

**UNITED FILM ORGANISERS (UFO)
(MAURITIUS) PRIVATE LIMITED**

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

UNITED FILM ORGANISERS (UFO) (MAURITIUS) PRIVATE LIMITED

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UNITED FILM ORGANISERS (UFO) (MAURITIUS) PRIVATE LIMITED
CORPORATE INFORMATION

		Date of appointment	Date of resignation
DIRECTORS	:		
	Mr Vishnu Patel	21 Jun 07	-
	Mr Rakesh Gupta	21 Jun 07	-
	Mr Ashish Malushte	21 Jun 07	-
	Mr Rajesh Bhagwati Mishra	19 Sep 09	-
	Mrs Mehnaz A Rassool	03 May 10	-

COMPANY SECRETARY: C/o First Island Secretarial Ltd
Suite 308, St James Court
St Denis Street
Port Louis
Republic of Mauritius

REGISTERED OFFICE : Suite 308, St James Court
St Denis Street
Port Louis
Republic of Mauritius

BANKER : Banque des Mascareignes Ltée
Level 8, Cathedral Square
Jules Koeing Street
Port Louis
Republic of Mauritius

AUDITORS : Kreston TSS
Public Accountants
Suite 411 - 412 – St James Court
St Denis Street
Port Louis
Republic of Mauritius

**UNITED FILM ORGANISERS (UFO) (MAURITIUS) PRIVATE LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2017**

The directors present their commentary, together with the audited financial statements of **United Film Organisers (UFO) (Mauritius) Private Limited** (the 'Company') for the year ended 31 March 2017.

PRINCIPAL ACTIVITY

The principal activity of the Company is to provide Digital Cinema Services to the key constituents of film industry and to owners of the alternative content in Mauritius using digital technology.

RESULTS AND DIVIDENDS

The results for the year are shown on page 8.

The directors did not recommend the payment of dividend for the year under review (2016: Nil).

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Company's directors are responsible for the preparation and fair presentation of the financial statements, comprising the Company's statement of financial position as at 31 March 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with the International Financial Reporting Standards (IFRS), in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

The directors' responsibilities include: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

DIRECTORS' REMUNERATION AND SERVICE CONTRACTS

There was no service contracts established between the Company and its directors, either directly or indirectly.

CHARITABLE AND POLITICAL DONATIONS

The Company did not make any charitable and political donations during the year under review (2016: Nil).

AUDITORS

The fees payable to the auditors for audit were:

	2017 MUR	2016 MUR
Audit services	16,954	20,426

BY ORDER OF THE BOARD



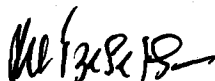
DIRECTOR

Date:

15 MAY 2017

**SECRETARY'S CERTIFICATE
FOR THE YEAR ENDED 31 MARCH 2017**

We certify that, based on records and information made available to us by the directors and shareholder of **United Film Organisers (UFO) (Mauritius) Private Limited**, the Company has filed with the Registrar of Companies, for the financial year ended 31 March 2017, all such returns as are required of the Company under Section 166 (d) of the Mauritius Companies Act 2001.



**Corporate Secretary
First Island Secretarial Ltd**

Registered office:
Suite 308, St James Court
St Denis Street
Port Louis
Republic of Mauritius

Date: 15 May 2017



**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF
UNITED FILM ORGANISERS (UFO) (MAURITIUS) PRIVATE LIMITED**

Opinion

We have audited the financial statements of **United Film Organisers (UFO) (Mauritius) Private Limited** (the "Company"), which comprise the statement of financial position as at 31 March 2017 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies, as set out on pages 8 to 18.

In our opinion, these financial statements give a true and fair view of the financial position of **United Film Organisers (UFO) (Mauritius) Private Limited** as at 31 March 2017 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS), in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 12 in the financial statements which indicates that, at 31 March 2017, the Company had a shareholder's deficit of MUR 119,538. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements have been prepared on a going concern basis, the validity of which depends upon continued availability of debt facilities and funds being made available by the shareholder. The financial statements do not include any adjustments that would result from non-availability of finance.

As described in Note 13, the shareholder has pledged continuing financial support to the Company over the next twelve months. Accordingly, the financial statements have been prepared on a going concern basis.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' commentary and Secretary's Certificate. The other information does not include the financial statements and our auditors' report thereon.

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

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



INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF

UNITED FILM ORGANISERS (UFO) (MAURITIUS) PRIVATE LIMITED (CONTINUED)

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the International Financial Reporting Standards (IFRS), in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004, 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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism 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 Company's 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 auditors' 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 auditors' 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.



**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF
UNITED FILM ORGANISERS (UFO) (MAURITIUS) PRIVATE LIMITED (CONTINUED)**

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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.

Other Matter

This report is made solely to the Company's shareholder, in accordance with Section 205 of the Mauritius Companies Act. Our audit work has been undertaken so that we might state to the Company's shareholder those matters that we are required to state in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder, for our audit work, for this report, or for the opinions we have formed.

Report on Other Legal and Regulatory Requirements

The Mauritius 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 auditors;
- (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 it appears from our examination of those records.

Kreston TSS

.....
**Kreston TSS
Port Louis
Republic of Mauritius**

A handwritten signature in black ink, appearing to read 'A. Qaiyoom G. Dustagheer', with a long horizontal line extending from the end.

.....
**A Qaiyoom G Dustagheer FCCA, MIPA (M)
Licensed Auditor
Signing Partner**

Date: 15 MAY 2017

UNITED FILM ORGANISERS (UFO) (MAURITIUS) PRIVATE LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017

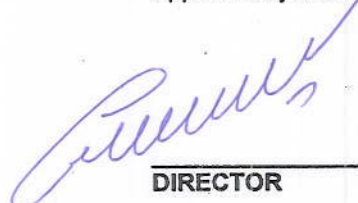
	Note	2017 MUR	2016 MUR
Income			
Unrealised exchange gain		<u>1,832</u>	<u>1,295</u>
Expenses			
Administration fees		18,862	25,925
Professional fees		28,822	34,043
Bank charges		4,825	2,848
Other expenses		9,422	5,084
Unrealised exchange loss		1,376	-
		<u>63,307</u>	<u>67,900</u>
Loss before taxation		(61,475)	(66,605)
Income tax expense	6	-	-
Loss for the year		<u>(61,475)</u>	<u>(66,605)</u>
Other comprehensive income for the year, net of taxation			
Total comprehensive loss for the year, net of taxation		<u>(61,475)</u>	<u>(66,605)</u>


The notes on pages 12 to 18 form an integral part of these financial statements.
Auditors' report is on pages 5 to 7.

UNITED FILM ORGANISERS (UFO) (MAURITIUS) PRIVATE LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	Notes	2017 MUR	2016 MUR
ASSETS			
Current asset			
Cash and cash equivalents		<u>317,456</u>	<u>68,067</u>
Total assets		<u>317,456</u>	<u>68,067</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	7	1,000	1,000
Translation reserves		94	94
Accumulated reserves		(120,632)	(59,157)
Total equity		<u>(119,538)</u>	<u>(58,063)</u>
Non-current liability			
Borrowings	8	<u>254,313</u>	<u>-</u>
Current liabilities			
Other payables	9	182,681	126,130
Current tax liabilities	6	-	-
		<u>182,681</u>	<u>126,130</u>
Total liabilities		<u>436,994</u>	<u>126,130</u>
Total equity and liabilities		<u>317,456</u>	<u>68,067</u>

Approved by the Board of Directors on **11 5 MAY 2017** and signed on its behalf by:


 DIRECTOR


 DIRECTOR

The notes on pages 12 to 18 form an integral part of these financial statements.
 Auditors' report is on pages 5 to 7.

UNITED FILM ORGANISERS (UFO) (MAURITIUS) PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017

	Stated capital MUR	Translation reserves MUR	Accumulated reserves MUR	Total equity MUR
At 01 April 2015	1,000	94	7,448	8,542
Loss for the year	-	-	(66,605)	(66,605)
At 31 March 2016	<u>1,000</u>	<u>94</u>	<u>(59,157)</u>	<u>(58,063)</u>
Loss for the year	-	-	(61,475)	(61,475)
At 31 March 2017	<u>1,000</u>	<u>94</u>	<u>(120,632)</u>	<u>(119,538)</u>

The notes on pages 12 to 18 form an integral part of these financial statements.
Auditors' report is on pages 5 to 7.

UNITED FILM ORGANISERS (UFO) (MAURITIUS) PRIVATE LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017

	2017 MUR	2016 MUR
OPERATING ACTIVITIES		
Loss before taxation	(61,475)	(66,605)
Adjustments to reconcile loss before tax to net cash flows		
<u>Working capital adjustments:</u>		
Decrease in other receivables	-	2,500
Increase in other payables	56,551	60,321
Net cash flows used in operating activities	(4,924)	(3,784)
FINANCING ACTIVITY		
Proceeds from borrowings	254,313	-
Net cash flows generated from financing activity	254,313	-
Net movement in cash and cash equivalents	249,389	(3,784)
Cash and cash equivalents at beginning of year	68,067	71,851
Cash and cash equivalents at end of year	317,456	68,067

The notes on pages 12 to 18 form an integral part of these financial statements.
Auditors' report is on pages 5 to 7.

UNITED FILM ORGANISERS (UFO) (MAURITIUS) PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. LEGAL FORM AND PRINCIPAL ACTIVITY

The Company was incorporated under the Mauritius Companies Act 2001 on 25 May 2007 as a private company limited by shares. The Company's registered office is C/o Suite 308, St James Court, St Denis Street, Port Louis, Republic of Mauritius.

The principal activity of the Company is to provide Digital Cinema Services to the key constituents of film industry and to owners of the alternative content in Mauritius using digital technology.

The financial statements for the year ended 31 March 2017 were authorised for issue in accordance with a resolution of the directors on _____.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS).

Basis of accounting

The financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued support of its shareholder. The directors are of the opinion that this support will be forthcoming over the next twelve months. They therefore believe that it is appropriate for the financial statements to be prepared on the going concern basis.

Foreign currencies

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 it operates (the "functional currency"). The financial statements of the Company are expressed in Mauritian Rupees ("MUR").

Management determines the functional currency of the Company to be MUR. In making this judgement, management evaluates, among other factors, the regulatory and competitive environments and the fee and performance reporting structures of the Company and in particular, the economic environment of its investors.

Transactions and balances

Foreign currency transactions are translated into MUR using the exchange rates prevailing at the dates of 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 profit or loss.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that it will result in an outflow of economic benefits that can be reasonably measured.

Cash and cash equivalents

Cash and cash equivalents include cash at bank.

Borrowings

Borrowings are stated at proceeds received net of any capital repayments.

Other payables

Other payables are stated at their nominal value

Equity

Ordinary shares are classified as equity.

Accumulated reserves include all current and prior results as disclosed in the profit or loss.

Foreign exchange translation reserves comprises of unrealised gains / (losses) arising out from the operations of the Company.

UNITED FILM ORGANISERS (UFO) (MAURITIUS) PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expenses

All expenses are accounted for in the profit or loss on the accruals basis.

Taxes

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

Current income tax

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

Deferred income tax

Deferred income 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. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by 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 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 income tax is provided on temporary differences arising where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year as a result of changes in accounting policy and disclosures.

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

In the current year, the Company has adopted all of the new and revised standard and interpretations issued by the International Accounting Standards Board (the "IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for this accounting year end. The adoption of these new and revised standards and interpretations has not resulted in any changes to the Company's accounting policies that would affect the amounts reported for the current or prior years.

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but effective on annual periods beginning on or after the respective dates as indicated:

Standards	Interpretations	Date issued by IASB	Effective date periods beginning on or after
IFRS 2 Share Based Payment	Amendments to clarify the classification and measurement	June 2016	01 January 2018

UNITED FILM ORGANISERS (UFO) (MAURITIUS) PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (CONTINUED)

Standards	Interpretations	Date issued by IASB	Effective date periods beginning on or after
IFRS 4 Insurance Contract	Amendments regarding the interaction of IFRS 4 and IFRS 9	September 2016	01 January 2018
IFRS 9 Financial instruments	Finalised version	July 2014	01 January 2018
IFRS 16 Leases	Original issue	January 2016	01 January 2019
<u>Annual improvements 2014-2016:</u>			
IFRS 1 First time adoption of IFRS	Deletion of short term exemptions for the first time adopters	December 2016	01 January 2018
IAS 28 Investment in associates and joint ventures	Measuring an associate or joint venture at fair value	December 2016	01 January 2018
IFRIC 22 Foreign currency transaction and advance consideration	Original issue	December 2016	01 January 2018
IAS 40 Investment property	Amendments to IAS 40	December 2016	01 January 2018
IFRS 15 Revenue from Contracts With Customers	Original issue	September 2015	01 January 2018

The directors anticipate that the adoption of these standards on the above effective dates in future periods will have no material impact on the financial statements of the Company.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical accounting judgements in applying the Company's accounting policies

In the process of applying the Company's accounting policies, which are described in Note 2, the directors have made the following judgements that have the most effect on the amounts recognised in the financial statements.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected. As described in Note 2, the directors have considered those factors therein and have determined that the functional currency of the Company is the MUR.

5. OPERATING LOSS

	2017 MUR	2016 MUR
<i>Operating loss is stated after charging:</i>		
Auditors' remuneration	16,954	20,426

UNITED FILM ORGANISERS (UFO) (MAURITIUS) PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

6. INCOME TAX EXPENSE

The Company is liable to income tax in Mauritius on its chargeable income at the rate of 15%.

A reconciliation between the accounting loss and the tax charge is as follows:

	2017 MUR	2016 MUR
Loss for the year	(61,475)	(66,605)
Add: non-allowable expenses	1,376	936
Less: exempt income	(1,832)	(2,231)
Unutilised tax loss	56,235	-
Tax losses brought forward	(384,177)	(316,277)
Loss carried forward	(389,873)	(384,177)

7. STATED CAPITAL

	2017 MUR	2016 MUR
1 ordinary share of MUR 1,000	<u>1,000</u>	<u>1,000</u>

8. BORROWINGS

	2017 MUR	2016 MUR
Loan from related party (Note 11)	<u>254,313</u>	<u>-</u>

The loan from related party was interest-free, unsecured and repayable over more than one year.

9. OTHER PAYABLES

	2017 MUR	2016 MUR
Accrued expenses	<u>182,681</u>	<u>126,130</u>

10. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Capital risk management

The Company's objectives when managing capital are:

- (i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- (ii) to provide an adequate return to shareholders.

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign exchange rates. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

UNITED FILM ORGANISERS (UFO) (MAURITIUS) PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

10. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Financial risk factors

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices 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) Interest rate risk

As the Company has no significant interest-bearing assets, the Company's income and cash flows are substantially independent of changes in market interest rates.

(ii) Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Consequently, the Company is exposed primarily to the risk that the exchange rate of the Mauritian Rupee ("MUR") relative to the United States Dollar ("USD") may change in a manner that has a material effect on the reported values of the Company's assets that are denominated in United States Dollar ("USD").

The foreign exchange risk of the Mauritian Rupee ("MUR") to the United States Dollar ("USD") is not considered significant as the Company monitors the net exposure of the foreign exchange risk.

Credit risk

Credit risk represents the potential loss that the Company would incur if counter parties fail to perform pursuant to the terms of their obligations to the Company. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. The bank balance is considered negligible, since the counterparty is a reputable bank with high quality external credit ratings.

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 manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities.

The table below illustrates the aged analysis of the Company's financial liabilities.

	Less than 1 year 2017 MUR	Over 1 year 2017 MUR	Total 2017 MUR
Liability			
Borrowings (Note 8)	-	254,313	254,313
Other payables (Note 9)	182,681	-	182,681
	<u>182,681</u>	<u>254,313</u>	<u>436,994</u>

Fair value estimation

The carrying amounts of cash and cash equivalents, other payables and borrowings approximate to their fair values.

UNITED FILM ORGANISERS (UFO) (MAURITIUS) PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

10. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Financial risk factors (Continued)

Currency profile

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

	Financial assets 2017 MUR	Financial liabilities 2017 MUR	Financial assets 2016 MUR	Financial liabilities 2016 MUR
Denominated in:				
United States Dollar ('USD')	281,608	436,994	29,873	126,130
Mauritius Rupee ('MUR')	35,848	-	38,194	-
	<u>317,456</u>	<u>436,994</u>	<u>68,067</u>	<u>126,130</u>

11. RELATED PARTIES TRANSACTIONS

The following transaction was carried out with related party on normal commercial terms and conditions and at market prices:

Name of company	Type of relationship	Nature of transaction	2017 MUR	2016 MUR
Transaction:				
UFO International Limited	Holding company	Loan payable		
Balance at start			-	-
Addition during the year			254,313	-
Balance at end (Note 8)			<u>254,313</u>	<u>-</u>

12. BASIS OF PREPARING THE FINANCIAL STATEMENTS

As at 31 March 2017, the Company had a shareholder's deficit of USD 119,538.

The financial statements have been prepared on the going concern basis that assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends upon the continued support of the shareholder.

The directors are of the opinion that this support will be forthcoming in the next twelve months. They therefore, believe that it is appropriate for the financial statements to be prepared on a going concern basis.

13. CONTINUING FINANCIAL SUPPORT

The holding company has confirmed its intention to provide continuing financial support to the Company so as to enable the Company to continue operating in the foreseeable future. Accordingly, the directors have prepared the financial statements on a going concern basis.

UNITED FILM ORGANISERS (UFO) (MAURITIUS) PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

14. HOLDING COMPANY

The directors regard UFO International Limited, a company incorporated in Cyprus as the holding company.

15. EVENTS AFTER THE REPORTING DATE

There has been no post material reporting events which would require disclosure or adjustment to the 31 March 2017 financial statements.