

Prime Focus 3D Cooperatief U.A. Netherlands

Balance sheet as at March 31, 2019

In \$

		As at March 31	As at March 31
	Notes	2019	2018
Assets			
Non-current assets			
Fixed assets			
Tangible assets		-	-
Intangible assets		-	-
Capital work-in-progress		-	-
Intangible assets under development		-	-
Financial assets			
Investments	3	34,664,824	34,664,824
Other financial assets		-	-
Deferred tax asset (net)		-	-
Other non-current assets		-	-
		34,664,824	34,664,824
Current assets			
Inventories			
Inventories		-	-
Financial assets			
Investments		-	-
Trade receivables		-	-
Bank balances		2,339	100
Other financial assets	4	15,148,558	-
Other current assets	5	176,956	-
		15,327,852	100
TOTAL ASSETS		49,992,676	34,664,924
Equity and Liabilities			
Shareholders' funds			
Equity	6	34,668,615	34,668,615
Other equity	7	(439,702)	(302,692)
		34,228,913	34,365,923
Non-current liabilities			
Financial liabilities			
Borrowings		-	-
Other financial liabilities		-	-
Deferred tax liability (net)		-	-
Long-term provisions		-	-
		-	-
Current liabilities			
Financial liabilities			
Borrowings	8	14,837,433	-
Other current financial liabilities	9	926,330	299,001
Other current liabilities		-	-
Short-term provisions		-	-
		15,763,763	299,001
TOTAL EQUITY & LIABILITIES		49,992,676	34,664,924

See accompanying notes to the financial statements

As per our report of even date

For V. Shivkumar & Associates

Chartered Accountants

Firm Registration No.: 112781W

For and on behalf of the Board of Directors

V. Shivkumar

(Proprietor)

Membership No. 042673

Mumbai

May 25, 2019

Nishant Fadia

Prime Focus 3D Cooperatief U.A. Netherlands

Statement of Profit and loss for the year ended March 31, 2019

In \$

Particulars	Notes	Year ended	
		31-Mar-19	31-Mar-18
Income from operations			
Revenue from operations		-	-
Other operating income		-	-
Other income:			
a) Exchange gain (net)		119,289	-
b) Inter company interest income		311,174	-
Total income from operations		430,463	-
Expenses			
Employee benefits expense		-	-
Technician fees		-	-
Technical service cost		-	-
Finance costs	10	436,035	2,049
Depreciation and amortisation expense		-	-
Other expenditure	11	131,438	64,055
Exchange loss (net)		-	31,951
Total Expenses		567,473	98,055
(Loss) from ordinary activities before tax		(137,010)	(98,055)
Current tax		-	-
Deferred tax		-	-
		-	-
Net Profit / (Loss) for the year		(137,010)	(98,055)
Earnings per equity share of face value of Eur each (before exceptional items)			
Basic		(0.00)	(0.00)
Diluted		(0.00)	(0.00)
Earnings per equity share of face value of Eur each (after exceptional items)			
Basic		(0.00)	(0.00)
Diluted		(0.00)	(0.00)

See accompanying notes to the financial statements

As per our report of even date

For V. Shivkumar & Associates

Chartered Accountants

Firm Registration No.: 112781W

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Mumbai

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Prime Focus 3D Cooperatief U.A. Netherlands

Statement of Changes in Equity for the year ended March 31, 2018

Changes in Equity Share capital

In \$

	No of shares	Amount
As at April 01, 2017	34,668,615	34,668,615
Changes during the year	-	-
As at March 31, 2018	34,668,615	34,668,615
Changes during the year	-	-
As at March 31, 2019	34,668,615	34,668,615

Changes in Other Equity

In \$

	Retained earnings	Total
As at April 01, 2017	(204,638)	(204,638)
Profit/ (loss) for the year	(98,055)	(98,055)
As at March 31, 2018	(302,692)	(302,692)
(Loss) for the year	(137,010)	(137,010)
As at March 31, 2019	(439,702)	(439,702)

See accompanying notes to the financial statements

As per our report of even date

For V. Shivkumar & Associates

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Prime Focus 3D Cooperatief U.A. Netherlands

Cash flow for the year ended March 31, 2019

In \$

Particulars	Year ended March 31,	
	2019	2018
A. Cash flow from Operating activities		
Net Profit before taxation	(137,010)	(98,055)
Adjustments for :		
Unrealised foreign exchange gain	(119,289)	-
Interest income	(311,174)	-
Finance cost	436,035	2,049
Operating profit before working capital changes	(131,438)	(96,006)
Movements in working capital :		
Increase/(Decrease) in trade payable	584,050	97,290
Decrease / (increase) in current financial assets	(15,325,512)	-
Cash generated from operations	(14,872,900)	1,285
Direct Taxes paid (Net of Refunds)	-	-
Net Cash from operating activities	(14,872,900)	1,285
B. Cash flow from investing activities		
Purchase of investment in subsidiaries	-	-
Net Cash from investing activities	-	-
C. Cash flow from Financing activities		
Proceeds from short-term borrowing	15,000,000	-
Finance cost paid	(124,861)	(2,049)
Net cash used in Financing activities	14,875,139	(2,049)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	2,239	(764)
Cash and cash equivalents at the beginning of the year	100	864
Cash and cash equivalents at the end of the year	2,339	100

See accompanying notes to the financial statements

As per our report of even date

For V. Shivkumar & Associates
Chartered Accountants
Firm Registration No.: 112781W

For and on behalf of the Board of Directors

V. Shivkumar
(Proprietor)
Membership No. 042673
Mumbai
May 25, 2019

Nishant Fadia

1. Corporate information

Prime Focus 3D Cooperatief UA (hereinafter referred to as "the Company") was incorporated on July 29, 2011 by PF World Ltd and PF Investment Ltd under the laws of Netherlands and acts as intermediate holding company. On September 16, 2011 PF World Ltd transferred its membership interest to Prime Focus Luxembourg S.a.r.l. The ultimate holding company is Prime Focus Limited.

The Company object is the direct and indirect acquisition and holding of participating interests, in any form whatsoever, in Luxembourg and/or in foreign undertakings, and the administration, development and management of such interests. In addition, the object of the Company also is to provide creative and technical services for the Film, Broadcast, Commercial, Gaming, Internet and Media Industries in Netherlands.

This includes, but is not limited to, investment in, acquirement of, disposal of, granting or issuing (without a public offer) of preferred equity certificates, loans, bonds, notes debentures and other debt instruments, shares, warrants and other equity instruments or rights, including, but not limited to, shares of capital stock, limited partnership interests, limited liability company interests, preferred stock, securities and swaps, and any combination of the foregoing, in each cast whether readily marketable or not, and obligations (including but not limited to synthetic securities obligations) in any type of company, entity or other legal person.

2. Statement of significant accounting policies:

a. Basis of preparation

The financial statements have been prepared in accordance with the Indian Accounting Standards (herein after referred to as 'Ind AS'). The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these standalone financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IND AS 102, leasing transactions that are within the scope of IND AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in IND AS 2 or value in use in IND AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the assets or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

b. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Accounting estimates could change from period to period. Actual results could differ from these estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

c. Dividend income and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

d. Foreign currencies

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for further productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks.

e. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flow (when the effect of the time value of money is material).

f. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary differences arises from the initial recognition of goodwill.

Prime Focus 3D Cooperatief U.A. Netherlands

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

g. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

h. Cash Flow statements

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

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3. Non-current investments <i>In \$</i>		
	As at March 31, 2019	As at March 31, 2018
Long-term investments (at cost)		
In equity shares of Subsidiary Companies		
PF World Ltd NV	34,664,824	34,664,824
Total	34,664,824	34,664,824

4. Other current financial assets <i>In \$</i>		
	As at March 31, 2019	As at March 31, 2018
Loan given to group company	15,148,558	-
	15,148,558	-

- a. Loan given to group company are considered as current and repayable on demand
b. Interest rate at 5% charged on group company loan

5. Other current assets <i>In \$</i>		
	As at March 31, 2019	As at March 31, 2018
Prepaid expenses	176,956	-
	176,956	-

6. Equity <i>In \$</i>		
	As at March 31, 2019	As at March 31, 2018
Issued, subscribed and fully paid-Up:		
equity shares	34,668,615	34,668,615
Total	34,668,615	34,668,615

7. Other equity <i>In \$</i>		
	As at March 31, 2019	As at March 31, 2018
Retained earnings		
As per last balance sheet	(302,692)	(204,638)
Profit for the year	(137,010)	(98,055)
	(439,702)	(302,692)

8. Borrowing - current <i>In \$</i>		
	As at March 31, 2019	As at March 31, 2018
Short-term borrowing	14,837,433	-
	14,837,433	-

During the year, the Company raised a short-term borrowing of Euro 13,227,513 from a financial institution at an interest rate of 5% p.a. The said borrowing is repayable within one year from the date of disbursement.

9. Other current financial liabilities <i>In \$</i>		
	As at March 31, 2019	As at March 31, 2018
Trade payable	198,037	1,020
Interest payable on short-term loan	311,174	-
Payable to group companies	417,119	297,981
	926,330	299,001

10. Financial expenses <i>In \$</i>		
	As at March 31, 2019	As at March 31, 2018
Interest on short-term borrowing	311,174	-
Processing fees	124,861	-
Bank charges	-	2,049
	436,035	2,049

11. Other expenses <i>In \$</i>		
	Year ended March 31,	
	2019	2018
Legal and professional fees	124,055	64,055
Misc Expenses	7,383	-
	131,438	64,055

Prime Focus 3D Cooperatief U.A. Netherlands

12. Related Party Disclosure

List of related Parties where control exists and related parties with whom transactions have taken place and relationships:

Name of thr related party	Relationship
Prime Focus Luxembourg S.a.r.l	Parent Company
Prime Focus Technologies Uk Limited	Fellow Group Company
Prime Focus North America Inc	Fellow Group Company
PF World Limited, Mauritius	Fellow Group Company
Prime Focus International Services UK Limited	Fellow Group Company

Related Party Transaction During the Year

In \$

	March 31	
	2019	2018
Amount paid by		
Prime Focus Technologies Uk Limited	45,594	-
Prime Focus International Services Uk Limited	-	8,518
Prime Focus World Nv.	94,775	88,858
PF World Limited, Mauritius	-	16,680
Loan given to		
PF World Limited, Mauritius	14,999,950	-
Interest income		
PF World Limited, Mauritius	311,174	-
Amount payable to Prime Focus Nv. Group assigned to PF World Limited, Mauritius	219,694	-

Closing balance

In \$

	March 31	
	2019	2018
Loan receivable (including interest)		
PF World Limited, Mauritius	15,148,558	-
Payable to group companies		
Prime Focus Technologies Uk Limited	62,277	17,944
PF World Limited, Mauritius	354,842	135,148
Prime Focus North America Inc	-	44,013
Prime Focus International Services Uk Limited	-	8,518
Prime Focus World Nv.	-	92,358

13. Financial Instruments

Fair value measurement

In \$

	Carrying Value		Fair Value	
	As at March 31		As at March 31	
	2019	2018	2019	2018
A. Financial Assets:				
Cash and cash equivalents	2,339	100	-	-
Other current financial assets	15,148,558	-	-	-
Investments non-current	34,664,824	34,664,824	-	-
	49,815,720	34,664,924	-	-
B. Financial Liabilities:				
Borrowing - current	14,837,433	-	-	-
Other current financial liabilities	926,330	299,001	-	-
	15,763,762	299,001	-	-

Capital Risk Management

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.

The company management sets the amounts of capital required 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.

The capital structure consists of borrowings (as detailed in note 8), offset by cash and bank balances and equity (comprising issued capital, reserves and retained earnings as detailed in statement of changes in shareholders' equity). The debt equity ratio for current year is 0.02 (March 31, 2018: 0.01).

a) Financial risk management

The company is exposed through its operations to the following financial risks:

- Credit risk management
- Liquidity risk management

i) Credit risk management

Credit risk is the risk of financial loss to the Company if a client or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers. Management has a credit policy in place and the exposure to credit risk is monitored on an on-going basis.

The Company has a low credit risk in respect of its trade receivables, as its principal customers are group companies.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was \$ 15,150,896 and \$ 100 as at March 31, 2019 and March 31, 2018 respectively, being the total of the carrying amount of the balances with banks and other financial assets.

ii) Liquidity risk management

Management monitors rolling forecasts of the Company's liquidity position (comprising of undrawn bank facilities and cash and cash equivalents) on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents.

The table below analyses the maturity profile of the Company's financial liabilities. The following break up is based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Liquidity risk management

In \$

At 31 March 2019	Less than 1 year	Between 1 to 5 years	Total
Borrowing - current	14,837,433	-	14,837,433
Other current financial liabilities	926,330	-	926,330
	15,763,762	-	15,763,762

In \$

At 31 March 2018	Less than 1 year	Between 1 to 5 years	Total
Other current financial liabilities	299,001	-	299,001
	299,001	-	299,001

Market risk

The primary market risks to which the Group is exposed are foreign currency and interest rate risk.

Foreign currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company's foreign currency exposure as at year end is as follows:

Particulars	Foreign Currency Denomination	As at March 31, 2019		As at March 31, 2018	
		Foreign Currency	In \$	Foreign Currency	In \$
Asset	EUR	13,227,513	14,837,384	-	-
Asset Total			14,837,384		
Liability	EUR	13,227,513	14,837,384	-	-
	GBP	47,819	62,277	-	-
Liability Total			14,899,660		

5% appreciation/ depreciation of respective foreign currencies with respect to functional currency would result in decrease/ increase in the Company's profit before tax by approximately \$ 3,114 for the year ended March 31, 2019 [March 31, 2018: \$ Nil]. This sensitivity analysis includes only outstanding foreign currency denominated monetary items.

14. Earnings per share

In \$

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Net (loss) attributable to equity shareholders	(137,010)	(98,055)
Exceptional items (net of tax)	-	-
Net Profit/(loss) before exceptional items but after tax	(137,010)	(98,055)
Weighted average number of equity shares in calculating basic and diluted EPS	34,668,615	34,668,615
Earnings per share (before exceptional items)		
Basic EPS	(0.00)	(0.00)
Diluted EPS	(0.00)	(0.00)

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For V. Shivkumar & Associates

Chartered Accountants

Firm Registration No.: 112781W

For and on behalf of the Board of Directors

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