UFO INTERNATIONAL LIMITED

REPORT AND FINANCIAL STATEMENTS
31 March 2016

UFO INTERNATIONAL LIMITED

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31 March 2016

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BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Raaja Kanwar Kapil Kumar Agarwal Sanjay Gaikwad Lora Stylianou Varun Laul
Company Secretary:	LC Law Secretarial Limited
Independent Auditors:	Markos Drakos & Co Ltd Chartered Accountants Acropolis Tower 66 Acropolis Avenue 2012 Strovolos Nicosia
Registered office:	12 Zinonos Sozou 1075 Nicosia Cyprus
Bankers:	Bank of Cyprus Public Company Ltd Habib Bank AG Zurich
Registration number:	HE180142

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents its report and audited financial statements of the Company for the year ended 31 March 2016.

Principal activity
The principal activity of the Company, which is unchanged from last year, is the utilisation of the Digital Cinema Technology worldwide.

Review of current position, future developments and significant risks
The Company's development to date, financial results and position as presented in the financial statements are not considered satisfactory and the Board of Directors is making an effort to reduce the Company losses.

The main risks and uncertainties faced by the Company and the steps taken to manage these risks, are described in note 3 of the financial statements.

Results
The Company's results for the year are set out on page 5.

Dividends
The Board of Directors does not recommend the payment of a dividend.

Share capital
There were no changes in the share capital of the Company during the year under review.

Board of Directors
The members of the Company's Board of Directors as at 31 March 2016 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the year ended 31 March 2016.

In accordance with the Company's Articles of Association all directors presently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors

Events after the reporting period
Any significant events that occurred after the end of the reporting period are described in note 19 to the financial statements.

Independent Auditors
The Independent Auditors, Markos Drakos & Co Ltd, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,

LC Law Secretarial Limited
Secretary

Nicosia, 14 April 2016

Independent auditor's report

To the Members of UFO International Limited

Report on the financial statements

We have audited the financial statements of the parent company UFO International Limited (the "Company") on pages 5 to 20 which comprise the statement of financial position as at 31 March 2016, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the financial statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of parent company UFO International Limited as at 31 March 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Independent auditor's report (continued)

To the Members of UFO International Limited

Report on other legal requirements

Pursuant to the additional requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of these books.
- The Company's financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Cyprus Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors is consistent with the financial statements.

Other matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013 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 whose knowledge this report may come to.

Andreas Constantinides
Certified Public Accountant and Registered Auditor
for and on behalf of
Markos Drakos & Co Ltd
Chartered Accountants

Nicosia, 14 April 2016

UFO INTERNATIONAL LIMITED

STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 March 2016

	Note	Supplementary information 1/4/2015-31/3/2016 INR	1/4/2014-31/3/2015 INR	1/4/2015-31/3/2016 US$	1/4/2014-31/3/2015 US$
Revenue	5	**3.316.645**	3.129.500	**50.000**	50.000
Gross profit		**3.316.645**	3.129.500	**50.000**	50.000
Other income	6	**141.223**	-	**2.129**	-
Administration expenses	7	**(6.422.749)**	(7.327.349)	**(96.826)**	(117.069)
Operating loss		**(2.964.881)**	(4.197.849)	**(44.697)**	(67.069)
Finance income	8	**-**	187.082	**-**	2.989
Finance costs	8	**(53.000)**	(250.423)	**(799)**	(4.001)
Loss before tax		**(3.017.881)**	(4.261.190)	**(45.496)**	(68.081)
Tax	9	**-**	-	**-**	-
Net loss for the year		**(3.017.881)**	(4.261.190)	**(45.496)**	(68.081)
Other comprehensive income		**-**	-	**-**	-
Total comprehensive income for the year		**(3.017.881)**	(4.261.190)	**(45.496)**	(68.081)

UFO INTERNATIONAL LIMITED

STATEMENT OF FINANCIAL POSITION

31 March 2016

	Note	Supplementary information 31/3/2016 INR	31/3/2015 INR	31/3/2016 US$	31/3/2015 US$
ASSETS					
Non-current assets					
Intangible assets	10	**10.235.166**	13.682.174	**154.300**	218.600
Investments in subsidiaries	11	**20.243.143**	19.100.903	**305.175**	305.175
		30.478.309	32.783.077	**459.475**	523.775
Current assets					
Trade and other receivables	12	**833.805**	2.182.200	**12.570**	34.865
Cash at bank and in hand		**4.071.580**	2.519.936	**61.381**	40.261
		4.905.385	4.702.136	**73.951**	75.126
Total assets		**35.383.694**	37.485.213	**533.426**	598.901
EQUITY AND LIABILITIES					
Equity					
Share capital	13	**66.904.756**	63.129.588	**1.008.621**	1.008.621
Share premium		**482.171.595**	454.964.582	**7.268.966**	7.268.966
Accumulated losses		**(513.929.267)**	(482.082.701)	**(7.747.728)**	(7.702.232)
Total equity		**35.147.084**	36.011.469	**529.859**	575.355
Current liabilities					
Creditors and accruals	14	**236.610**	1.473.744	**3.567**	23.546
		236.610	1.473.744	**3.567**	23.546
Total equity and liabilities		**35.383.694**	37.485.213	**533.426**	598.901

On 18 April 2016 the Board of Directors of UFO International Limited authorised these financial statements for issue.

Director

Director

The notes on pages 9 to 19 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
Year ended 31 March 2016

	Note	Share capital US$	Share premium US$	Accumulated losses US$	Total US$
Balance at 1 April 2014		**1.003.939**	**7.231.510**	**(7.634.151)**	**601.298**
Net loss for the year		-	-	(68.081)	(68.081)
Issue of share capital	13	4.682	37.456	-	42.138
Balance at 31 March 2015/ 1 April 2015		**1.008.621**	**7.268.966**	**(7.702.232)**	**575.355**
Net loss for the year		-	-	(45.496)	(45.496)
Balance at 31 March 2016		**1.008.621**	**7.268.966**	**(7.747.728)**	**529.859**

Share premium is not available for distribution.

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter will be payable on such deemed dividends to the extent that the shareholders (companies and individuals) are Cyprus tax residents. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

UFO INTERNATIONAL LIMITED

CASH FLOW STATEMENT
Year ended 31 March 2016

	Note	Supplementary information **1/4/2015- 31/3/2016 INR**	1/4/2014- 31/3/2015 INR	**1/4/2015- 31/3/2016 US$**	1/4/2014- 31/3/2015 US$
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before tax		**(3.017.882)**	(4.261.190)	**(45.496)**	(68.081)
Adjustments for:					
Amortisation of computer software	10	**4.265.205**	4.024.537	**64.300**	64.300
Interest expense	8	**1.327**	63	**20**	1
		1.248.650	(236.590)	**18.824**	(3.780)
Changes in working capital:					
Decrease/(increase) in trade and other receivables		**1.478.892**	(1.390.938)	**22.295**	(22.223)
Decrease in creditors and accruals		**(1.325.265)**	(1.630.908)	**(19.979)**	(26.057)
Cash generated from/(used in) operations		**1.402.277**	(3.258.436)	**21.140**	(52.060)
Interest paid		**(1.326)**	(63)	**(20)**	(1)
Net cash generated from/(used in) operating activities		**1.400.951**	(3.258.499)	**21.120**	(52.061)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of share capital		**-**	2.637.417	**-**	42.138
Net cash generated from financing activities		**-**	2.637.417	**-**	42.138
Net increase/(decrease) in cash and cash equivalents		**1.400.951**	(621.082)	**21.120**	(9.923)
Cash and cash equivalents at beginning of the year		**2.670.629**	3.141.017	**40.261**	50.184
Cash and cash equivalents at end of the year		**4.071.580**	2.519.936	**61.381**	40.261

The notes on pages 9 to 19 form an integral part of these financial statements.

1. Incorporation and principal activities

Country of incorporation

The Company UFO International Limited (the "Company") was incorporated in Cyprus on 11 July 2006 as a private limited liability company under the Cyprus Companies Law, Cap. 113. Its registered office is at 12 Zinonos Sozou, 1075 Nicosia, Cyprus.

Principal activity

The principal activity of the Company, which is unchanged from last year, is the utilisation of the Digital Cinema Technology worldwide.

2. Accounting policies

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

Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113.

The Company is not required by the Cyprus Companies Law, Cap.113, to prepare consolidated financial statements because the Company and its subsidiaries constitute a small sized group as defined by the Law and the Company does not intend to issue consolidated financial statements for the year ended 31 March 2016.

The European Union has concluded that since its 4th Directive requires parent companies to prepare separate financial statements, and since the Cyprus Companies Law, Cap. 113, requires the preparation of such financial statements in accordance with IFRS as adopted by the European Union, the provisions of International Financial Reporting Standard 10 'Consolidated Financial Statements' that require the preparation of consolidated financial statements in accordance with IFRS do not apply.

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Functional and presentation currency

The financial statements are presented in United States Dollars (US$) which is the functional currency of the Company.

Adoption of new and revised IFRSs

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 April 2015. This adoption did not have a material effect on the accounting policies of the Company.

2. Accounting policies (continued)

Adoption of new and revised IFRSs (continued)

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

Subsidiary companies

Subsidiaries are entities controlled by the Group. Control exists where the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the net identifiable assets of the acquired undertaking at the date of acquisition. Goodwill on acquisition of subsidiaries is included in "intangible assets". Goodwill on acquisitions of associates is included in "Investments in associates".

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an undertaking include the carrying amount of goodwill relating to the undertaking sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Revenue recognition

Revenue comprises the invoiced amount for the sale of goods and services net of Value Added Tax, rebates and discounts. Revenues earned by the Company are recognised on the following bases:

- **Sale of goods**

  Sales of goods are recognised when significant risks and rewards of ownership of the goods have been transferred to the customer, which is usually when the Company has sold or delivered goods to the customer, the customer has accepted the goods and collectability of the related receivable is reasonably assured.

- **Rendering of services**

  Sales of services are recognised in the accounting period in which the services are rendered by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

- **Interest income**

  Interest income is recognised on a time-proportion basis using the effective interest method.

Finance income

Finance income includes interest income which is recognised based on an accrual basis.

2. Accounting policies (continued)

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

Foreign currency translation

(1) **Functional and presentation currency**
Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in United States Dollars (US$), which is the Company's functional and presentation currency.

(2) **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 profit or loss.

Tax

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

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred tax.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

Dividends

Dividend distribution to the Company's shareholders is recognised in the Company's financial statements in the year in which they are approved by the Company's shareholders.

2. Accounting policies (continued)

Computer software

Costs that are directly associated with identifiable and unique computer software products controlled by the Company and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Subsequently computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses. Expenditure which enhances or extends the performance of computer software programs beyond their original specifications is recognised as a capital improvement and added to the original cost of the computer software. Costs associated with maintenance of computer software programs are recognised as an expense when incurred. Computer software costs are amortised using the straight-line method over their useful lives, not exceeding a period of three years. Amortisation commences when the computer software is available for use.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand.

Borrowings

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2. Accounting policies (continued)

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

3. Financial risk management

Financial risk factors
The Company is exposed to interest rate risk, credit risk, liquidity risk, currency risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

3.1 Interest rate risk
Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

3.2 Credit risk
Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company has no significant concentration of credit risk. The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables.

3.3 Liquidity risk
Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

3.4 Currency risk
Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar and the Euro. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

3.5 Capital risk management
The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

4. Critical accounting estimates and judgements

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.

4. Critical accounting estimates and judgements (continued)

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Income taxes**

  Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. 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 income tax and deferred tax provisions in the period in which such determination is made.

- **Impairment of investments in subsidiaries**

  The Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future discounted cash flows associated with these subsidiaries/associates would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

- **Impairment of intangible asset**

  Intangible assets are initially recorded at acquisition cost and are amortized on a straight line basis over their useful economic life. Intangible assets that are acquired through a business combination are initially recorded at fair value at the date of acquisition. Intangible assets with indefinite useful life are reviewed for impairment at least once per year. The impairment test is performed using the discounted cash flows expected to be generated through the use of the intangible assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Company estimates the recoverable amount of the cash generating unit in which the asset belongs to.

- **Impairment of goodwill**

  Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units of the Company on which the goodwill has been allocated. The value in use calculation requires the Company to estimate the future cash flows expected to arise from the cash-generating units using a suitable discount rate in order to calculate present value.

5. Revenue

	1/4/2015-31/3/2016	1/4/2014-31/3/2015
	US$	US$
Sales of products	**50.000**	50.000

6. Other income

	1/4/2015- 31/3/2016 US$	1/4/2014- 31/3/2015 US$
Sundry operating income	**2.129**	-

7. Administration expenses

	1/4/2015- 31/3/2016 US$	1/4/2014- 31/3/2015 US$
Rent	**4.038**	10.116
Water supply and cleaning	**29**	200
Sundry expenses	**426**	-
Telephone and postage	**59**	84
Auditors' remuneration - current year	**2.049**	2.500
Auditors' remuneration - prior years	**422**	588
Accounting fees	**16.832**	20.930
Legal fees	**2.585**	9.559
Other professional fees	**5.695**	8.315
Fines	**2**	-
Carriage and clearing	**389**	477
Amortisation of computer software	**64.300**	64.300
	96.826	117.069

8. Finance income/cost

	1/4/2015- 31/3/2016 US$	1/4/2014- 31/3/2015 US$
Exchange profit	**-**	2.989
Finance income	**-**	2.989
Net foreign exchange transaction losses	**(2.687)**	(2.777)
Interest expense	**(20)**	(1)
Sundry finance expenses	**1.908**	(1.223)
Finance costs	**(799)**	(4.001)
Net finance costs	**(799)**	(1.012)

9. Tax

The tax on the Company's results before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	1/4/2015-31/3/2016 US$	1/4/2014-31/3/2015 US$
Loss before tax	**(45.496)**	(68.081)
Tax calculated at the applicable tax rates	**(5.687)**	(8.510)
Tax effect of expenses not deductible for tax purposes	**8.382**	8.385
Tax effect of allowances and income not subject to tax	**-**	(374)
Tax effect of tax losses brought forward	**(2.695)**	-
Tax effect of tax loss for the year	**-**	499
Tax charge	**-**	-

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter.

The Company's chargeable income for the year amounted to US$21.560 which has been set off against tax losses brought forward. Under current legislation, tax losses may be carried forward and be set off against taxable income of the five succeeding years As at 31 March 2016the balance of tax losses which is available for offset against future taxable profits amounts to US$ 1.439.149.

10. Intangible assets

	Goodwill US$	**Computer software US$**	**Total US$**
Cost			
Balance at 1 April 2014	100.000	643.000	743.000
Balance at 31 March 2015/ 1 April 2015	**100.000**	**643.000**	**743.000**
Balance at 31 March 2016	**100.000**	**643.000**	**743.000**
Amortisation			
Balance at 1 April 2014	10.000	450.100	460.100
Amortisation for the year	-	64.300	64.300
Balance at 31 March 2015/ 1 April 2015	**10.000**	**514.400**	**524.400**
Amortisation for the year	-	64.300	64.300
Balance at 31 March 2016	**10.000**	**578.700**	**588.700**
Net book amount			
Balance at 31 March 2016	**90.000**	**64.300**	**154.300**
Balance at 31 March 2015	**90.000**	**128.600**	**218.600**

11. Investments in subsidiaries

	2016	2015
	US$	US$
Balance at 1 April	305.175	305.175
Balance at 31 March	**305.175**	305.175

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	31/3/2016 Holding %	31/3/2015 Holding %	31/3/2016 US$	31/3/2015 US$
UFO Software Technologies Ltd	India	Digital cinema services	96	96	**54.500**	54.500
UFO Lanka (Private) Limited	Sri lanka	Digital cinema services	100	100	**250.650**	250.650
United Film Organisers (Ufo) (Mauritius) Private Limited	Mauritius	Digital cinema services	100	100	**24**	24
UFO Europe Limited	Cyprus	Digital cinema services	100	100	**1**	1
					305.175	305.175

12. Trade and other receivables

	31/3/2016	31/3/2015
	US$	US$
Trade receivables	-	25.000
Receivables from parent (Note 15.1)	**5.401**	-
Refundable VAT	**7.169**	9.865
	12.570	34.865

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 3 of the financial statements.

13. Share capital

	2016 Number of shares	2016 US$	2015 Number of shares	2015 US$
Authorised				
Ordinary shares of US$1 each	**1.100.000**	**1.100.000**	1.100.000	1.100.000
Issued and fully paid				
Balance at 1 April	**1.008.621**	**1.008.621**	1.003.939	1.003.939
Issue of shares	-	-	4.682	4.682
Balance at 31 March	**1.008.621**	**1.008.621**	1.008.621	1.008.621

14. Creditors and accruals

	31/3/2016	31/3/2015
	US$	US$
Accruals	**2.103**	8.753
Other creditors	**1.440**	14.769
Payables to own subsidiaries (Note 15.2)	**24**	24
	3.567	23.546

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

15. Related party transactions

The Company is controlled by Edridge Ltd, incorporated in Cyprus, which owns 100% of the Company's shares.

The following transactions were carried out with related parties:

15.1 Receivables from related parties

Name	Nature of transactions	31/3/2016 US$	31/3/2015 US$
Edridge Ltd	Finance	**5.401**	-

15.2 Payables to related parties (Note 14)

Name	Nature of transactions	31/3/2016 US$	31/3/2015 US$
UFO (Mauritious) Private Limited	Finance	**24**	24

16. Contingent liabilities

The Company had no contingent liabilities as at 31 March 2016.

17. Commitments

The Company had no capital or other commitments as at 31 March 2016.

18. Supplementary Information

The statement of comprehensive income, the statement of financial position and the cash flow statement are also presented in Euros as supplementary information. The supplementary information in Euros is stated according to paragraph 57 of IAS 21 "The Effects of Changes in Foreign Exchange Rate" using the rate of USD 1 = INR66,3329 which was the prevailing rate of exchange between the United States dollars and the Indian Rupee as at 31 March 2016.

19. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

Independent auditor's report on pages 3 and 4