Strategic Report, Report of the Director and

Financial Statements for the Year Ended 31 March 2018

for

De-fi Media Limited

Contents of the Financial Statements
for the Year Ended 31 March 2018

Company Information
for the Year Ended 31 March 2018

DIRECTOR:	K M Walia
SECRETARY:	Derringtons Limited
REGISTERED OFFICE:	Suite 5 5 Rochester Mews London NW1 9JB
REGISTERED NUMBER:	06457517 (England and Wales)
INDEPENDENT AUDITORS:	PBG Associates Ltd Chartered Accountants and Statutory Auditor 65 Delamere Road, Hayes, Middx UB4 0NN

De-fi Media Limited

Strategic Report
for the Year Ended 31 March 2018

The directors present their strategic report for the year ended 31st March 2018.

REVIEW OF BUSINESS
For the year ended 31 March 2018 the Company made a net Profit of £ 2,522,339
The principal activity of the company during the year was animation, visual effects and post production services. Management is making best efforts to win more contracts and increase revenues in next year.

RISK REVIEW
The company has established a risk management framework for ensuring that the major risks facing the company are identified, evaluated and actively managed. Risks are reviewed continuously. It is not possible to mitigate fully all risks to which the company is exposed but the ability to manage such risk is a key consideration of the company.

FOREIGN EXCHANGE
The company sometimes entered into contracts that are denominated in US dollars. However, these contracts are serviced by costs denominated in UK Sterling. The Company is therefore exposed to US dollar/ UK Sterling exchange rate fluctuations. Management monitors foreign exchange markets to assess the exposure but currently does not undertake any hedging activity to mitigate this exposure.

QUALITY AND REPUTATION
Our business depends on maintaining and strengthening the reputation for providing services that meet and exceed customer expectations in the markets we serve. If we fail to maintain quality of the services or fail to promote the brand and reputation successfully the business could be adversely affected.

GOING CONCERN
The directors having reviewed the company's forecast, and the support assured by the parent company, Prime Focus Limited, are confident that the company has adequate financial resources to continue in operational existence for the 12 months from the date of approval of the accounts. The directors have therefore continued to adopt the going concern basis in preparing these financial statements.

ON BEHALF OF THE BOARD:

Karan Walia

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K M Walia - Director

Date: 24th December, 2018

Report of the Director
for the Year Ended 31 March 2018

The directors presents his report with the financial statements of the company for the year ended 31st March 2018.

DIVIDENDS
No dividends will be distributed for the year ended 31 March 2018.

DIRECTOR
K M Walia

DIRECTOR'S RESPONSIBILITIES STATEMENT
The director is responsible for preparing the report director and the financial statements in accordance with applicable law and regulation.
Company law requires the director to prepare financial statement for each financial year. Under that law director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statement unless he satisfied that they give a true and fair view the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to;
- select suitable accounting policies and then apply them consistently;
- make judgment and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statement ;
- prepare the financial statement on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting record that are sufficient to show and explain the company's transaction and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statement comply with the companies act 2006. He is also responsible for safeguarding the asset of the company and hence for taking responsible steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS
The auditors, PBG Associates Ltd will be proposed for reappointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Karan Walia
....
K M Walia - Director

Date: 24th December, 2018

Report of the Independent Auditors to the Members of
De-fi Media Limited

Opinion
We have audited the financial statements of De-fi Media Limited (the 'company') for the year ended 31 March 2018 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of Matter
In forming our opinion on the financial statements we draw your attention to Note 9 relating to the recoverability of debit balances. Our opinion is not qualified in respect of this matter

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:
- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information
The director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements 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 statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Director.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director
As explained more fully in the Director's Responsibilities Statement set out on page three, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Devender Arora ACA (Senior Statutory Auditor)
for and on behalf of PBG Associates Ltd
Chartered Accountants and Statutory Auditor
65 Delamere Road,
Hayes, Middx UB4 0NN

Date: 24th December, 2018

De-fi Media Limited

Income Statement
for the Year Ended 31 March 2018

	Notes	31.3.18 £	31.3.17 £
TURNOVER	2	5,000	2,294,117
Cost of sales		-	2,655,545
GROSS PROFIT/(LOSS)		5,000	(361,428)
Administrative expenses		(3,388,158)	48,826,517
		3,393,158	(49,187,945)
Other operating income	3	-	1,553,471
OPERATING PROFIT/(LOSS)	5	3,393,158	(47,634,474)
Interest payable and similar expenses	6	870,819	654,700
PROFIT/(LOSS) BEFORE TAXATION		2,522,339	(48,289,174)
Tax on profit/(loss)	7	-	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		2,522,339	(48,289,174)

CONTINUING OPERATIONS
None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES
The company has no recognised gains or losses other the profit and losses for the current year and previous year

Other Comprehensive Income
for the Year Ended 31 March 2018

	Notes	31.3.18 £	31.3.17 £
PROFIT/(LOSS) FOR THE YEAR		2,522,339	(48,289,174)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,522,339	(48,289,174)

The notes form part of these financial statements

Balance Sheet
31 March 2018

		31.3.18		31.3.17	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	8		1,896,978		2,204,468
CURRENT ASSETS					
Debtors	9	9,078,123		11,975,659	
Cash in hand		12,085		5,015	
		9,090,208		11,980,674	
CREDITORS					
Amounts falling due within one year	10	4,874,131		6,683,131	
NET CURRENT ASSETS			4,216,077		5,297,543
TOTAL ASSETS LESS CURRENT LIABILITIES			6,113,055		7,502,011
CREDITORS					
Amounts falling due after more than one year	11		35,430,052		39,341,347
NET LIABILITIES			(29,316,997)		(31,839,336)
CAPITAL AND RESERVES					
Called up share capital	12		24,367,188		24,367,188
Retained earnings	13		(53,684,185)		(56,206,524)
SHAREHOLDERS' FUNDS			(29,316,997)		(31,839,336)

The financial statements were approved by the director on 24th December, 2018 and were signed by:

Karan Walia

K M Walia - Director

The notes form part of these financial statements

Statement of Changes in Equity
for the Year Ended 31 March 2018

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2016	24,367,188	(7,917,350)	16,449,838
Changes in equity			
Total comprehensive income	-	(48,289,174)	(48,289,174)
Balance at 31 March 2017	24,367,188	(56,206,524)	(31,839,336)
Changes in equity			
Total comprehensive income	-	2,522,339	2,522,339
Balance at 31 March 2018	24,367,188	(53,684,185)	(29,316,997)

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The accounts have been prepared under the historical cost convention and in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 the Financial Reporting Standard Applicable in the UK and Republic of Ireland and the Companies Act 2006. The financial statements have been prepared on a going concern basis. The financial statements are presented in sterling which is the functional currency of the company
The Significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.
In accordance with FRS 18 Accounting Policies, the Directors have reviewed the accounting policies of the Company as set out below and consider them to be appropriate.

Going Concern
The Directors have formed the opinion that sufficient facilities are available and will remain so for the 12 months from the date of signing this report, and that the company is able to generate positive cash flow and will received continued support from group companies. On this basis they consider it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of the support by the related companies.

Cash flow
The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 102.

Related party exemption
The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Turnover
The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax. Revenue is recognised on work carried out on film projects during the year.
Where a contract is not completed at the period end, the amount of revenue recognized in the period is based on a percentage of completion of the project. The percentage of completion of the project is based on the number of man days required to complete the project as this provides the most accurate estimation of the percentage of completion at the period end. Where losses in respect long term contracts are expected and can be reliably measured they are provided for within the profit and loss account.

Tangible fixed assets
All fixed assets are initially recorded at cost.

Depreciation
Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Equipment	13.91% reducing balance
Furniture	18.10% reducing balance

continued...

1. **ACCOUNTING POLICIES - continued**

Deferred tax

Deferred taxation is recognized in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax, or a right to pay less tax, or a right to receive repayments of tax.
Deferred tax assets are recognized only to the extent that the directors consider it more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities have not been discounted.

Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

Foreign currencies

Foreign currency transactions are translated into the local currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation to the yearend exchange rate of monetary assets and liabilities denominated in foreign currencies, are recognised in the profit and loss account.

Amounts due to/from fellow group companies

All intercompany balances are initially recognised at fair value and their carrying value approximates to their fair value.

2. **TURNOVER**

The turnover and loss before tax are attributable to the one principal activity of the company.
An analysis of turnover is given below:

	31.3.18	31.3.17
	£	£
United Kingdom	5,000	2,294,117

3. **OTHER OPERATING INCOME**

	31.3.18	31.3.17
	£	£
Gain on sale of Investments	-	1,553,471

4. **EMPLOYEES AND DIRECTORS**

There were no staff costs other than payment to directors as disclosed under note 5 for ended 31 March 2018 and for the year ended 31 March 2017.

The average number of staff employed by the company during the financial year amounted to:

	31.3.18	31.3.17
	Number	Number
Management	1	1

	31.3.18	31.3.17
	£	£
Directors' remuneration and other fees	51,461	50,030

continued...

5. **OPERATING PROFIT/(LOSS)**

The operating profit is stated after charging/(crediting):

	31.3.18	31.3.17
	£	£
Depreciation-owned assets	307,490	357,319
Auditors' remuneration	5,154	5,000
Foreign exchange loss/(gain)	(4,077,816)	5,405,875
Director's remuneration	51,461	50,030
Interest written off	-	335,143
Receivables/ Payables Written Back /Off	35,373	27,888,769
Intangible Assets written off	-	14,055,000

6. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	31.3.18	31.3.17
	£	£
Interest payable and similar charges	870,819	654,700

7. **TAXATION**

Analysis of the tax charges
The tax charge on the loss on ordinary activities for the year was as follows:

	31.3.18	31.3.17
	£	£
Current tax:		
UK corporation tax at 20%	-	-
Tax on loss on ordinary activities	-	-

8. **TANGIBLE FIXED ASSETS**

	Plant and machinery	Fixtures and fittings	Totals
	£	£	£
COST			
At 1 April 2017 and 31 March 2018	4,333,340	1,500	4,334,840
DEPRECIATION			
At 1 April 2017	2,129,747	625	2,130,372
Charge for year	307,368	122	307,490
At 31 March 2018	2,437,115	747	2,437,862
NET BOOK VALUE			
At 31 March 2018	1,896,225	753	1,896,978
At 31 March 2017	2,203,593	875	2,204,468

continued...

9. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.18	31.3.17
	£	£
Trade debtors	5,187,998	247,371
Amounts owed by group undertakings	22,075	1,604,425
VAT	-	4,498
Prepayments and accrued income	-	6,000,000
Loans and advances	3,868,050	4,119,365
	9,078,123	11,975,659

* Loans and advances includes a debt of £3.3mn ,where loan has been outstanding for over a number of years and the management has concluded that no provision is required as to its recoverability, as it is hopeful that the amount will be recovered in the near future. In the event it becomes irrecoverable the ultimate holding company has undertaken to make good any loss arising as to its recoverability.

10. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.18	31.3.17
	£	£
Trade creditors	328,754	869,867
Amounts owed to group undertakings	1,680,455	4,122,346
VAT	1,143,928	-
Accruals and deferred income	1,720,994	1,690,918
	4,874,131	6,683,131

11. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.3.18	31.3.17
	£	£
Intercompany loan	35,177,361	39,142,890
Advance from customer	252,691	198,457
	35,430,052	39,341,347

12. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.18	31.3.17
			£	£
24,367,188	Ordinary share capital	£1	24,367,188	24,367,188

13. **RESERVES**

	Retained earnings
	£
At 1 April 2017	(56,206,524)
Profit for the year	2,522,339
At 31 March 2018	(53,684,185)

continued...

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. At present the company is unable to pay dividends or return equity to shareholders.

The company sets the amounts of capital it requires in proportion to risk. The company manages its capital structure and makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may issue new shares or sell assets to reduce debt.

Capital compromises of equity - share capital and retained earnings.

During the period the company's strategy, which was unchanged from previous periods, was to monitor and manage the use of funds whilst developing business strategies and marketing.

15. CONTINGENT LIABILITIES

On 21 October 2015 a warrant to enter and search the company's premises was executed by HMRC Officers. Documentation were seized relating to the period from 1 October 2009 to 21 October 2015. The company has offered full cooperation to HMRC and continues to do so. At the current time it is difficult to assess the likely outcome. However, the management is cautiously confident that there will be no liability on the part of the company.

16. ULTIMATE PARENT COMPANY

The directors believe Prime Focus Limited, a company incorporated in India, to be the immediate and ultimate controlling party. Consolidated group accounts are available at -

Prime Focus Limited
2nd Floor
Main Frame IT Park
Building H
Royal Palms
Near Aerey Colony
Goregaon (East)
Mumbai - 400065

17. PREVIOUS YEAR'S FIGURES

Previous Year figures have been rearranged/regrouped/reclassified wherever considered necessary to facilitate comparison with current year figures.

De-fi Media Limited

Trading and Profit and Loss Account
for the Year Ended 31 March 2018

	31.3.18		31.3.17	
	£	£	£	£
Sales		5,000		2,294,117
Cost of sales				
Cost of sales		-		2,655,545
GROSS PROFIT/(LOSS)		5,000		(361,428)
Other income				
Gain on sale of Investments		-		1,553,471
		5,000		1,192,043
Expenditure				
Travelling	73,345		-	
Penalty	1,500		-	
Professional Charges	24,789		653,876	
Repairs and renewals	6,753		30,772	
Receivables/ Payables Written Back /Off	35,373		27,888,769	
Intangible Assets w/off	-		14,055,000	
Sundry expenses	-		44,733	
Directors remuneration	51,461		50,030	
Legal fees	171,228		-	
Auditors' remuneration	5,154		5,000	
Foreign exchange loss/(gain)	(4,077,816)		5,405,875	
Depreciation of tangible fixed assets	307,490		357,319	
Commission paid	12,565		-	
Interest written off	-		335,143	
		(3,388,158)		48,826,517
		3,393,158		(47,634,474)
Finance costs				
Interest payable and similar charges	864,298		652,915	
Bank Charges	6,521		1,785	
		870,819		654,700
NET PROFIT/(LOSS)		2,522,339		(48,289,174)