Pulse Productions S01 Pty Ltd	Australia	100	100
Controlled entities of			
Blue Rocket Beyond Pty Ltd			
Dumbots S01 Pty Ltd	Australia	100	100
Controlled entities of			
Beyond Lone Hand Pty Ltd			
Halifax Retribution Production 1 Pty Ltd	Australia	100	100
(b) Joint venture/associates			
7Beyond Media Rights Ltd	Ireland	49.02	49.02
Tropo Productions Pty Ltd	Australia	50	-
(c) Associates			
Melodia Ltd	Ireland	33.3	33.3
Melodia (Australia) Pty Ltd	Australia	33.3	33.3
GB Media Development, Inc.	USA	10	10

32. FINANCIAL RISK MANAGEMENT

(i) Capital Risk Management

The Consolidated Entity manages its capital to ensure that entities in the group will be able to continue as a going concern while maximising the return to stakeholders. The Consolidated Entity's strategy remains unchanged from 2019.

The capital structure of the group consists of cash and equity attributable to the equity holders of the parent entity, comprising issued capital, reserves and retained earnings. The Consolidated Entity operates globally, primarily through subsidiary companies established in the markets in which the group trades. The consolidated entity is subject to certain financing arrangements covenants and meeting these are given priority in all capital risk management decisions. For further details on events of default on these financing arrangements, refer to note 22.

Operating cash flows are used to make the routine outflows of tax and dividends.

(ii) Market Risk

The Consolidated Entity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (refer Note 32 (iii)).

(iii) Foreign Currency Risk Management

The Consolidated Entity undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise.

Derivative financial instruments are used by the Consolidated Entity to hedge exposure to exchange rate risk associated with foreign currency trade receivables. Mark-to-market gains on derivative financial instruments used by the economic entity are recognised in the financial statements. Transactions for hedging purposes are undertaken without the use of collateral as only reputable institutions with sound financial positions are dealt with.

Foreign currency sensitivity analysis

The Consolidated Entity is mainly exposed to US dollars (USD), Euro (EUR), Great British Pound (GBP) and New Zealand Dollars (NZD).

The carrying amount of the foreign currency denominated financial assets and liabilities at the reporting date is as follows:

	2020		2019	
	Financial Assets \$000's	Financial Liabilities \$000's	Financial Assets \$000's	Financial Liabilities \$000's
Consolidated Entity				
US Dollars	8,953	(1,259)	9,101	(1,562)
Euro	2,218	(233)	1,972	(51)
Great British Pound	12,749	(2,632)	3,004	(228)
New Zealand Dollars	58	108	219	(212)
Other	10	-	41	(40)
	23,990	(4,016)	14,336	(2,094)

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32. FINANCIAL RISK MANAGEMENT (Continued)

The following table details the Consolidated Entity's sensitivity to a 10% increase and decrease in the Australian dollar against the relevant foreign currencies. A sensitivity rate of 10% is considered reasonable based on exchange rate fluctuations over the past 12 months. The sensitivity analysis includes only outstanding foreign currency financial assets and liabilities and adjusts their translation at the period end for a 10% change in foreign currency rates.

	2020		2019	
	10% increase \$000's	10% decrease \$000's	10% increase \$000's	10% decrease \$000's
Consolidated Entity				
Profit/(loss)	(2,546)	3,112	(1,494)	1,826
	<u>(2,546)</u>	<u>3,112</u>	<u>(1,494)</u>	<u>1,826</u>

(iv) Interest Rate Risk Management

The Consolidated Entity's exposure to interest rate risk is minimal.

The Consolidated Entity's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note, per below.

The average effective interest rate on cash at bank was 2.31% (2019: 1.68%)

The average effective interest rate on borrowings was 1.49% (2019: 3.53%)

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A sensitivity analysis of 50 basis points is considered reasonable based on interest rate fluctuations over the past 12 months.

At reporting date, if interest rates had been 50 points higher or lower and all other variables were held constant, net interest received from cash held by the Consolidated Entity would move by \$26,380 (2019: \$27,380).

At reporting date, if interest rates on borrowings had been 50 points higher or lower and all other variables were held constant, net interest payable from borrowings held by the Consolidated Entity would move by \$8,589 (2019: \$4,049).

(v) Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Consolidated Entity's short, medium and long-term funding and liquidity management requirements. This framework is not formally documented. The Consolidated Entity manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows. Included in note 8(b) is a listing of additional undrawn facilities that the Consolidated Entity has at its disposal to further reduce liquidity risk.

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32. FINANCIAL RISK MANAGEMENT (Continued)

Liquidity and interest risk tables

The following tables detail the Consolidated Entity's remaining contractual maturity for its financial liabilities.

Consolidated Entity

	Notes	Average interest rate %	Less than 6 months \$000's	6 months to 1 year \$000's	1 to 5 years \$000's	5+ years \$000's	Total Outflows \$000's	Carrying amount \$000's
2020								
Financial liabilities								
Trade & other payables	16	-	10,215	82	-	-	10,297	10,297
Other financial liabilities	19	6.48%	6,252	-	-	-	6,252	6,252
Lease liabilities	21	6.78%	1,030	958	2,144	-	4,132	4,132
Producer share payable	20	-	7,704	7,704	124	-	15,531	15,531
Other payables	20	-	100	-	-	-	100	100
Borrowings	22	2.41%	1,510	3,000	-	-	4,510	4,510
Total financial liabilities			26,810	11,744	2,268	-	40,822	40,822

2019

Financial liabilities								
Trade & other payables	16	-	6,403	-	-	-	6,403	6,403
Other financial liabilities	19	-	1,029	1,029	-	-	2,058	2,058
Lease liabilities	21	6.41%	987	955	5,100	170	7,213	7,213
Producer share payable	20	-	5,246	5,246	521	-	11,013	11,013
Other payables	20	-	128	-	-	-	128	128
Borrowings	22	2.06%	-	67	-	-	67	67
Total financial liabilities			13,793	7,297	5,621	170	26,882	26,882

(vi) Credit Risk Exposures

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Entity. The consolidated entity has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. This information is supplied by credit rating agencies and, if not available, the Consolidated Entity uses publicly available financial information to assess the credit-worthiness.

Trade receivables consist of a large number of customers, spread across diverse geographical areas. Ongoing reviews are conducted of accounts receivable balances. The Consolidated Entity does not have significant credit risk exposure to any single counterparty. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The credit risk on financial assets of the Consolidated Entity which are recognised on the Statement of Financial Position is generally the carrying amount, net of any provisions for doubtful debts.

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32. FINANCIAL RISK MANAGEMENT (Continued)

(ix) Fair Value of Financial Instruments

The fair value of cash and cash equivalents and non-interest bearing monetary financial assets and liabilities approximates their carrying values. A discount rate of 8% (2019: 8%) has been applied to all non-current receivables & payables to determine fair value.

The fair value of other monetary financial assets and liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

For forward exchange contracts the fair value is taken to be the unrealised gain or loss as at the date of the report calculated by reference to the current forward rates for similar contracts.

	Carrying Amount		Fair Value	
	2020	2019	2020	2019
	\$000's	\$000's	\$000's	\$000's
Financial assets				
Cash and cash equivalents	8,183	5,172	8,183	5,172
Loans and receivables	30,195	26,155	30,126	25,908
	38,378	31,327	38,309	31,080
Financial liabilities, at amortised cost				
Trade and other payables	10,297	6,403	10,297	6,403
Other payables	100	128	100	128
Producer share payable	15,531	11,013	15,522	10,974
	25,928	17,544	25,920	17,505

33. KEY MANAGEMENT PERSONNEL COMPENSATION

Directors

The following persons were directors of Beyond International Limited during the financial year:

Chairman

Ian Ingram

Executive directors

Mikael Borglund - Managing Director

Non-executive directors

Anthony Lee

Ian Robertson

Executives (other than directors) with the greatest authority for strategic direction and management

The following persons were the executives with the greatest authority for the strategic directions and management of the Consolidated Entity ("specified executives") during the financial year.

Name	Position	Employer
J Luscombe	General Manager - Productions & Executive Vice President	Beyond Television Group Pty Ltd
M Murphy	General Manager - Distribution	Beyond Entertainment Ltd
P Wylie	General Manager - Finance & Company Secretary	Beyond Television Group Pty Ltd
P Tehan	General Manager - Legal & Business Affairs	Beyond Television Group Pty Ltd
P Maddison	General Manager - Home Entertainment (Resigned 22 June 2020)	Beyond Home Entertainment Pty Ltd
J Ward	General Manager - Beyond D	Beyond D Pty Ltd

Information on key management personnel compensation is disclosed below and in the Directors' Report.

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33. KEY MANAGEMENT PERSONNEL COMPENSATION (Continued)

(i) REMUNERATION

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated Entity	
	2020	2019
	\$	\$
Short-term employee benefits	3,246,668	3,817,190
Post-employment benefits	151,685	171,576
Long-term benefits	5,154	10,709
Termination benefits	83,734	152,344
	3,487,241	4,151,818

(ii) SHAREHOLDINGS

Number of Shares held by Directors and Specified Executives, including their personally related parties

2020

Parent Entity Directors	Balance 1.07.19	Received as Remuneration	Options Exercised	Net Change Other *	Balance 30.06.20
M Borglund	3,150,949	-	-	-	3,150,949
I Ingram	19,487,059	-	-	-	19,487,059
A Lee	5,474,997	-	-	-	5,474,997
I Robertson	110,000	-	-	-	110,000
Total	28,223,005	-	-	-	28,223,005

Specified Executives	Balance 1.07.19	Received as Remuneration	Options Exercised	Net Change Other *	Balance 30.06.20
J Luscombe	273,478	-	-	-	273,478
P Wylie	2,000	-	-	-	2,000
P Tehan	75,000	-	-	-	75,000
P Maddison	50,000	-	-	-	50,000
M Murphy	-	-	-	-	-
J Ward	-	-	-	-	-
Total	400,478	-	-	-	400,478

2019

Parent Entity Directors	Balance 1.07.18	Received as Remuneration	Options Exercised	Net Change Other *	Balance 30.06.19
M Borglund	3,150,949	-	-	-	3,150,949
I Ingram	19,487,059	-	-	-	19,487,059
A Lee	5,474,997	-	-	-	5,474,997
I Robertson	110,000	-	-	-	110,000
Total	28,223,005	-	-	-	28,223,005

Specified Executives	Balance 1.07.18	Received as Remuneration	Options Exercised	Net Change Other *	Balance 30.06.19
J Luscombe	273,478	-	-	-	273,478
T McGee**	75,000	-	-	-	75,000
P Wylie	2,000	-	-	-	2,000
P Tehan	75,000	-	-	-	75,000
P Maddison	50,000	-	-	-	50,000
M Murphy	-	-	-	-	-
J Ward	-	-	-	-	-
Total	475,478	-	-	-	475,478

* Net Change Other refers to shares purchased or sold during the financial year

** Mr. T. McGee resigned on 28 June 2019

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34. RELATED PARTIES

(i) CONTROLLING ENTITIES

Beyond International Limited is the ultimate parent entity in the wholly-owned group comprising the Company and its wholly-owned controlled entities which are disclosed in note 31.

(ii) KEY MANAGEMENT PERSONNEL

Disclosures relating to key management personnel are set out in note 33 and the remuneration report in the directors' report.

Loans to key management personnel

There were no outstanding loans as at 30 June 2020 or at any point during the year (2019: nil).

Equity transactions with directors and their director-related entities

The aggregate number of equity instruments acquired or disposed of by directors of the Consolidated Entity and their director-related entities during the year were:

		Consolidated Entity	
		2020	2019
		Number	Number
Acquisitions	Ordinary shares	-	-
Disposals	Ordinary shares	-	-

The aggregate number of equity instruments held by directors of the Consolidated Entity and their director-related entities at balance date were:

		Number	
<i>Issuing entity</i>	<i>Class of equity instruments</i>		
Beyond International Ltd	Ordinary shares	28,223,005	28,223,005
	Options over ordinary shares	-	-

(iii) TRANSACTIONS WITH ENTITIES IN THE WHOLLY-OWNED GROUP

Beyond International Limited is the ultimate parent entity in the wholly-owned group comprising the Company and its wholly-owned controlled entities. The Company advanced and repaid loans, received loans, provided management services, received dividends and charged rent to other entities in the wholly-owned group during the current and previous financial years. With the exception of loans advanced free of interest to wholly-owned subsidiaries, these transactions were on commercial terms and conditions. Such loans are repayable on demand.

J Luscombe is a director of Ryzara Pty Ltd. The company has received payments for services rendered by J Luscombe during the year. These fees are included as part of the Executive Remuneration disclosed in note 33 and the Directors Report.

Beyond Entertainment Ltd, a subsidiary of the parent company, holds 49.02% of the shares in 7Beyond Media Rights Ltd (refer to note 17). At 30 June 2020 Beyond Entertainment Ltd had an asset of \$916,686 (2019: \$814,803) owed by 7Beyond Media Rights Ltd. This asset relates to funding provided for operating costs in 7Beyond Media Rights Ltd and has been disclosed in Note 17. Beyond Productions Inc, another subsidiary of the parent company, had an amount receivable of \$43,693 compared to (2019: \$33,781) owing to 7Beyond Media Rights Ltd at 30 June 2020. This amount relates to production services provided by Beyond Productions Inc on behalf of 7Beyond Media Rights Ltd and has been included in Receivables (note 9). Beyond Entertainment Ltd charged 7Beyond Media Rights Ltd a management fee of \$26,598 (2019: \$49,533) for the provision of accounting and administration services. The management fee has been disclosed within Other income in note 5(a).

(v) TRANSACTIONS WITHIN THE WHOLLY OWNED GROUP

Due to the nature of the operations of the Consolidated Entity, normal operating transactions take place between subsidiaries within the group. These are all at arms length and are eliminated on consolidation.

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35. PARENT ENTITY

The following information relates to the parent entity Beyond International Ltd. The information presented has been prepared using accounting policies that are consistent with those of the Consolidated Entity.

	Parent Entity	
	2020	2019
	\$000's	\$000's
Statement of financial position		
Current assets	-	1,892
Non-current assets	15,088	38,599
Total assets	15,088	40,491
Current liabilities	5,169	665
Non-current liabilities	2,935	28,116
Total liabilities	8,104	28,781
Contributed equity	34,018	34,018
Reserves	341	341
Accumulated losses	(27,375)	(22,649)
Total equity	6,984	11,710
Total comprehensive income for the year	(4,726)	(4,062)

Contingent Assets and Liabilities

The parent entity has given a bank guarantee as at 30 June 2020 of \$895,000 (2019: \$895,000) to its landlord.

36. SUBSEQUENT EVENTS

Subsequent to 30 June 2020, the Group received a waiver in relation to breaches to its banking covenants.

On 8 July 2020 the Group acquired 100% of the shares issued in Seven West Studios Limited for the consideration of GBP 500,000. Payment will be made in quarterly instalments with the first being made on execution of the agreement.

On 9 July 2020 the Group acquired 50.98%, the remaining share of the issued shares in 7Beyond Media Rights for the consideration of Euro 104 and the repayment of the loan values at AUD \$963,815. On execution of the agreement 20% of the loan was paid with the remainder payable in quarterly instalments starting 30 Sept 2020.

There was no final dividend declared as detailed in Note 26.

37. COMPANY DETAILS

The registered office & principal place of business of the company is :

Beyond International Ltd
109 Reserve Rd
Artarmon, NSW 2064
Australia

BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES
ABN 65 003 174 409
DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in the financial statements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

The directors have been given the declarations required by Section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of the directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the directors



Mikael Borglund
Managing Director

08 September 2020
Sydney

INDEPENDENT AUDITOR'S REPORT

To the members of Beyond International Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Beyond International Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>Australian Accounting Standard AASB 15: <i>Revenue from Contracts with Customers</i> ('AASB 15') uses a five step model to recognise revenue. A number of estimates and judgements are made by Management in order to determine the point at which performance obligations are met and revenue can be recognised.</p> <p>Due to these factors and the overall significance of revenue to the Group, we considered this area to be a key audit matter.</p>	<p>To determine whether revenue was appropriately accounted for and disclosed within the financial statements, we undertook, amongst others, the following audit procedures:</p> <ul style="list-style-type: none"> • Critically evaluated the revenue recognition policies for all material sources of revenue and from our detailed testing performed, ensured that revenue was being recognised appropriately, in line with Australian Accounting Standards and policies disclosed within the financial statements. This included ensuring that revenue was recognised in accordance with the requirements of AASB 15. • Selecting a sample of revenue transactions from all significant revenue streams, agreeing revenue recognised to supporting documentation to confirm the existence and accuracy of the revenue recognised and to consider whether the transactions were recorded in the correct period.

Valuation of other assets

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>As at 30 June 2020, the Group recognised other assets of \$26,719,000 which included capitalised production costs of \$8,765,000, capitalised development costs of \$2,348,000, distribution advances of \$9,757,000 and investments in productions and 3rd party copyright of \$4,926,000 as disclosed in Note 11.</p> <p>Due to the judgements applied by Management in forecasting future sales to support the carrying</p>	<p>Our audit procedures for assessing the carrying value of the Group's other assets included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • Performing a detailed analysis of the costs capitalised during the period in relation to specific titles, including an assessment of the inputs and estimates applied. This included assessing the fair value of the distribution advances

value of these assets along with the significance of the balance in the Consolidated Statement of Financial Position, we considered this area to be a key audit matter.

acquired from the acquisition of TCB Media Rights Limited during the financial year.

- Assessing the recoverability of these assets through a review of Management's forecast sales projections in comparison to the historical sales performance of specific titles and current licensing terms in place with third party distributors.
- Assessing the adequacy of the impairment charge recognised during the financial year in respect to the Group's capitalised production costs, prepaid royalties and distribution advances.
- Performing detailed testing in respect to licensing and production contracts to validate actual sales incurred to date.
- Assessing whether the recognition, recoupment and write-down of these assets was in accordance with Australian Accounting Standards.

Accounting for the acquisition of TCB Media Rights Limited

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>As disclosed in Note 27 of the financial report, effective 14 April 2020, the Group acquired 100% of the issued share capital of TCB Media Rights Limited, a distribution company incorporated in the United Kingdom.</p> <p>The audit of the accounting treatment applied to this acquisition is a key audit matter due to the judgements and complexity involved in assessing the determination of the fair value of identifiable assets and liabilities acquired in accordance with Australian Accounting Standard AASB 3: <i>Business Combinations</i> ('AASB 3').</p>	<p>Our audit procedures for addressing this key audit matter included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • Reviewing the acquisition agreement to understand the key terms and conditions, and confirming our understanding of the transaction with Management. • Comparing the assets and liabilities recognised on acquisition against the executed agreements and the historical financial information of the acquired business. • Evaluating and challenging the assumptions made and methodology used in Management's determination of

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
	<p>the fair value of assets and liabilities acquired, particularly with respect to the valuation of the distribution advances.</p> <ul style="list-style-type: none"> • Critically analysing the consistency of accounting policies applied by TCB Media Rights Limited from the acquisition date with the accounting policies of the Group. • Auditing the disclosures associated with the acquisition to ensure they were complete and accurate and reflected the requirements of AASB 3.

Going Concern

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>Note 3 of the financial report outlines the basis of preparation of the financial statements which indicates being prepared on a going concern basis which contemplates that the Group will continue to meet its commitments in the ordinary course of business.</p> <p>Notwithstanding the above, during the financial year, the Group was adversely impacted by the COVID-19 pandemic as a result of the Government imposed restrictions which resulted in the deferral of program production in the final quarter of the financial year. Due to the continued uncertainty caused by the COVID-19 pandemic and the potential impact on the timing of the Group's future cash flow forecasts, we considered this area to be a key audit matter.</p>	<p>Our audit procedures for addressing this key audit matter included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • Obtaining and evaluating management's assessment of the Group's ability to continue as a going concern. • Assessing management's assumptions in the cash flow forecasts to assess whether current cash levels along with expected cash inflows and expenditure can sustain the operations of the Group for a period of at least 12 months from the date of authorisation of the financial report. • Reviewing the conditions of the financing facility in place with the St George Bank as at 30 June 2020 and the date of authorisation of the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information contained in the Directors' Report (excluding the audited Remuneration Report section) for the year ended 30 June 2020, but does not include the financial report and our auditor's report

thereon, which we obtained prior to the date of this auditor's report, and the Annual Report to Shareholders, which is expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual Report to Shareholders, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 the Australian Auditing Standards 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report under the heading 'Remuneration Report' for the year ended 30 June 2020.



In our opinion, the Remuneration Report of Beyond International Limited, for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

A handwritten signature in dark ink, appearing to read 'Martin Coyle', is written over a faint, light blue BDO logo.

Martin Coyle
Director

Sydney, 8 September 2020