

SCRABBLE ENTERTAINMENT (MAURITIUS) LTD

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 MARCH 2017**

SCRABBLE ENTERTAINMENT (MAURITIUS) LTD

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

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SCRABBLE ENTERTAINMENT (MAURITIUS) LTD**COMPANY INFORMATION**

		Date of appointment	Date of resignation
DIRECTORS	:		
	Kapil Agarwal	04 January 2012	-
	Sachidananda Govinda	05 September 2012	08 November 2016
	Devananda Naraidoo	06 April 2015	-
	Kjell Ekstrom (Alternate to Sachidananda Govinda)	28 July 2016	08 November 2016
	Kjell Ekstrom	08 November 2016	-
	Vaneeta Bickoo Brelu-Brelu (Alternate to Kjell Ekstrom)	29 November 2016	-
	Girish Rao Ladkoo (Alternate to Devananda Naraidoo)	29 November 2016	-
ADMINISTRATOR & SECRETARY	:		
	Abax Corporate Services Ltd 6th Floor, Tower A 1 CyberCity Ebene Republic of Mauritius		
REGISTERED OFFICE	:		
	Abax Corporate Services Ltd 6th Floor, Tower A 1 CyberCity Ebene Republic of Mauritius		
AUDITORS	:		
	UHY & Co Duke of York Street Champ De Mars Port Louis Republic of Mauritius		
BANKERS	:		
	Hongkong and Shanghai Banking Corporation 4th Floor, HSBC Centre 18, CyberCity Ebene (Up to August 2016)		
	SBI (Mauritius) Ltd SBI Tower Mindspace 45 CyberCity Ebene Republic of Mauritius (As from August 2016)		

SCRABBLE ENTERTAINMENT (MAURITIUS) LTD

COMMENTARY OF THE DIRECTORS

The directors are pleased to present their commentary together with the audited financial statements of Scrabble Entertainment (Mauritius) Ltd (the "Company") for year ended 31 March 2017.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the deployment of digital cinema equipment for distribution across all cinema theatres through its branch, Scrabble Entertainment (Mauritius) Ltd, in Israel.

RESULTS AND DIVIDENDS

The Company's loss for the year ended 31 March 2017 is USD 61,100 (2016: profit of USD 2,804,654).

During the year, the Company paid a dividend of USD 2,100,000 (2016: USD 1,890,000).

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

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

The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, UHY & Co were appointed during the year and have indicated their willingness to continue in office. They will be automatically re-appointed at the next Annual Meeting.

By Order of the Board

ISABELLE ADRIEN

For

Abax Corporate Services Ltd

SECRETARY

Date: 4 May 2017



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**SECRETARY'S CERTIFICATE
TO THE MEMBER OF SCRABBLE ENTERTAINMENT (MAURITIUS) LTD
UNDER SECTION 166 (d) OF THE MAURITIAN COMPANIES ACT 2001**

We certify, as Secretary of the Company, that based on records and information made available to us by the Directors and Shareholders of the Company, the Company has filed with the Registrar of Companies for year ended 31 March 2017, all such returns as are required of the Company under the Mauritian Companies Act 2001.

Dated 4 May 2017

ISABELLE ADRIEN
For
Abax Corporate Services Ltd

**ABAX CORPORATE SERVICES LTD
SECRETARY**

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Port Louis
Mauritius

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
SCRABBLE ENTERTAINMENT (MAURITIUS) LTD**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Scrabble Entertainment (Mauritius) Ltd (the "Company") on pages 8 to 28 which comprise the statement of financial position at 31 March 2017 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company at 31 March 2017 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as modified by the exemption from consolidation in the Mauritian Companies Act 2001 for companies holding a category 1 Global Business Licence and comply with the Mauritian Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

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

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other Information

The directors are responsible for the other information. The other information comprises the Commentary of the Directors and the Secretary's certificate, but does not include the financial statements and our auditor's report thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
SCRABBLE ENTERTAINMENT (MAURITIUS) LTD

Report on the Audit of the Financial Statements (Continued)

Other Information (Continued)

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or 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.

Directors' Responsibilities for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the Mauritian Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The directors are responsible for overseeing the financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 ISAs 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
SCRABBLE ENTERTAINMENT (MAURITIUS) LTD

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
SCRABBLE ENTERTAINMENT (MAURITIUS) LTD

Report on Other Legal and Regulatory Requirements

The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

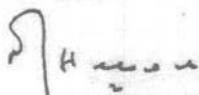
- (a) we have no relationship with or interests in the Company other than in our capacity as auditor;
- (b) we have obtained all the information and explanations we have required; and
- (c) in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's member, as a body, in accordance with Section 205 of the Mauritian Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

UHY & Co

UHY & Co



Nirmal Heeralall, licensed by FRC
Signing partner

Date:

SCRABBLE ENTERTAINMENT (MAURITIUS) LTD
**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017**

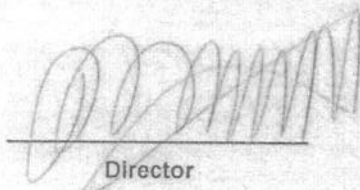
	NOTES	2017 USD	2016 USD
INCOME			
Revenue from operations	5	1,342,978	1,283,224
Dividend income		-	2,942,759
Bank interest		297	-
Exchange gain		22,174	33,296
		<u>1,365,449</u>	<u>4,259,279</u>
EXPENSES			
Costs associated with operations	6	686,719	682,177
Administrative expenses		58,102	42,134
Depreciation expense of property, plant and equipment	8	545,098	533,284
Rental expense		11,369	11,124
Legal and professional fees		20,133	17,600
		<u>1,321,421</u>	<u>1,286,319</u>
OPERATING PROFIT		44,028	2,972,960
Finance expense	7	(37,655)	(67,015)
PROFIT BEFORE TAX		<u>6,373</u>	<u>2,905,945</u>
Income tax expense	13	(67,473)	(101,291)
(LOSS)/PROFIT AFTER TAX		<u>(61,100)</u>	<u>2,804,654</u>
OTHER COMPREHENSIVE INCOME THAT MAY BE SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS			
Exchange difference on translation of foreign operations		41,048	94,326
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(20,052)</u> =====	<u>2,898,980</u> =====

The notes on pages 12 to 28 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	NOTES	2017 USD	2016 USD
ASSETS			
Non-current assets			
Property, plant and equipment	8	1,021,362	1,531,101
Investments in subsidiaries	9	735,495	735,495
Total non-current assets		1,756,857	2,266,596
Current assets			
Accounts receivable	10	420,641	1,435,832
Income tax receivable	13	1,502	-
Cash and cash equivalents		1,848,598	2,910,188
Total current assets		2,270,741	4,346,020
TOTAL ASSETS		4,027,598	6,612,616
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	11	750,001	750,001
Retained earnings		1,245,319	3,310,498
Translation reserve		19,883	74,756
Total equity		2,015,203	4,135,255
Current liabilities			
Loan payable	14(ii)	1,419,789	1,389,951
Accounts payable	12	592,606	1,015,227
Income tax payable	13	-	72,183
Total current liabilities		2,012,395	2,477,361
TOTAL EQUITY AND LIABILITIES		4,027,598	6,612,616

Approved by the Board on 04 May 2017 and signed on its behalf by:


Director


Director

The notes on pages 12 to 28 form an integral part of these financial statements.

SCRABBLE ENTERTAINMENT (MAURITIUS) LTD

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017

	Stated capital USD	Retained earnings USD	Translation reserve USD	Total USD
At 01 April 2015	750,001	2,455,262	(78,988)	3,126,275
Profit for the year	-	2,804,654	-	2,804,654
Dividend paid during the year	-	(1,890,000)	-	(1,890,000)
Transfer from retained earnings	-	(59,418)	59,418	-
Exchange differences on translation of foreign operations	-	-	94,326	94,326
Total comprehensive income for the year	-	855,236	153,744	1,008,980
At 31 March 2016	750,001	3,310,498	74,756	4,135,255
Loss for the year	-	(61,100)	-	(61,100)
Dividend paid during the year	-	(2,100,000)	-	(2,100,000)
Transfer from retained earnings	-	95,921	(95,921)	-
Exchange differences on translation of foreign operations	-	-	41,048	41,048
Total comprehensive income for the year	-	(2,065,179)	(54,873)	(2,120,052)
At 31 March 2017	750,001	1,245,319	19,883	2,015,203
	=====	=====	=====	=====

The notes on pages 12 to 28 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017

	NOTES	2017 USD	2016 USD
Cash flows from operating activities			
Profit before tax		6,373	2,905,945
<i>Adjustments for:</i>			
Interest income		(297)	-
Interest expense		29,700	58,384
Depreciation of property, plant and equipment	8	545,098	533,284
Dividend income		-	(2,942,759)
Exchange difference		12,683	(33,296)
Operating profit before working capital changes		593,557	521,558
<i>Changes in working capital:</i>			
Decrease / (increase) in accounts receivable		1,015,191	(54,862)
(Decrease) / increase in accounts payable		(422,621)	348,064
		1,186,197	814,760
Tax paid		(148,014)	(164,149)
Net cash inflows from operating activities		1,038,113	650,611
Cash flows from investing activities			
Loan repaid to subsidiary		-	(420,000)
Dividend received		-	2,942,759
Interest received		297	-
Net cash inflows from investing activities		297	2,522,759
Cash flows used in financing activities			
Dividend paid		(2,100,000)	(1,890,000)
Net cash outflows used in financing activities		(2,100,000)	(1,890,000)
Net (decrease) / increase in cash and cash equivalents		(1,061,590)	1,283,370
Cash and cash equivalents at beginning of year		2,910,188	1,585,393
Effects of exchange difference		-	41,425
Cash and cash equivalents at end of year		1,848,598	2,910,188
		=====	=====

The notes on pages 12 to 28 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2017

1 GENERAL INFORMATION

Scrabble Entertainment (Mauritius) Ltd (the "Company") is a limited company which was incorporated on 26 September 2011. It holds a Category 1 Global Business Licence under the Financial Services Act 2007 and is regulated by Financial Services Commission. The Company's registered office is C/o Abax Corporate Services Ltd, 6th Floor, Tower A, 1 CyberCity, Ebène, Republic of Mauritius.

On 12 March 2013, the Company set up a branch in Israel named Scrabble Entertainment (Mauritius) Ltd. The principal activities of the Company are investment holding and the deployment of digital cinema equipment for distribution across all cinema theatres in Israel through its branch in Israel.

2 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all years presented, unless otherwise stated.

(i) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as modified by the exemption from consolidation in the Companies Act 2001 for companies holding a Category 1 Global Business Licence ("IFRS as modified by Companies Act 2001"). The financial statements have been prepared under the historical cost basis.

The preparation of financial statements in conformity with IFRS as modified by Companies Act 2001 requires the use of certain critical accounting estimates. It also requires the directors to exercise their judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are described in Note 3.

(ii) Changes in accounting policy and disclosures***New and amended standards***

The Company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 01 April 2016.

Although these new standards and amendments were applied for the first time in 2016, they did not have a material impact on the financial statements of the Company. The nature and the impact of each new standard or amendment relevant to the Company are described below:

Amendments to IAS 1 Disclosure Initiative

The amendments to IAS 1 clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

- The materiality requirements in IAS 1 - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- That specific line items in the statement of comprehensive income and OCI and the statement of financial position may be disaggregated - where this is relevant to an understanding of the entity's financial position or performance.

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2017

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(ii) Changes in accounting policy and disclosures (continued)*****New and amended standards (continued)******Amendments to IAS 1 Disclosure Initiative (continued)***

- That entities have flexibility as to the order in which they present the notes to financial statements.
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of comprehensive income.

These amendments affect presentation only and do not have any impact on the financial position or performance of the Company.

Amendments to IAS 27 Equity Method in Separate Financial Statements

The amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in their separate financial statements have to apply that change retrospectively.

These amendments do not have any impact on the Company's financial statements.

Other standards, amendments and interpretations which are effective for the financial period beginning on 01 April 2016 do not have any impact on the Company.

New standards, amendments and interpretations issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The directors anticipate these standards and interpretation, if applicable, will be applied on their effective dates. They have not yet assessed the potential impact of the adoption of these standards, interpretations and amendments.

IFRS 9 – Financial Instruments (effective for accounting periods beginning on or after 01 January 2018)

IFRS 9, 'Financial Instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments.

IFRS 15 Revenue from Contracts with Customers (effective for accounting periods beginning on or after 01 January 2018)

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers.

The five steps in the model are as follows:

- Identify the contract with the customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contracts; and
- Recognise revenue when (or as) the entity satisfies a performance obligation.

SCRABBLE ENTERTAINMENT (MAURITIUS) LTD

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2017

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(ii) Changes in accounting policy and disclosures (continued)*****New standards, amendments and interpretations issued but not yet effective (continued)***

IFRS 15 Revenue from Contracts with Customers (effective for accounting periods beginning on or after 01 January 2018) (continued)

Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced.

IAS 7 Disclosure Initiative – Amendments to IAS 7 (effective for accounting periods beginning on or after 01 January 2017)

The amendments to IAS 7, 'Statement of Cash Flows', are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. Early application is permitted. The amendments are intended to provide information to help investors better understand changes in a company's debt.

(iii) Summary of significant accounting policies***Foreign currency translation*****(a) Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in United States Dollar ("USD"), which is the Company's functional and presentation currency. The USD is the currency that most faithfully reflects the underlying transactions, events and conditions that are relevant to the Company.

(b) Transactions and balances

Foreign currency transactions are translated into the functional 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 at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of their fair value gain or loss. Non-monetary items measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transactions.

For the purpose of presenting the figures of the branch together with that of the Company, the assets and liabilities of the branch have been translated in USD using exchange rates prevailing at the reporting date. The results of the statement of comprehensive income of the branch have been translated at an average exchange rate prevailing during the year. The exchange differences arising from the translation of the results of the branch are taken to translation reserve.

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2017

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(iii) Summary of significant accounting policies (continued)*****Taxation***

The tax expense for the year comprises of current and deferred tax. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the country where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Property, plant and equipment (PPE)

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of comprehensive income during the reporting period in which they are incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

The estimated useful life of the PPE, which includes cinema equipment only, as determined by the management is 5 years.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2017

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(iii) Summary of significant accounting policies (continued)*****Investment in subsidiaries***

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company 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 Company. They are deconsolidated from the date that control ceases.

Investment in subsidiaries is shown at cost. Where the carrying amount of the investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the statement of comprehensive income. On disposal of the investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of comprehensive income.

Consolidated financial statements

The Company has taken advantage of the exemption provided by the Companies Act 2001 allowing a wholly owned or virtually owned subsidiary of any company holding a Category 1 Global Business Licence not to present consolidated financial statements. The financial statements are for the Company only and do not consolidate the results of its subsidiaries. The Company is a wholly owned subsidiary of Scrabble Entertainment Limited, a company incorporated in India which prepares consolidated financial statements in accordance with Indian GAAP. These consolidated financial statements are obtainable at Valuable Techno Park, Plot #53/1, Road #7, MIDC, Marol, Andheri (E), Mumbai.

Financial instruments

The Company initially recognises loans and receivables and debt securities issued on the date when they are originated. All other financial assets (including assets designated at fair value through profit or loss) are initially recognised on the trade date, which is the date when the Company becomes a party to the contractual provisions of the instrument. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial instruments carried on the statement of financial position include accounts receivable, cash and cash equivalents, loan payable and accounts payable. The particular recognition methods adopted are disclosed below:

Financial assets***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method (EIR), less any impairment losses.

The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the statement of comprehensive income.

Loans and receivables comprise of loan receivable, accounts receivable and cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2017

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(iii) Summary of significant accounting policies (continued)*****Financial instruments (continued)******Accounts receivable***

Accounts receivable are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Accounts receivable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The Company's cash and cash equivalents comprise of cash at bank and fixed deposits.

Financial liabilities

A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in the statement of comprehensive income as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, including any interest expense, are recognised in the statement of comprehensive income.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

Loans payable

Loans payable are recognised initially at fair value, net of transaction costs incurred. Loans payable are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the loans payable using the effective interest method. Loans payable are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date in which case they are presented as non-current liabilities.

Accounts payable

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Accounts payable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial assets and liabilities

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such derecognised financial assets that is created or retained by the Company is recognised as a separate asset or liability.

SCRABBLE ENTERTAINMENT (MAURITIUS) LTD

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2017

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(iii) Summary of significant accounting policies (continued)***Derecognition of financial assets and liabilities (continued)*

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legally enforceable right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Impairment of financial assets

The Company assesses at each reporting date whether a financial asset or group of financial assets is impaired.

Assets carried at amortised cost

If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss shall be recognised in the statement of comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in the statement of comprehensive income.

In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible. Impairment losses are recognised in the statement of comprehensive income. Subsequent recoveries of amounts previously written off are credited in the statement of comprehensive income.

Impairment of non-financial assets

The carrying amount of assets is assessed at each reporting date to determine whether there are any indications of impairment. If any such indication exists, the Company estimates the recoverable amount of the asset being the higher of the asset's value in use and its fair value less costs to sell, in order to determine the extent of the impairment loss (if any). An impairment loss is recognised for any excess of the asset's carrying amount over its recoverable amount and is taken directly to the statement of comprehensive income.

Stated capital

Stated capital is determined using the nominal values of shares that have been issued and classified as equity.

SCRABBLE ENTERTAINMENT (MAURITIUS) LTD**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2017****2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(iii) Summary of significant accounting policies (continued)****Revenue recognition**

The Company recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below:

Revenue from operations are recognised on the accrual basis in accordance with the substance of the relevant agreements.

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised using the effective interest method.

Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Expenses recognition

Expenses are accounted for in the statement of comprehensive income on the accrual basis.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and judgements that affect the reported amounts of assets and liabilities within the next year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Determination of functional currency

The Board of Directors considers the United States Dollar ("USD") as the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The USD is the currency in which the Company measures its performance and reports its results, as well as the currency in which it receives subscriptions from its shareholder.

Useful life of property, plant and equipment

In the process of assessing the Company's accounting policies, management estimates the useful life of property, plant and equipment and charges depreciation based on the estimated useful life. The existing assessment of assets, which reflects the management's intention in relation to financial statements presentation, is subject to different accounting treatments based on such estimation.

Income taxes

The Company is subject to income taxes in Mauritius and in its branch in Israel. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the year in which such determination is made.

SCRABBLE ENTERTAINMENT (MAURITIUS) LTD

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2017

4 FINANCIAL RISK MANAGEMENT

A. Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. This note presents information about the Company's exposure to each of the said risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate measures and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and in the Company's activities.

The Company's exposure to the various types of risks associated to its activities and financial instruments is detailed below.

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk

Foreign exchange risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. The Company has financial assets and liabilities denominated in Israeli New Shekel ("ILS"). Consequently the Company is exposed to the risk that the exchange rate of the USD relative to ILS may change in a manner which has a material effect on the reported value of the Company's assets and liabilities denominated in ILS.

The currency profile of the Company's financial assets and liabilities is summarised as follows:

	2017		2016	
	ILS	USD	ILS	USD
Financial assets				
Cash and cash equivalents	4,142,732	1,140,283	2,625,168	695,171
Accounts receivable	1,487,491	409,430	5,362,306	1,419,992
	<u>5,630,223</u>	<u>1,549,713</u>	<u>7,987,474</u>	<u>2,115,163</u>
	=====	=====	=====	=====
Financial liabilities				
Loan payables	3,271,299	900,425	3,400,062	900,336
Accounts payable	2,109,745	580,705	3,742,562	991,068
	<u>5,381,044</u>	<u>1,481,130</u>	<u>7,142,624</u>	<u>1,891,404</u>
	=====	=====	=====	=====

The remaining financial assets and liabilities (excluding prepayments, VAT refundable, VAT payable) are denominated in USD and are thus not exposed to any foreign exchange risk.

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2017

4 FINANCIAL RISK MANAGEMENT (CONTINUED)**A. Financial risk factors (continued)****(a) Market risk (continued)***Sensitivity analysis*

The following table indicates the approximate change in the Company's post-tax profit and equity in response to reasonable possible changes in the foreign exchange rates to which the Company has significant exposure at the reporting date, with all other variables held constant.

	Increase/(decrease) in foreign exchange rates	2017 USD	2016 USD
Depreciation of ILS	5%	6,579	11,188
Appreciation of ILS	-5%	(6,579)	(11,188)

(ii) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The only significant interest bearing financial instrument held by the Company is loan payable to subsidiary. The Company is not exposed to interest rate risk as the loan payable to subsidiary bears fixed interest at the rate of 9% per annum.

(iii) Price risk

Equity price risk is the risk of unfavorable changes in fair values of equities as a result of changes in the value of individual shares. The Company has no exposure to price risk at year end.

(b) Credit risk

The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. With respect to credit risk arising from financial assets which comprise of accounts receivable (excluding prepayments and VAT refundable) and cash and cash equivalents, the Company's exposure arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets at the reporting date. There was no concentration of credit risk as at the reporting date.

Credit risk from balances with banks is managed by the Company by carrying out transactions with banks of good standing and reputation. The Company also limits its credit exposure by transacting with related parties.

At 31 March 2017, trade receivables of USD 409,430 (2016: USD 1,420,310) were neither past due nor impaired. The ageing analysis of trade receivables are as follows:

	2017 USD	2016 USD
Up to six months	409,430 =====	1,420,310 =====

SCRABBLE ENTERTAINMENT (MAURITIUS) LTD

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2017

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

A. Financial risk factors (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company maintains adequate cash reserves to meet its obligations as they fall due and through financing from related parties.

The table below summarises the maturity profile of the Company's financial liabilities at 31 March 2017 and 2016 based on contractual undiscounted payments:

	Due on demand USD	Within 1 year USD	Total USD
2017			
Amount due to third party	1	-	1
Trade payables	-	580,705	580,705
Accruals	-	11,900	11,900
Loan payable	1,419,789	-	1,419,789
	<u>1,419,790</u>	<u>592,605</u>	<u>2,012,395</u>
	=====	=====	=====
	Due on demand USD	Within 1 year USD	Total USD
2016			
Amount due to parent	10,759	-	10,759
Amount due to third party	1	-	1
Trade payables	-	991,067	991,067
Accruals	-	13,400	13,400
Loan payable	1,389,951	-	1,389,951
	<u>1,400,711</u>	<u>1,004,467</u>	<u>2,405,178</u>
	=====	=====	=====

SCRABBLE ENTERTAINMENT (MAURITIUS) LTD

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2017

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

B. Financial instruments

(a) Categories of financial instruments

	Loans and receivables	
	2017	2016
	USD	USD
Financial assets		
Accounts receivables	409,430	1,420,310
Cash and cash equivalents	1,848,598	2,910,188
Total assets	2,258,028	4,330,498
	=====	=====

	Loans and borrowings	Other financial liabilities at amortised cost	Total
	USD	USD	USD
Financial liabilities 2017			
Accounts payables	-	592,606	592,606
Loan payable	1,419,789	-	1,419,789
Total liabilities	1,419,789	592,606	2,012,395
	=====	=====	=====

	Loans and borrowings	Other financial liabilities at amortised cost	Total
	USD	USD	USD
Financial liabilities 2016			
Accounts payables	-	1,015,227	1,015,227
Loan payable	1,389,951	-	1,389,951
Total liabilities	1,389,951	1,015,227	2,405,178
	=====	=====	=====

(b) Fair values of financial instruments

The carrying amounts of accounts receivable (excluding prepayments and VAT refundable), cash and cash equivalents, loan payable and accounts payable (excluding VAT payable) approximate their fair values.

C. Capital 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 the shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payments to the shareholder, return capital to the shareholder or issue new shares.

SCRABBLE ENTERTAINMENT (MAURITIUS) LTD

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2017

5 REVENUE FROM OPERATIONS

	2017 USD	2016 USD
Virtual Print Fee	1,115,203	1,068,824
Equipment rental income	135,917	122,275
Maintenance fee	91,858	92,125
Total	1,342,978	1,283,224
	=====	=====

6 COSTS ASSOCIATED WITH OPERATIONS

	2017 USD	2016 USD
Virtual Print Fee sharing expense	525,336	528,103
Management fee	69,480	61,794
Maintenance fee	91,503	92,124
Transport and commissions	106	47
Other expenses	294	109
Total	686,719	682,177
	=====	=====

7 FINANCE EXPENSE

	2017 USD	2016 USD
Interest paid on trade payables	-	1,159
Interest payable on loan from subsidiary (Note14(ii))	29,700	57,225
Bank charges	7,955	8,631
Total	37,655	67,015
	=====	=====

8 PROPERTY, PLANT AND EQUIPMENT

	Cinema Equipment 2017 USD	Total 2017 USD	Total 2016 USD
<u>Cost:</u>			
At start and end of the year	2,964,861	2,964,861	2,964,861
<u>Depreciation</u>			
At start of the year	(1,217,509)	(1,217,509)	(684,225)
Charge for the year	(545,098)	(545,098)	(533,284)
At end of the year	(1,762,607)	(1,762,607)	(1,217,509)
Exchange difference	(180,892)	(180,892)	(216,251)
<u>Net book value</u>			
At 31 March	1,021,362	1,021,362	1,531,101
	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2017

9 INVESTMENT IN SUBSIDIARIES

	2017 USD	2016 USD
At cost:		
At start and end of the year	735,495	735,495
	=====	=====

Details of the investments in subsidiaries are given below:

Name of investees	Country of Incorporation	Type of shares held	% Holdings	Cost of investment	
				2017 USD	2016 USD
Scrabble Entertainment DMCC	Dubai	Ordinary	90%	735,494	735,494
Scrabble Entertainment Israel Ltd	Israel	Ordinary	100%	1	1
				=====	=====
				735,495	735,495
				=====	=====

At 31 March 2017, the directors have reviewed the financial performance and the future projects to be undertaken by the investees and are of the opinion that no provision for impairment is required.

10 ACCOUNTS RECEIVABLE

	2017 USD	2016 USD
Trade receivables	409,430	1,420,310
Prepayments	7,288	5,163
VAT refundable	3,923	10,359
	=====	=====
	420,641	1,435,832
	=====	=====

11 STATED CAPITAL

	Number of shares		2017 USD	2016 USD
	2017	2016		
<i>Issued and paid up</i>				
At start and end of the year	750,001	750,001	750,001	750,001
	=====	=====	=====	=====

The par value of each ordinary share is USD 1.

The holder of an ordinary share in the Company shall confer on the holder:

- (a) the right to one vote on a poll at a meeting of the Company on any resolution;
- (b) the right to an equal share in dividends authorised by the Board; and
- (c) the right to an equal share in the distribution of the surplus assets of the Company.

Translation reserve

The translation reserve comprises all foreign currency difference arising from the translation of the financial statements of foreign operations.

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2017

12 ACCOUNTS PAYABLE

	2017 USD	2016 USD
Amount due to parent (Note 14(i))	-	10,759
Amount due to third party	1	1
Accruals	592,605	1,004,467
	<u>-----</u>	<u>-----</u>
At end of year	592,606	1,015,227
	=====	=====

The amounts due to parent and third party are unsecured, interest free and repayable on demand.

The amount due to third party refers to consideration payable on acquisition of shares in Scrabble Entertainment Israel Ltd.

13 INCOME TAX

The Company, being the holder of a Category 1, Global Business Licence, is liable to income tax in Mauritius on its taxable profit arising from its world-wide income at the rate of 15%. The Company's foreign sourced income is eligible for a foreign tax credit which is computed as the higher of the Mauritian tax and the foreign tax on the respective foreign sourced income. The foreign tax for a GBL1 company is based on either the foreign tax charged by the foreign country or a presumed amount of foreign tax: the presumed amount of foreign tax is based on 80% of the Mauritian tax on the relevant foreign sourced income. In computing its total foreign tax credit, the Company is allowed to pool all its foreign sourced income. Capital gains are outside the scope of the Mauritian tax while trading profits made by the Company from the sale of shares are exempt from tax.

The Company operates through its branch in Israel. The tax rate in Israel is 26.5% (2016: 26.5%).

The tax expense for the year comprise of:

	2017 USD	2016 USD
Current tax expense	69,670	151,953
Overprovision in previous years	(2,197)	(50,662)
	<u>-----</u>	<u>-----</u>
Actual tax	67,473	101,291
	=====	=====

SCRABBLE ENTERTAINMENT (MAURITIUS) LTD

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2017

13 INCOME TAX (CONTINUED)

A reconciliation between the accounting profit and the actual income tax expense is presented below:

	2017 USD	2016 USD
Profit before taxation	6,373 =====	2,905,945 =====
Applicable income tax at tax rate of 15%	956	435,892
Impact of:		
Temporary differences	39,018	14,881
Foreign tax credit	(31,979)	(360,618)
Overprovision in previous years	(2,197)	(50,662)
Effect of branch being taxed at different rate	61,675	61,798
Actual income tax expense	67,473 =====	101,291 =====

Income tax (receivable) / payable

	2017 USD	2016 USD
At start of the year	72,183	133,390
Charge for the year	69,670	151,953
Paid during the year	(148,014)	(164,149)
Overprovision in previous years	(2,197)	(50,662)
Exchange difference during the year	11,056	6,494
Tax receivable set off during the year	(4,200)	(4,843)
At end of the year	(1,502) =====	72,183 =====

14 RELATED PARTY TRANSACTIONS

During the year under review, the Company had the following transactions with related entities. The nature, volume of transactions and the balances with the entities are as follows:

	2017 USD	2016 USD
(i) Amount due to parent – Scrabble Entertainment Limited		
At start of the year	10,759	10,759
Paid during the year	(10,759)	-
At end of the year (Note 12)	- =====	10,759 =====

The amount due to parent was unsecured, interest free and has been repaid during the year.

SCRABBLE ENTERTAINMENT (MAURITIUS) LTD

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2017

14 RELATED PARTY TRANSACTIONS (CONTINUED)

	2017 USD	2016 USD
(ii) <i>Loan from subsidiary – Scrabble Entertainment DMCC</i>		
At start of the year	1,389,951	1,754,007
Repaid during the year	-	(420,000)
Interest payable during the year (Note 7)	29,700	57,225
Exchange difference	138	(1,281)
At end of the year	1,419,789	1,389,951
	=====	=====

Details of the above loans are given below:

- (a) Loan amounting to USD 330,000 (2016: USD 330,000) carries interest at the rate of 9% per annum and is repayable on demand.
- (b) Loan amounting to USD 899,275 (2016: USD 899,275) is interest free and is repayable on demand.

	2017 USD	2016 USD
(iii) <i>Fees to management entity of the Company – Abax Corporate Services Ltd</i>		
Fees charged for the year	37,625	32,400
	=====	=====
Fees accrued at end of the year	6,725	8,237
	=====	=====

The above services from Abax Corporate Services Ltd have been provided on commercial terms and conditions.

15 PARENT AND ULTIMATE PARENT

The directors consider Scrabble Entertainment Limited, a company incorporated in India, as the Company's parent and UFO Moviez India Limited, a company incorporated in India, as the Company's ultimate parent.

16 DIVIDEND PER SHARE

The dividend paid in 2017 and 2016 were USD 2,100,000 (USD 2.80 per share) and USD 1,890,000 (USD 2.52 per share) respectively.

17 EVENTS AFTER REPORTING DATE

There are no material events after the reporting date which require amendments to or additional disclosures in the financial statements for the year ended 31 March 2017.