

**Arlique Media Investments plc**  
**(formerly known as Prime Focus**  
**London Plc)**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015



Company Number: 01694613

**Arlique Media Investments PLC (formerly known as Prime Focus London plc)**  
**Annual Report 2015**

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# **Arlique Media Investments PLC (formerly known as Prime Focus London plc)**

## **Annual Report 2015**

### **Directors, Advisers and Registered office**

#### **Directors**

Mary Elizabeth Ellis  
James Tierney  
Martin Boulton

#### **Secretary**

Derringtons Limited  
Hyde Park house  
5 Manfred Road  
London SW15 2RS

#### **Registered office**

1 Charterhouse Mews  
London  
EC1M 6BB

#### **Company Registration Number**

01694613

#### **Auditors**

Shipleys LLP  
Chartered Accountants  
10 Orange Street  
Haymarket  
London WC2H 7DQ

#### **Bankers**

Bank of India  
63 Queen Victoria Street  
London EC

#### **Solicitors**

Ashfords LLP  
1 New Fetter Lane  
London EC4A 1AN

#### **Registrar and transfer office**

BritDAQ Limited  
Richmond House  
Eastbourne Road  
Blindley Heath  
Lingfield  
Surrey RH7 6JX

# **Arlique Media Investments PLC (formerly known as Prime Focus London plc)**

## **Annual Report 2015**

### **Chairman's Statement**

#### **Corporate Profile**

Arlique Media Investments PLC ("Arlique") is a Visual Entertainment Services group based in London, providing creative and technical services for broadcast and film projects. The group regularly makes investments in feature films and broadcast projects to secure its services order book and to share in the upside, if any, on projects where the group is a service provider.

As per the plans laid out in the previous year, the business has been completely streamlined. All key operating divisions have been sold and the group expects to be completely debt free save for finance leases for equipment by the end of March, 2017

#### **Business Review**

The group continued to book losses on disposal of its services trading assets and operations in this financial year.

As a consequence the group generated an operating loss before exceptional items of £2.691m (previous year operating loss before exceptional items £0.941m).

Going forward the group will concentrate on the rental of computer equipment a market it has identified to provide reasonable returns. With a large number of VFX houses being setup by film & television production companies only to execute the work required for a particular film or television show in production, the need for high end Computer Equipment on a rental basis has increased.

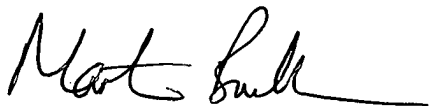
#### **Highlights for the year include:**

##### **Underlying Performance**

- Group revenues of £7.694m (2014: £12.423m)
- Underlying operating loss from continuing operations before exceptional items of £2.691m (2014: loss £0.941m)
- Cash at £0.048m (2014: £0.184m)

##### **Statutory Performance**

- Loss before tax of £4.121m (2014: Profit £3.298m)
- Diluted loss per share 13.29p (2014: EPS -9.65p)



**Martin Boulton**  
Chief Executive Officer  
22 February 2017

# **Arlique Media Investments PLC (formerly known as Prime Focus London plc)**

## **Annual Report 2015**

### **FINANCIAL POSITION**

#### **Net debt**

Net debt decreased to £5.073m from £21.643m.

### **CASHFLOW**

Our cash balance has decreased to £0.048m from £0.2m in the prior year.

### **KEY PERFORMANCE INDICATORS**

Key performance indicators (KPIs) used by the Board to monitor progress are listed in the table below.

KPI	2015	2014	Definition and method of calculation
Revenue	£7,694k	£12,423k	Revenue per the consolidated statement of comprehensive income.
Profit / (loss)	(£4,371k)	(£3,298k)	Profit / (loss) before tax per the consolidated statement of comprehensive income.
Earnings / (loss) per share	(13.29p)	(9.65p)	Basic earnings / (loss) per share per the consolidated statement of comprehensive income.
Net Cash & Cash Equivalents	£48k	£184k	Net cash position of the Group as per the consolidated statement of cash flows.
Net debt	£5,073k	£21,643k	Cash and cash equivalents less bank loans and overdrafts, hire purchase obligations and net parent and associate company loans. All taken from the consolidated statement of financial position.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The management of the business and the execution of the group's strategy are subject to a number of risks. Risks are formally reviewed by the Board and appropriate processes put in place to monitor and mitigate them.

The following section comprises a summary of the main risks the Board believes could potentially impact the group's operating and financial performance.

#### **Operational**

The group's performance depends largely on the ability of the management team to attract new clients. The Group continues to successfully retain its key clients by ensuring that it gives them the necessary tools and working atmosphere such that they can maximize their creative energies and output.

#### **Financial**

The group operates in an industry that demands continual investment in hardware and software to ensure competitive edge through technical delivery and creative output. This places a large emphasis on capital expenditure and the group continues to invest in front-end creative systems and infrastructure through finance leasing. The current economic climate presents a greater challenge to securing this type of financing but the management continues to explore all opportunities to maintain this investment strategy.

#### **Market and Environment**

Business environment risks considered by the group include the exit of the UK from the European Union and policies being implemented by the new United States Government.

## **Arlique Media Investments PLC (formerly known as Prime Focus London plc) Annual Report 2015**

### **Technology**

The group is reliant on a number of technology systems to provide services to clients. Due to the rapid advancement of technology, there is a risk that systems could become outdated with the potential to affect efficiency and have an impact on revenue and client service. This risk is mitigated by regular reviews of the group's technology strategy.

### **Financial Instruments**

The group's policy in relation to the use of financial instruments and its exposure to price risk, liquidity risk and cash flow risk is given in Note 4 to the financial statements.



**Martin Boulton**  
Chief Executive Officer  
22 February 2017

# **Arlique Media Investments PLC (formerly known as Prime Focus London plc)**

## **Annual Report 2015**

### **Directors' report**

The directors present their report and the financial statements for the Group and Company for the year ended 31 March 2015.

### **Results and dividends**

The group loss before tax for the year amounted to £4.371m and is presented in the consolidated statement of comprehensive income. The directors do not recommend the payment of a dividend (2014: £nil).

### **Principal activities and review of the business**

The principal activity of the group continues to be that of the provision of technology based creative services for the media and entertainment industry.

A full operational review of the business is dealt with in the Chairman's Statement and Business review.

### **Directors**

The following directors have held office since 1 April 2014:

Ramakrishnan Sankaranarayanan (resigned 05/11/2015)  
Shivkumar Venkatachalam (resigned 05/11/2015)  
Christopher Honeyborne (appointed 17/04/2012, resigned 10/07/2014)  
Saher Khan (Appointed 03/03/2015, resigned 05/11/2015)  
Mary Elizabeth Ellis (Appointed 05/11/2015)  
Gary Mark Ellis (Appointed 05/11/2015, resigned 10/10/2016)  
Martin Boulton (Appointed 05/11/2015)  
James Tierney (Appointed 10/10/2016)

### **Directors' interests and other substantial shareholdings**

Except Mr. Christopher Honeyborne who had 40,000 share options (2014: 40,000 share options), none of the Directors had any interests in the shares of the Company.

The Company had been notified of the following holdings of 3% or more of the total voting rights attaching to its issued share capital:

	Number of ordinary shares held	Percentage held
Arlique Limited	29,034,654	88%

### **Creditor payment policy and practice**

It is the group's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the group and its suppliers, provided that all trading terms and conditions have been complied with. At 31 March 2015, the group had an average of 193 days (As at 31 March 2014: 151 days).

### **Charitable and political donations**

No charitable or political donations were made in the year. The policy of the directors is to leave the decision to make such contributions at the discretion of the individual shareholders.

## **Arlique Media Investments PLC (formerly known as Prime Focus London plc) Annual Report 2015**

### **Going concern**

As detailed in Note 30 "Post Balance Sheet Events" the group has undertaken a significant reconstruction exercise after the year end resulting in the disposal of its subsidiaries and a simplification of its own trading activity.

In addition, the group itself changed ownership and is no longer a subsidiary of Prime Focus Limited (registered in India). A significant receivable balance remains outstanding between the group and its former parent company. The directors are confident of the recovery of the debt, having already received part payment post year end. This, together with the group's reduced trading activities following the reconstruction, will enable the group to meet its forecast working capital requirements for at least 13 months from the date of approval of the financial statements.

On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from the group being unable to meet its forecast working capital requirements on the basis set out above.

### **Close Company status**

The Company is not a close Company within the meaning of Schedule 19 of the Income and Corporation Taxes Act 1988.

### **Employee involvement**

The group's policy is to encourage employee involvement at all levels as it believes this is essential for the success of the business. The directors have adopted an open management style and encourage communication to give employees the opportunity to contribute on business issues.

The group does not discriminate against anyone on any grounds. Criteria for selection and promotion are based on the suitability of an applicant for the job. Applicants for employment by disabled persons are always fully considered, bearing in mind the respective aptitude of the applicant concerned.

### **Financial Risk Management**

Details of the group's financial risk management objectives and policies are provided in note 4 to the financial statements.

### **Directors' statement of disclosure of information to auditors**

Having made the requisite enquiries, the directors in office at the date of this Annual Report and Financial Statements have each confirmed that, so far as they are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each of the directors has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

On behalf of the Board



**Martin Boulton**

Director  
22 February 2017



# **Arlique Media Investments PLC (formerly known as Prime Focus London plc)**

## **Annual Report 2015**

### **Statement of Directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the Company financial statements under United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. 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.

# **Arlique Media Investments PLC (formerly known as Prime Focus London plc)**

## **Annual Report 2015**

### **Statement of Corporate Governance**

#### **Accountability and financial control**

The Board has overall responsibility for the systems of financial control. Implementation and maintenance of the financial control systems is the responsibility of executive management. It should be understood, that such systems are designed to provide reasonable but not absolute assurance against material misstatement or loss. The group has an established framework of internal financial controls which reflect the current scale of group activities, the key features of which are as follows:-

*Control environment* - There are clearly defined organizational responsibilities and the Board is committed to employing suitably qualified staff so that the appropriate level of authority can be delegated with regard to accountability and acceptable levels of risk.

*Information and financial reporting systems* – The board reviews the adequacy of systems in place to record operational and financial information. The board approves the annual operating budgets and each month receives details of actual financial performance against budget.

*Identification and evaluation of business risks and controls* - Management control is exercised at all levels of the Group and is regulated by appropriate limits of authority. The directors have considered various areas of business risks and have developed appropriate policies to manage and diffuse those risks. These policies are reviewed in the light of known and perceived changes to the risks. For further details of identified risks and mitigation plans, please refer to the Business Review.

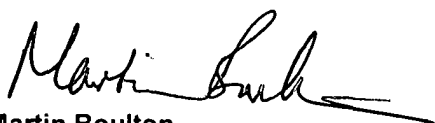
*Quality and integrity of personnel* - The Group attaches high importance to the values of trust, honesty and integrity of personnel in responsible positions and operates a policy of recruitment and promoting suitably experienced personnel with clearly defined accountabilities.

*Investment appraisal* - Capital investment being a significant element of the Group's operations, all major expenditure is included in the annual budget and reported quarterly to the Board. In addition, all potential and actual acquisition opportunities are regularly reviewed by the Board, both in meetings and by ad hoc reports.

*Internal audit* - Given the size of the Group and the close day-to-day involvement of the executive directors no formal internal audit is considered necessary.

#### **Relations with shareholders**

The Board places considerable importance on creating and maintaining a strong relationship with its shareholders and it is the responsibility of the Board as a whole to ensure that a satisfactory dialogue does take place. The group uses the AGM as an opportunity to communicate with its shareholders. It is company's intention to issue a notice of Annual General Meeting as soon as practical.



**Martin Boulton**

Director

22 February 2017

# **Arlique Media Investments PLC (formerly known as Prime Focus London plc)**

## **Annual Report 2015**

### **Report of the Board - Directors Remuneration**

The policy of the group is to offer competitive remuneration packages that will attract, retain and motivate experienced and talented individuals who will enhance the value of the group. Due to the reduced size of the group, the Remuneration Committee was merged with the Board.

The remuneration of the executive and non-executive directors is determined by the Board.

#### **Directors' service agreements**

The non-executive directors do not have a service agreement and their remuneration continues to be determined by the Board with the non-executive directors abstaining. In accordance with Regulation 82 to 84 of the Company's Articles of Association, half of the non-executives retire each year and are eligible for re-election at the Company's Annual General Meeting.

#### **Remuneration of the directors**

	2015 Salary £	2014 Salary £
Shivkumar Venkatachalam	17,815	18,000
Bernard J Kumeta	-	129,937
Martin Boulton	-	-
Mary Ellis	-	-
James Tierney	-	-
Christopher Honeyborne	7,400	42,000
	25,215	189,937

The basic salary of each director is determined by taking into account the director's experience, responsibility, value to the organization and market value. There is no bonus scheme. All the current Directors have decided to forego remuneration pending the full turnaround of the group into a Computer Equipment Rental business.

#### **Directors' interests in ordinary shares**

Other than the share options disclosed elsewhere in the accounts, none of the current directors at the date of this report have any interest in the shares of the Company.

The Company delisted from AIM on 03<sup>rd</sup> December 2013.



**Martin Boulton**

Chairman  
Board  
22 February 2017

## **Arlique Media Investments PLC (formerly known as Prime Focus London plc) Annual Report 2015**

### **Independent Auditors' report to the members of Arlique Media Investments PLC (formerly known as Prime Focus London plc)**

We have audited the group financial statements of Arlique Media Investments PLC (formerly known as Prime Focus London plc) for the year ended 31 March 2015 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of the directors and auditors**

As explained more fully in the Directors' Responsibilities Statement (set out on page 13), the Directors are responsible for the preparation of the Group financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the Group financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

**Arlique Media Investments PLC (formerly known as Prime Focus London plc)**  
**Annual Report 2015**

**Independent Auditors' report to the shareholders of Arlique Media Investments plc**  
**(formerly known as Prime Focus London plc) - continued**

**Opinion of Financial Statements**

In our opinion:

- the financial statements give a true and fair view of the state of the Group's affairs as at 31 March 2015 and of the Group's loss for the year then ended
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union.
- the Parent Company financial statements have been properly prepared in accordance with UK GAAP and as applied in accordance with the provisions of the Companies Act 2006.
- the Group financial statements have been prepared in accordance with the requirements of Companies Act 2006.

**Emphasis of Matter**

In forming our opinion, we have considered the adequacy of the disclosures made in Note 2 to the accounts, concerning the uncertainty of the group following the post year-end reconstruction. In view of the significance of this uncertainty, we consider that it should be drawn to your attention, but our opinion is not qualified in this respect.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

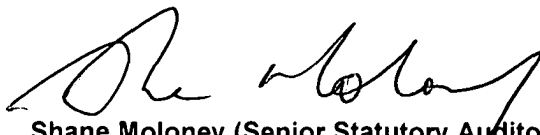
**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Group companies, or returns adequate for our audit have not been received from branches not visited by us; or
- the Group's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Other matter**

We have reported separately on the financial statements of the parent company Arlique Media Investments plc (formerly known as Prime Focus London plc) for the year ended 31 March 2015.

  
**Shane Moloney (Senior Statutory Auditor)**  
For and on behalf of  
**Shipleys LLP**  
Chartered Accountants & Statutory Auditor

10 Orange Street  
Haymarket  
London  
WC2H 7DQ

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**Arlique Media Investments PLC (formerly known as Prime Focus London plc)**  
**Annual Report 2015**

**Consolidated Statement of Comprehensive Income for the year ended 31 March 2015**

	Notes	2015 Total £000	2014 Total £000
Revenue	5	7,694	12,423
Cost of sales		(731)	(924)
Gross profit		6,963	11,499
Net operating charges		(9,700)	(12,626)
Other Income	8	46	186
Operating (loss) / profit before exceptional items	6	(2,691)	(941)
Exceptional charges	10	(1,019)	(1,758)
Operating profit / (loss)		(3,710)	(2,699)
Finance income	9	-	693
Finance costs	9	(411)	(1,292)
Income from fellow group undertakings		-	-
Profit / (loss) before taxation		(4,121)	(3,298)
Taxation	11	(250)	125
(Loss) / profit for the year		(4,371)	(3,173)
Total comprehensive income for the year		(4,371)	(3,173)
<b>Earnings per share (pence)</b>			
Basic	12	(13.29)p	(9.65)p
Diluted	12	(13.29)p	(9.65)p

# Arlique Media Investments PLC (formerly known as Prime Focus London plc)

## Annual Report 2015

### Consolidated Statement of Financial Position at 31 March 2015

	Notes	31 March 2015 £000	31 March 2014 £000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	13	72	266
Property, plant and equipment	14	5,533	10,068
Investments	16	-	-
<b>Total non-current assets</b>		<b>5,605</b>	<b>10,334</b>
<b>Current assets</b>			
Inventories	17	1	-
Trade and other receivables	18	4,134	20,595
Cash and cash equivalents		48	184
<b>Total current assets</b>		<b>4,183</b>	<b>20,779</b>
<b>Total assets</b>		<b>9,788</b>	<b>31,113</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to equity shareholders</b>			
Share capital	20	1,644	1,644
Share premium account		6,516	6,516
Capital redemption reserve		270	270
Fair value reserve		(14)	(14)
Retained earnings		(7,635)	(3,264)
<b>Total equity</b>		<b>781</b>	<b>5,152</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	25	-	25
Deferred tax liability	19	456	206
<b>Total non-current liabilities</b>		<b>456</b>	<b>231</b>
<b>Current liabilities</b>			
Borrowings	22	5,121	21,829
Trade and other payables	23	3,422	3,893
Corporation tax	24	8	8
<b>Total current liabilities</b>		<b>8,551</b>	<b>25,730</b>
<b>Total liabilities</b>		<b>8,551</b>	<b>25,961</b>
<b>Total equity and liabilities</b>		<b>9,788</b>	<b>31,113</b>

The financial statements were approved by the Board of Directors and authorised for issue on 22 February 2017.

  
**Martin Boulton**  
 Director

# Arlique Media Investments PLC (formerly known as Prime Focus London plc)

## Annual Report 2015

### Consolidated Statement of cash flows for the year ended 31 March 2015

	2015 £000	2014 £000
<b>Cash Flows from operating activities</b>		
Profit / (loss) before taxation	(4,121)	(3,298)
Finance income	-	(693)
Loss on disposal of fixed asset	3,642	-
Loss of disposal intangible fixed asset	266	-
Finance costs	411	1,292
Depreciation	1,000	1,804
Amortisation	8	-
Investments written off	-	1,872
Operating cash flows before movements in working capital	1,206	977
Decrease / (Increase) in inventories	(1)	24
Decrease / (Increase) in receivables	16,459	(5,194)
(Decrease) / Increase in payables	(466)	(1,177)
Cash generated from operations	17,198	(5,370)
Finance income	-	693
Finance cost	(411)	(1,292)
Tax recovered / (paid)	-	(89)
<b>Net cash generated from operating activities</b>	<b>16,787</b>	<b>(6,058)</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(107)	(98)
Purchases of intangible assets	(80)	(245)
Purchase of subsidiaries (net of cash acquired)	-	-
Proceeds from sale of property, plant and equipment	-	80
<b>Net cash (used in)/generated from investing activities</b>	<b>(187)</b>	<b>(263)</b>
<b>Cash flows from financing activities</b>		
Issue of shares	-	-
Net receipt / (repayment) in respect of Parent borrowings	(15,954)	6,809
Repayment of Hire Purchase Obligations	(231)	(476)
(Repayment) / receipt of Bank and other loans	(551)	(414)
<b>Net cash generated from financing activities</b>	<b>(16,736)</b>	<b>5,919</b>
<b>(Decrease) in cash &amp; cash equivalents</b>	<b>(136)</b>	<b>(402)</b>
Cash and cash equivalents at the beginning of the year	184	586
<b>Cash and cash equivalents at the end of the year</b>	<b>48</b>	<b>184</b>



**Arlique Media Investments PLC (formerly known as Prime Focus London plc)**  
**Annual Report 2015**

**Consolidated statement of changes in equity**

	Share capital	Share premium (i)	Capital redemption reserve (ii)	Fair value reserve (iii)	Retained earnings (v)	Total Equity
	£000	£000	£000	£000	£000	£000
At 1 April 2014	1,644	6,516	270	(14)	(3,264)	5,152
<b>Comprehensive income:</b>						
Profit for the year	-	-	-	-	(4,371)	(4,371)
Revaluation of investments	-	-	-	-	-	-
<b>Transactions with owners:</b>						
Share-based payments	-	-	-	-	-	-
<b>At 31 March 2015</b>	<b>1,644</b>	<b>6,516</b>	<b>270</b>	<b>(14)</b>	<b>(7,635)</b>	<b>781</b>

	Share capital	Share premium (i)	Capital redemption reserve (ii)	Fair value reserve (iii)	Retained earnings (v)	Total Equity
	£000	£000	£000	£000	£000	£000
At 1 April 2013	1,644	6,516	270	(14)	(91)	8,325
<b>Comprehensive income:</b>						
Profit for the year	-	-	-	-	(3,173)	(3,173)
Revaluation of investments	-	-	-	-	-	-
<b>Transactions with owners:</b>						
Share-based payments	-	-	-	-	-	-
<b>At 31 March 2014</b>	<b>1,644</b>	<b>6,516</b>	<b>270</b>	<b>(14)</b>	<b>(3,264)</b>	<b>5,152</b>

- (i) Share premium – amount subscribed for share capital in excess of nominal value, net of directly attributable issue costs.  
(ii) Capital redemption reserve - created as a result of a previous share buy-back.  
(iii) Fair value reserve – represents cumulative gains or losses on the fair value of available for sale investments recognized in other comprehensive income.  
(iv) Retained earnings – cumulative net gains and losses recognized in the consolidated statement of comprehensive income net of associated share based payment credits.

# **Arlique Media Investments PLC (formerly known as Prime Focus London plc)**

## **Annual Report 2015**

### **Notes to the Consolidated Accounts**

#### **1. General information**

Arlique Media Investments plc ("the Company") and its subsidiaries (together "the Group") are technology based creative service providers to the media and entertainment industry.

These financial statements were authorised for issue on 22 February 2017.

#### **2. Significant accounting policies**

##### **Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and International Financial Reporting Interpretation Committee (IFRIC) interpretations as endorsed by the European Union, and those parts of the Companies Act 2006 as applicable to companies reporting under IFRS.

##### **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 March 2015. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired during the year are included in the Consolidated Statement of Comprehensive Income from the date at which power of control is transferred to the group.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

##### **Associates**

Where the Group has the power to participate in (but not control) the financial and operating policy decisions of another entity, it is classified as an associate. Associates are initially recognised in the consolidated statement of financial position at cost. The Group's share of post-acquisition profits and losses is recognised in the consolidated statement of comprehensive income, except that losses in excess of the Group's investment in the associate are not recognised unless there is an obligation to make good those losses.

##### **Business combinations and goodwill**

The acquisition of subsidiaries is accounted for using the purchase method.

On acquisition, the acquiree's identifiable assets (including intangible assets), liabilities and contingent liabilities of an acquired entity are measured at their fair value and recognised at the acquisition date. The determination of these fair values is based upon management's judgment and includes assumptions on the timing and amount of future incremental cash flows generated by the assets acquired and the selection of an appropriate cost of capital.

Goodwill arising on consolidation represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets / net liabilities of the acquired entity at the date of acquisition. At the date of acquisition, goodwill acquired is recognised as an asset and allocated to each of the cash-generating units expected to benefit from the business combination's synergies and to the lowest level at which management monitors the goodwill.

Goodwill is reviewed for impairment at least annually by assessing the recoverable amount of each cash-generating unit to which the goodwill relates. The recoverable amount is the higher of fair value less costs to sell, and value in use. When the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised. Any impairment loss is recognised immediately in profit or loss and is not subsequently reversed.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

## **Arlique Media Investments PLC (formerly known as Prime Focus London plc)**

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#### **Revenue recognition**

Revenue comprises the fair value of the consideration received for the sale of services and products in the ordinary course of the Group's activities. Revenue is shown net of value added tax, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historic results, taking into consideration the type of transaction, the type of customer and the specifics of each arrangement.

#### **(a) Content services, post production & animation**

##### *Software sales*

Where software is sold to a third party, there may be separable elements of the transaction, such as software products, upgrades or maintenance contracts. The Group allocates revenue to each element based upon fair value. Revenue for software products is recognised on delivery whereas revenue for upgrades or maintenance contracts is recognised on a straight line basis over the life of the relevant contract.

##### *Post production & animation services*

The group sells a variety of post production services to clients in the film, broadcast and commercials sectors. These services are provided as fixed price contracts, with contract terms generally ranging over a period of many months.

Where the outcome of a contract can be estimated reliably, revenue under these fixed price contracts is recognised under the percentage completion method based on the services performed to the reporting date as a percentage of total services expected to be performed to deliver the contract. The Group generally measures services performed by reference to hours spent.

Unbilled revenue is included as accrued income within receivables. Revenue in respect of subsequent sales of completed productions is recognised at the date the sale is agreed and the product is shipped.

Where the terms of a contract take the form of an agency arrangement, for example when the group does not have exposure to significant risk associated with the completion of the contract, commission revenue is recognised according to the contractual element.

#### **(b) VFX**

The group sells VFX services to clients in the film, broadcast and commercials sectors. These services are provided as fixed price contracts, with contract terms generally ranging over a period of many months.

Where the outcome of a contract can be estimated reliably, revenue under these fixed price contracts is recognised under the percentage completion method based on the services performed to the reporting date as a percentage of total services expected to be performed to deliver the contract. The Group generally measures services performed by reference to hours spent.

Unbilled revenue is included as accrued income within receivables. Revenue in respect of subsequent sales of completed productions is recognised at the date the sale is agreed and the product is shipped.

#### **Operating profit / (loss)**

Operating profit / (loss) is shown after the deduction of expenses incurred in the ordinary course of business. Exceptional items represent income or expenses which based on their materiality and non-recurring nature have been separately disclosed to allow an assessment of the group's underlying operating profit.

# **Arlique Media Investments PLC (formerly known as Prime Focus London plc)**

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### **Share-based compensation**

The Group operates an equity-settled, share-based compensation plan. The fair value of share option awards are estimated at the date of award, using the Black-Scholes model, taking into account the terms and conditions of the award.

No expense is recognised for grants that do not vest and charges previously made are reversed except where vesting is conditional upon a market condition which are treated as vesting irrespective of whether or not the market condition is satisfied, provided all other performance conditions are satisfied.

At each reporting date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions, the number of equity instruments that will ultimately vest or, in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense since the previous balance sheet date is recognised in profit or loss, with a corresponding entry in equity.

Where the terms for an equity-settled award are modified, and the modification increases the total fair value of the share-based payment, or is otherwise beneficial to the employee at the date of modification, the incremental fair value is amortised over the vesting period.

### **Leasehold improvements, equipment, motor vehicles, fixtures and fittings**

Leasehold property, equipment, motor vehicles, fixtures and fittings are stated at cost less accumulated depreciation and any provision for impairment. Cost comprises all costs that are directly attributable to bringing the asset into working condition for its intended use. Depreciation is calculated to write down the cost of fixed assets to their residual values on a reducing balance basis over the following estimated useful economic lives:

Equipment (including Assets held for hire)	13.91%
Fixtures and fittings	18.10%
Motor vehicles	25.89%

Leasehold improvements are depreciated on a straight line basis over the unexpired period of the lease.

### **Hire purchase and leased assets**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives at the rates set out above. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are operating leases which have annual rentals charged to the profit and loss on a straight line over the lease term.

### **Acquired intangible assets**

Film rights represent amounts paid by the Group in respect of content distribution agreements for certain film distribution rights where the Group intends to enhance and release such films. Film rights are measured initially at cost and are amortised on a straight-line basis over their estimated useful lives. The period of amortisation only starts at the point at which the films to which the Group has purchased rights have been enhanced and become available to produce economic returns.

Customer contracts acquired in a business combination are recognised at fair value at the acquisition date. The contractual customer relations have a finite useful life and are amortised on a straight-line basis over this life, which is usually less than one year.

### **Impairment of tangible and intangible assets excluding goodwill**

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets are impaired. If such indication exists, the recoverable amount of the asset is established in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs.

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The recoverable amount is the higher of fair value less costs to sell, and value in use. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of the recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised as a credit to profit or loss immediately.

#### **Borrowings**

Borrowings are recognised initially at fair value, 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.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

#### **Leased assets**

Where substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred to the Group (a "finance lease"), the asset is treated as if it had been purchased outright. The amount initially recognised as an asset is the lower of the fair value of the leased property and the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to profit or loss over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

Where substantially all of the risks and rewards incidental to ownership are not transferred to the Group (an "operating lease"), the total rentals payable under the lease are charged to profit or loss on a straight-line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction of the rental expense over the lease term on a straight-line basis.

#### **Foreign currency translation**

Transactions in currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the year.

#### **Taxation**

Corporation tax expense represents the sum of corporation tax currently payable and deferred tax. The tax currently payable is based on the taxable profit for the year. Taxable profit differs from profit as reported in the Statement of Comprehensive Income 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 Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other

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than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of comprehensive income.

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 they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

#### **Retirement benefits**

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

#### **Financial instruments**

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

##### *Trade receivables*

Trade receivables are non-interest bearing and are recognised initially at fair value and subsequently measured less provision for impairment. A provision for impairment of trade receivables is established where there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the trade receivable is impaired.

When a trade receivable is uncollectible, it is written off against the provision for trade receivables. Subsequent recoveries of amounts previously written off are credited to profit or loss.

##### *Investments*

For available-for-sale investments, gains and losses arising from changes in fair value are recognised directly in equity, until the security is disposed off or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net result for the period. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the entity's right to receive payment is established.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term, highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

##### *Financial liabilities and equity instruments*

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### *Trade payables*

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

##### *Equity instruments*

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs.

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### **Going concern**

As detailed in Note 30 "Post Balance Sheet Events" the group has undertaken a significant reconstruction exercise after the year end resulting in the disposal of its subsidiaries and a simplification of its own trading activity.

In addition, the group itself changed ownership and is no longer a subsidiary of Prime Focus Limited (registered in India). A significant receivable balance remains outstanding between the group and its former parent company. The directors are confident of the recovery of the debt, having already received part payment post year end. This, together with the group's reduced trading activities following the reconstruction, will enable the group to meet its forecast working capital requirements for at least 13 months from the date of approval of the financial statements.

On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from the group being unable to meet its forecast working capital requirements on the basis set out above.

### **Inventories**

Inventories are included at the lower of cost and net realisable value less any provision for impairment.

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## Changes in accounting policy

### i) Adoption of international accounting standards

During the year the following Standards and Interpretations were implemented

		Effective for accounting periods starting on or after
IFRS 10	Consolidated Financial Statements	1 January 2014
IFRS 11	Joint Arrangements	1 January 2014
IFRS 12	Disclosure of Interest in Other Entities	1 January 2014
IAS 19	Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)	1 July 2014
IAS 27 (revised)	Separate Financial Statements	1 January 2014
IAS 36	Impairment of Assets	1 January 2014
Annual Improvements	IFRSs 2010-2012 Cycle	1 July 2014
Annual Improvements	IFRSs 2010-2013 Cycle	1 July 2014

Adoption of these Standards and Interpretations did not have any effect on the financial Statements of the Company, or result in Changes in Accounting policy or additional disclosure.

The following Standards and Interpretations were issued with an effective date after the date of these financial statements. These have not been applied as they are not yet effective or endorsed.

IAS 34	Interim Financial Reporting	1 January 2016
IFRS 16 and 38	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	1 January 2016
IFRS 9	Financial Instruments	1 January 2018
IFRS 15	Revenue from Contracts with Customers	1 January 2018
Annual Improvements	IFRSs 2012-2014 Cycle	1 January 2016

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the group's financial statements

### 3. Critical accounting estimates and judgments

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that



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period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical estimates and assumptions are primarily made in respect of revenue recognition. As set out in the accounting policy note, turnover is recognised as contract activity progresses and the right to consideration is earned, reflecting time and cost incurred as a percentage of total anticipated costs.

### 4. Capital management and financial instruments

#### a) Categorisation of financial instruments

At 31 March 2015	Available-for-sale £'000	Loans and receivables £'000	Total £'000
<b>Non-current financial assets</b>			
Investments	-	-	-
<b>Current financial assets</b>			
Trade and other receivables (Note 18)	-	3,750	3,750
Cash and cash equivalents	-	48	48
	-	3,798	3,798
<b>Non-current financial liabilities</b>			
Borrowings (Note 25)	-	-	-
<b>Current financial liabilities</b>			
Borrowings (Note 22)	-	5,121	5,121
Trade and other payables (Note 23)	-	2,872	2,872
	-	7,993	7,993
<b>At 31 March 2014</b>	<b>Available-for-sale £'000</b>	<b>Loans and receivables £'000</b>	<b>Total £'000</b>
<b>Non-current financial assets</b>			
Investments	-	-	-
<b>Current financial assets</b>			
Trade and other receivables	-	20,252	20,252
Cash and cash equivalents	-	184	184
		20,436	20,436
<b>Non-current financial liabilities</b>			
Borrowings	-	25	25
<b>Current financial liabilities</b>			
Borrowings	-	21,829	21,829
Trade and other payables	-	2,113	2,113
	-	23,967	23,967

#### b) Capital risk management

Capital comprises all components of equity – share capital, other reserves and retained earnings. The Group's objectives when managing capital are to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. At present the Group is unable to pay dividends or return equity to shareholders.

The Group sets the amounts of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and risk characteristics

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of the underlying assets. In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debt.

During the year ended 31 March 2015 the Group's strategy, which was unchanged from the previous year, was to monitor and manage the use of funds whilst developing business strategies and marketing.

### c) Financial risk management

#### i) Credit risk

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

The Group has a low credit risk in respect of its trade receivables, its principal customers being national broadcasters and major organisations which the Group has worked with for a number of years. The Group is also exposed to credit risk in respect of its cash and seeks to minimize this risk by holding funds on deposit with major United Kingdom financial institutions.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. The highest credit risk exposure to a single customer at 31 March 2015 was £1.6m (2014: £0.5m).

An analysis of ageing of debt and the movement in the allowance for doubtful accounts is presented in note 18.

#### ii) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board, which has developed a liquidity management forecasting process which aims to ensure that the Group has sufficient cash at all times to meet liabilities as they fall due.

The following analysis sets out the maturities of financial assets and liabilities.

At 31 March 2015	Less than 3 months £'000	Between 3 and 12 months £'000	More than 12 months £'000	Total £'000
<b>Financial assets</b>				
Investments	-	-	-	-
Trade and other receivables	3,632	118	-	3,750
Cash and cash equivalents	48	-	-	48
	3,680	118	-	3,798
<b>Financial liabilities</b>				
Borrowings	3,629	1,492	-	5,121
Trade and other payables	2,872	-	-	2,872
	6,501	1,492	-	7,993

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At 31 March 2014	Less than 3 months £'000	Between 3 and 12 months £'000	More than 12 months £'000	Total £'000
<b>Financial assets</b>				
Investments	-	-	-	-
Trade and other receivables	20,209	43	-	20,252
Cash and cash equivalents	184	-	-	184
	20,393	43	-	20,436
<b>Financial liabilities</b>				
Borrowings	20,322	1,507	25	21,854
Trade and other payables	2,113	-	-	2,113
	22,435	1,507	25	23,967

## iii) Market risk

The Group does not trade in financial instruments. As described in note 16, the Group does have an equity investment which is exposed to price risk, but the directors do not consider this to be material to the Group.

It is, and has been throughout the year under review, the Group's policy that financial derivatives shall not be used. As a result, the Group has not used interest rate hedges and currency swaps during the year.

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

### Foreign currency risk

Some equipment is purchased in US Dollars. Management has continued to monitor the foreign exchange risk so that appropriate action can be taken if required.

The table below shows the extent to which the Group has financial assets and liabilities in currencies other than Sterling. Foreign exchange differences on re-translation of these assets and liabilities are recognised profit or loss.

	US Dollars £000	GB pounds £000	2015 Total £000
Assets - GBP	-	3,798	3,798
Liabilities - GBP	-	7,993	7,993

	US Dollars £000	GB pounds £000	2014 Total £000
Assets - GBP	-	20,436	20,436
Liabilities - GBP	14,419	9,548	23,967

A 10 percent strengthening of Sterling against the US Dollar at 31 March would have increased / (decreased) equity and profit or loss by £nil (2014: £1,311K). A 10 percent weakening of sterling against the US Dollar at 31 March would have had the equal but opposite effect. This analysis assumes that all other variables, in particular interest rates, remain constant.

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### Interest rate risk

Bank loans are arranged at floating rates, thus exposing the Group to cash flow interest rate risk. The Group does not consider this risk as significant. The benchmark rates for determining floating rate liabilities are based on LIBOR.

The interest rate profile of the Group's financial assets and liabilities were:

At 31 March 2015	Fixed rate £'000	Floating rate £'000	Interest free £'000	Total £'000
<b>Financial assets</b>				
Investments	-	-	-	-
Trade and other receivables	-	-	3,750	3,750
Cash and cash equivalents	-	48	-	48
	-	48	3,750	3,798
<b>Financial liabilities</b>				
Borrowings	195	4,926	-	5,121
Trade and other payables	-	-	2,872	2,872
	195	4,926	2,872	7,993
<b>At 31 March 2014</b>	<b>Fixed rate £'000</b>	<b>Floating rate £'000</b>	<b>Interest free £'000</b>	<b>Total £'000</b>
<b>Financial assets</b>				
Investments	-	-	-	-
Trade and other receivables	-	-	20,252	20,252
Cash and cash equivalents	-	184	-	184
	-	184	20,252	20,436
<b>Financial liabilities</b>				
Borrowings	16,377	5,477	-	21,854
Trade and other payables	-	-	2,113	2,113
	16,377	5,477	2,113	23,967

A 1 percent increase in floating interest rates at 31 March would have decreased equity and profit by £49K (2014: £53K). A 1 percent decrease in floating interest rates at 31 March would have had the equal but opposite effect. This analysis assumes that all other variables remain constant.

## 5. Segmental Reporting

The Group is organised into operating segments based on the nature of services provided. The information reviewed by the executive directors, who are perceived to fulfill the function of chief operating decision maker for the Group, contains various operating segments however, certain of these operating segments are aggregated into one reportable segment on the basis of the operating segments having similar economic characteristics and one management team is responsible for these combined segments.

The reportable segments of the group are comprised of the following:

- Content services, post production & animation – providing data, content management and full post production & animation services and facilities to the broadcasting, advertising and film production sectors;
- VFX – offers a full range of services to film and broadcast including pre-production, pre-visualisation and design, VFX supervision, 3D animation, matte paintings, digital grading and title design.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. The executive directors evaluate performance on the basis of profit or loss before tax.

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Year ended 31 March 2015	Content services, post production & animation	VFX	Total
	£'000	£'000	£'000
Revenue	7,246	448	7,694
Inter-segment transactions	-	-	-
Depreciation and impairment of property, plant & equipment	(995)	(5)	(1,000)
Other income and expenses	(10,741)	(74)	(10,815)
<b>Profit / (loss) before tax</b>	<b>(4,490)</b>	<b>369</b>	<b>(4,121)</b>

Year ended 31 March 2014	Content services & post production	VFX	Total
	£'000	£'000	£'000
Revenue	11,684	739	12,423
Inter-segment transactions	-	-	-
Depreciation and impairment of property, plant & equipment	(1,791)	(5)	(1,796)
Other income and expenses	(13,047)	(878)	(13,925)
<b>Profit / (loss) before tax</b>	<b>(3,154)</b>	<b>(144)</b>	<b>(3,298)</b>

**Entity wide disclosures**

**Revenue by geographical markets**

	2015 £'000	2014 £'000
United Kingdom	7,401	11,925
Europe	96	195
Rest of the world	197	303
	<b>7,694</b>	<b>12,423</b>

**Non-current assets by geographical market**

	2015 £'000	2014 £'000
United Kingdom	5,605	11,653

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## 6. Operating profit / (loss) before exceptional items

	2015 £000	2014 £000
Operating profit / (loss) is stated after charging/(crediting):		
Depreciation Charge for the period		
Owned Assets	993	1,657
Leased Assets	7	139
Total Depreciation	1,000	1,796
(Profit) / loss on disposal of property, plant and equipment, film rights	(37)	(80)
Operating lease rentals:		
Others	528	1,097

## Auditors' remuneration

	2015 £000	2014 £000
Amounts receivable by auditors and their associates in respect of:		
Audit of financial statements of Company	30	45
Audit of financial statement of subsidiaries pursuant to legislation	12	20
All other services relating to taxation	-	20
All other services	-	15

Other fees paid to auditors relate to advice in connection with taxation and compliance matters. The directors do not consider that the level of fees paid to the auditors for non-audit services threatens their independence. The auditors have confirmed they agree with the conclusion.

## 7. Staff numbers and costs

The average number of persons employed by the Group (including directors) during the year was:

	2015 No.	2014 No.
Production and sales	114	139
Management and administration	18	27
	132	166

The total staff cost incurred by the Group was:

	2015 £000	2014 £000
Wages and salaries	5,083	6,405
Social security costs	494	518
	5,577	6,923

Directors' emoluments were £25,215 (2014: £189,938), of which the highest paid director received £17,815 (2014: £129,938).

Contributions were paid on behalf of the directors to money purchase pension schemes amounting to £nil (2014: £nil).

Number of directors to whom retirement benefits are accruing under the defined contribution pension scheme is nil (2014: nil)

# Arlique Media Investments PLC (formerly known as Prime Focus London plc)

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Key management remuneration (including directors):

	2015 £000	2014 £000
Wages and salaries	537	696
Social security costs	63	77
	<b>600</b>	<b>773</b>

Key management is defined as being the directors of the Group and other senior management with the authority and responsibility for planning, directing and controlling the Group's activities.

### 8. Other income

	2015 £000	2014 £000
Reverse Premium	46	186
Return on Investments	-	-
Service Charge	-	-
	<b>46</b>	<b>186</b>

### 9. Finance income and cost

	2015 £000	2014 £000
<b>Finance income</b>		
Interest on loans to fellow subsidiaries	-	693
<b>Finance cost</b>		
Other interest payable	86	189
Interest on loans from Parent	-	693
Bank interest payable	325	410
	<b>411</b>	<b>1,292</b>

### 10. Exceptional Items

Exceptional charge relates to the following:

£13.689m for write off of Investments in film equity. (2014: £1,518m)

£1.560m as reversal of excess revenue accruals and provision for contingent liabilities. (2014: £0.150m)

£0.912m for loss on subsidiary companies balances write off. (£0.09m)

Exceptional Income relates to the write off of payable balances to the parent company from subsidiaries in liquidation of £15.142m. (2014: £nil).

This gives a total exceptional item charge for the current year ending March 31, 2015 of £1,019m. (2014: £1,758m).

### 11. Tax expense

	2015 £000	2014 £000
<b>Current tax</b>		
UK Corporation tax	-	-
Adjustments in respect of prior years	-	(135)
	-	(135)
Deferred tax (note 19)	250	10

## Arlique Media Investments PLC (formerly known as Prime Focus London plc) Annual Report 2015

Origination and reversal of timing differences	-	-
Deferred tax assets relating to trading losses	-	-
<b>Total tax on profit on ordinary activities</b>	<b>250</b>	<b>(125)</b>

The difference between the tax charge and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is shown below.

	<b>2015</b> <b>£000</b>	<b>2014</b> <b>£000</b>
Group profit / (loss) on ordinary activities before tax	<b>(4,121)</b>	<b>(3,298)</b>
Tax on Group profit / (loss) on ordinary activities at the standard UK corporation tax		
Rate of 21% (2014: 23%)	<b>(865)</b>	<b>(758)</b>
Effects of:		
Expenses Not Deductible	<b>204</b>	<b>81</b>
Group relief (surrendered) / received	<b>-</b>	<b>(89)</b>
Losses not utilised	<b>375</b>	<b>608</b>
Deferred tax charge	<b>250</b>	<b>10</b>
Depreciation in excess of capital allowances	<b>286</b>	<b>23</b>
<b>Tax charge for the year</b>	<b>250</b>	<b>(125)</b>

### 12. Earnings per share

Basic earnings per share amounts are calculated by dividing the profit or loss attributable to owners of the parent by the weighted average number of shares in issue during the year.

Diluted earnings per share amounts are calculated by dividing the profit or loss attributable to owners of the parent by the weighted average number of shares in issue during the year, adjusted for the effects of potentially dilutive options.

The dilution effect is calculated on the full exercise of all potentially dilutive ordinary share options granted by the Group.

	<b>2015</b>			<b>2014</b>		
	<b>Basic</b>	<b>Potentially dilutive share options</b>	<b>Diluted</b>	<b>Basic</b>	<b>Potentially dilutive share options</b>	<b>Diluted</b>
Profit / (loss) (£000)	<b>(4,371)</b>		<b>(4,371)</b>	<b>(3,173)</b>	<b>-</b>	<b>(3,173)</b>
Weighted average number of shares (000s)	<b>32,882</b>	<b>-</b>	<b>32,882</b>	<b>32,882</b>	<b>-</b>	<b>32,882</b>
Earnings per share (pence)	<b>(13.29)</b>		<b>(13.29)</b>	<b>(9.65)</b>	<b>-</b>	<b>(9.65)</b>



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## 13. Intangible assets

	Goodwill £000	Other Intangible £000	Film Rights £000	Total £000
<b>Cost</b>				
At 1 April 2014	190	-	76	266
Additions	60	20	-	80
Disposals / Amortisation	(196)	(2)	(76)	(274)
<b>At 31 March 2015</b>	<b>54</b>	<b>18</b>	<b>-</b>	<b>72</b>
<b>Net carrying value</b>				
At 31 March 2015	54	18	-	72
At 31 March 2014	190	-	76	266
<b>Cost</b>				
At 1 April 2013	354	-	1,538	1,892
Additions	190	-	56	246
Disposals / Amortisation	(354)	-	(1,518)	(1,872)
<b>At 31 March 2014</b>	<b>190</b>	<b>-</b>	<b>76</b>	<b>266</b>
<b>Net carrying value</b>				
At 31 March 2014	190	-	76	266

## Acquisitions

On 31 October 2014 the Group acquired 100% of the trade and assets of Prime Focus Post Limited (In Administration). (2014 : On 28 October 2013 the group acquired 100% of the trade and assets of Prime Focus Broadcast Limited (in Administration), a television post production company, goodwill arise out of this was fully amortised in and included in the note 13)

Intangible assets arising on the acquisition are subject to an annual impairment review in accordance with IAS 36 and comprise

	£
Initial purchase consideration	180,000
Fees	-
<b>Total consideration</b>	<b>180,000</b>

Represented by	Carrying amount in acquiree's own books immediately before acquisition £	Fair Value recognised by the Group £
Equipment	10,000	10,000
Work in Progress	90,000	90,000
<b><u>Intangible Assets</u></b>		
Goodwill		60,000
Other Intangible		20,000
		<b>180,000</b>

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The acquisition has been accounted for by the purchase method of accounting. Goodwill arising on acquisition is attributable to operational synergies and earnings potential expected over the long term.

### 14. Property, plant and equipment

GROUP	Short leasehold premises £000	Motor Vehicles £000	Assets held for hire £000	Equipment, fixtures and fittings £000	Total £000
<b>Cost</b>					
At 1 April 2014	4,410	16	5,615	11,896	21,937
Additions	7	-	-	100	107
Disposals	-	-	-	(7,407)	(7,407)
<b>At 31 March 2015</b>	<b>4,417</b>	<b>16</b>	<b>5,615</b>	<b>4,589</b>	<b>14,637</b>
<b>Accumulated depreciation</b>					
At 1 April 2014	3,844	12	2,116	5,897	11,869
Charge for the year	167	3	487	343	1,000
Disposals	-	-	-	(3,765)	(3,765)
<b>At 31 March 2015</b>	<b>4,011</b>	<b>15</b>	<b>2,603</b>	<b>2,475</b>	<b>9,104</b>
<b>Net Book Value</b>					
<b>At 31 March 2015</b>	<b>406</b>	<b>1</b>	<b>3,012</b>	<b>2,114</b>	<b>5,533</b>
At 31 March 2014	566	4	3,499	5,999	10,068
<b>Cost</b>					
At 1 April 2013	4,410	16	5,615	11,888	21,929
Additions	-	-	-	97	97
Disposals	-	-	-	(89)	(89)
<b>At 31 March 2014</b>	<b>4,410</b>	<b>16</b>	<b>5,615</b>	<b>11,896</b>	<b>21,937</b>
<b>Accumulated depreciation</b>					
At 1 April 2013	3,628	6	1,335	5,114	10,083
Charge for the year	216	6	781	793	1,796
Disposals	-	-	-	(10)	(10)
<b>At 31 March 2014</b>	<b>3,844</b>	<b>12</b>	<b>2,116</b>	<b>5,897</b>	<b>11,869</b>
<b>Net Book Value</b>					
<b>At 31 March 2014</b>	<b>566</b>	<b>4</b>	<b>3,499</b>	<b>5,999</b>	<b>10,068</b>

The net book value of equipment, fixtures & fittings includes an amount of £516,259 (2014:£ 861,920) in respect of assets held under hire purchase agreements. The charge for depreciation for the year on these assets was £83,415 (2014: £139,249). The net book value of assets held for hire includes an

## Arlique Media Investments PLC (formerly known as Prime Focus London plc) Annual Report 2015

amount of £2,282,920 (2014: £2,651,783) in respect of assets being leased out to other companies of the parent group.

### 15. Other receivables

	2015 £000	2014 £000
Amounts falling after more than one year:		
Other receivables	-	-
	-	-

### 16. Investments

	Listed equity investments £000	Other investments £000	Total £000
At 1 April 2014	-	-	-
Change in fair value	-	-	-
At 31 March 2015	-	-	-
	Listed equity Investments £000	Other investments £000	Total £000
At 1 April 2013	8	-	8
Change in fair value	(8)	-	(8)
At 31 March 2014	-	-	-

The Group through its wholly owned subsidiary, VTR Media Investments Limited, owns 1,750,000 ordinary shares of £1 each in Conexion Media Group Plc (formerly known as Music Copyrights Solutions plc), a company incorporated in England and Wales. This company was listed on AIM. The market value of these shares at 31 March 2015 was £Nil (2014: £Nil).

The principal undertakings in which the Group's interest at the year end is more than 20% are as follows:

Subsidiary undertakings:	Principal activity at 31 March 2014	Country of incorporation	Percentage of ordinary shares held
Prime Focus Post Limited ** (In Liquidation)	Post production services	Great Britain	100%
Prime Focus Visual Entertainment Services Limited * (In Liquidation)	Broadcast post production	Great Britain	100%
VTR Media Investments Limited * (In Liquidation)	Media investments	Great Britain	100%
Clipstream Limited * (In Liquidation)	Digital content management	Great Britain	100%
PF Film UK Limited * (In Liquidation)	Dormant	Great Britain	100%
Prime Post Europe Limited (formerly known as Prime Focus (MW) Limited **	Post production of television commercials	Great Britain	100%
Busy Buses Limited* (In Liquidation)	Dormant	Great Britain	100%
Prime VFX Ltd (formerly known as PF Television VFX Ltd)** (In Liquidation)	Broadcast VFX	Great Britain	100%
VTR Media Investments 2 Ltd (formerly known as Prime Focus Productions 1 Ltd)** (In Liquidation)	Dormant	Great Britain	100%
VTR Media Services & Investments Limited*	Post production services	BVI	100%
Prime Focus Productions 5 Ltd**	Dissolved on 28 July 2015	Great Britain	100%

\* Held by Prime Focus London plc

\*\* Held by VTR Media Investments Limited

The Company accounts for its investments in subsidiaries using the historical cost model.

**Arlique Media Investments PLC (formerly known as Prime Focus London plc)**  
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**17. Inventories**

	2015 £000	2014 £000
Stocks	1	-

**18. Trade and other receivables**

	2015 £000	2014 £000
<b>Amounts falling due within one year:</b>		
Trade receivables	2,703	2,190
Less: Provision for impairment of trade receivables	-	-
	<b>2,703</b>	<b>2,190</b>
 Other debtors	 243	 810
Amounts owed from fellow subsidiaries	804	17,252
	<b>3,750</b>	<b>20,252</b>
 Prepayments and accrued income	 384	 343
	<b>4,134</b>	<b>20,595</b>

The average credit period for trade receivables at the end of the year is 128 days. (2014: 64 days).  
The carrying amounts of the Group's trade and other receivables are denominated in sterling.

Trade receivables that are less than 3 months past due are not considered impaired. As of 31 March 2015, trade receivables of £Nil (2014: £Nil) were past due and impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of all trade receivables is as follows:

	2015 £000	2014 £000
Up to 3 months	2,585	2,147
3 to 6 months	18	20
Over 6 months	100	23
	<b>2,703</b>	<b>2,190</b>

An analysis of the movement in the provision for impairment of trade receivables is provided below:

	2015 £000	2014 £000
Balance at beginning of year	-	360
Impairment losses recognised	-	-
Amounts written off	-	(360)
Balance at end of year	-	-

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## 19. Deferred tax

The movement for the year in the Group's net deferred tax asset provided at the UK company rate of corporation tax of 21% (2012: 23%) was as follows:

	2015 £000	2014 £000
Opening balance	(206)	(196)
Recognised in statement of comprehensive income	(250)	(10)
Closing balance	(456)	(206)
The non-current asset/(provision) comprises:		
Accelerated capital allowances	(456)	(889)
Unutilised losses	-	683
	(456)	(206)

## 20. Called Up Equity Share Capital

The Company has issued the following shares during the year:

	2015		2014	
Authorised	£000	Number (000s)	£000	Number (000s)
Ordinary shares of 5p each	2,500	50,000	2,500	50,000
Allotted				
Allotted, called up and fully paid				
Ordinary shares of 5p each At 1 April	1,644	32,882	1,644	32,882
Issued during the year	-	-	-	-
Issue of Shares	-	-	-	-
Ordinary shares of 5p each at 31 March	1,644	32,882	1,644	32,882

No shares were issued during the year.

## 21. Share-based payments

The company implemented a share option scheme for all employees of the Group who participated in a salary reduction scheme. The charge for the year recognised in profit or loss in respect of equity-settled, share-based payments is £nil (2014: £nil).

The following tables reconcile the number of share options outstanding and the weighted average exercise price:

For the year ended 31 March 2015

	Options Number	Weighted average exercise price Pence
Outstanding at 1 April 2014	1,000,287	7.00
Granted	-	-
Forfeited	-	-
Exercised	-	-
Outstanding at 31 March 2015	1,000,287	-
Exercisable as at 31 March 2015	-	-

# **Arlique Media Investments PLC (formerly known as Prime Focus London plc)** **Annual Report 2015**

For the year ended 31 March 2014

	Options Number	Weighted average exercise price Pence
Outstanding at 1 April 2013	1,000,287	7.00
Granted	-	-
Forfeited	-	-
Exercised	-	-
Outstanding at 31 March 2014	1,000,287	7.00
Exercisable as at 31 March 2014	1,000,287	7.00

## **22. Borrowings**

Due within one year	2015 £000	2014 £000
Bank loan	4,927	5,476
Hire Purchase Obligation	34	240
Loan from Parent Company	160	16,113
	5,121	21,829

## **23. Trade and other payables**

	2015 £000	2014 £000
Trade payables	2,381	2,311
Other payables	491	(198)
	2,872	2,113
Accruals and deferred income	141	933
Social security and other taxes	409	845
	3,422	3,891

The average credit period taken for trade payable at the end of the year is 193 days (2014: 151 days).

## **24. Income tax liabilities**

Amounts falling within one year:	2015 £000	2014 £000
Corporation tax payable	7	-

## **25. Borrowings**

Due after more than one year	2015 £000	2014 £000
Bank / other loan	-	-
Hire purchase obligation	-	25
	-	25

# Arlique Media Investments PLC (formerly known as Prime Focus London plc) Annual Report 2015

Analysis of debt maturity:	2015 £000	2014 £000
<b>Repayable within one year</b>		
Bank loan	4,927	5,476
Hire purchase obligations	34	240
Loan from Parent Company	160	16,113
	<b>5,121</b>	<b>21,829</b>
<b>Repayable between one and two years</b>		
Bank / other loan	-	-
Hire purchase obligations	-	25
<b>Repayable between two and five years</b>		
Bank loan	-	-
Hire purchase obligations	-	-
	<b>-</b>	<b>25</b>

Bank loans are secured by a fixed and floating charge over the assets of the Group.

The maximum facility available as per the Ultimate Finance Limited Invoice discounting loan is £0.4 million (2014: £0.5 million). Interest is charged at 4% (2014: 4%) above 3 month LIBOR (subject to a minimum 3 month LIBOR rate of 1%).

## 26. Operating Lease and Capital commitments

- (a) Total commitments under non-cancellable operating leases, together with the obligations by maturity, are as follows:

	2015 £000	2014 £000
<b>Commitments under non-cancellable operating leases:</b>		
Within one year	565	536
Later than one year and less than five years	1,500	1,485
After five years	-	-
	<b>2,065</b>	<b>2,021</b>

## 27. Pensions

The Group's principal pension plans comprise a defined contribution pension scheme. The pension charge for the year represents contributions payable by the Group which amounted to £nil (2014: £nil).

There were no outstanding or prepaid contributions at either the beginning or end of each financial year.

## **Arlique Media Investments PLC (formerly known as Prime Focus London plc) Annual Report 2015**

### **28. Related party transactions**

The following transactions with companies within the Group headed by Prime Focus World NV ("PFW group"), a fellow subsidiary company, occurred during the year:

#### **Prime Focus International Services UK Limited**

- Prime Focus International Services UK Ltd, a company registered in UK, being a fellow subsidiary of the parent company paid a sum equivalent to £72,334 (2014: £72,628) on behalf of PFLPLC to third parties in respect of operational expenditure.
- PFLPLC charged Prime Focus International Services UK Ltd for Costs of £nil (2014: £nil) incurred by PFLPLC in relation to fixed asset expenditure. Additionally, costs in relation to general business expenses totalling £2,595,764 (2014 £1,864,032) were incurred by PFLPLC. During the year Prime Focus International Services UK Ltd paid £1,681,801 (2014:£2,216,503) to PFLPLC for the fixed asset expenditure and business expenses incurred by PFLPLC.
- Prime Focus International Services UK Ltd carried out post production work on PFLPLC clients. The total fee paid by PFLPLC to Prime Focus International Services UK Ltd was £nil (2014: £nil).
- PFLPLC carried out post production work on Prime Focus International Services UK Ltd clients. The total fee paid by Prime Focus International Services UK Ltd to PFLPLC was £83,296 (2014: £149,563).
- At 31 March 2013 the balance due from Prime Focus International Services UK Ltd was a sum of £582,841 (2014: due to £342,084).

The following transactions with the other related parties occurred during the year:

#### **Prime Focus International Limited**

- PFLPLC charged Prime Focus International Ltd, a company registered in the UK, being a fellow subsidiary of the parent company, a total of costs in relation to travel and other business expenses totaling £nil (2014 £9,517) were incurred by PFLPLC. During the year, Prime Focus International Ltd paid £5,225 (2014:£907,308) to PFLPLC for fixed asset expenditure and business expenses.
- PFLPLC charged Prime Focus International Ltd £790,544 (2013:£929,678) for loan interest incurred by the company and repaid £3,050,969 (2014: £nil).
- PFLPLC carried out post production work on Prime Focus International Ltd clients. The total fee charged by PFLPLC to Prime Focus International Ltd was £413,531 (2014: £1,774,617).
- Prime Focus International Ltd carried out post production work on VTRMSIL (100% subsidiary of PFL PLC), the total fees charged by Prime Focus International Ltd was £1,800,000 (2014:nil)
- PFL PLC purchased film Investments worth £11,923,634 (2014 £nil) from Prime Focus International Services UK Limited
- At 31 March 2014 the balance due to Prime Focus International Limited was a sum of £160,236 (due from 2014: £17,025,067).

#### **Prime Focus Technologies Limited**

- The balance outstanding at the end of the year receivable from Prime Focus Technologies Ltd, a company registered in India, being a fellow subsidiary of the parent company was £69,409 (2014: £69,409).
-



## **Arlique Media Investments PLC (formerly known as Prime Focus London plc) Annual Report 2015**

### **Prime Focus Technologies UK Limited**

- Costs in relation to travel and other business expenses totalling to £1,109 (2014 £176,142) were incurred by PFL PLC on behalf of Prime Focus Technologies UK Ltd, a company registered in UK, being a fellow subsidiary of the parent company. During the year, Prime Focus Technologies UK Limited paid £nil (2014: £537,400) to PFLPLC for fixed asset expenditure and business expenses.
- At 31 March 2015 the balance due from Prime Focus Technologies UK Limited was £150,179 (2014: £149,070).

### **29. Contingent assets & liabilities**

The bank loans of the Group undertakings are secured by cross guarantee between Group companies. At 31 March 2014, the liability of the bank was borne by the Company at a value of £nil (2014: £nil).

The Company is a member of a Group VAT registration and is jointly and severally liable for any debts by member of the registration as at the year ended 31 March 2015. The total Group liability amounted to (£29,732).

### **30. Post Balance Sheet Events**

The Group entered into a Business Purchase Agreement with Blue-2 Post Production Limited dated 24th April, 2015 for sale of its business providing post production services pre-dominantly to broadcast production houses and broadcast networks for a total sale consideration of GBP 160,000 plus a payment of GBP 226,990.66 (Pounds two hundred and twenty-six thousand and nine hundred and ninety and pence sixty six only). The business was carved out of its key operating subsidiary Prime Post (Europe) Limited.

The Group entered into a Share Purchase Agreement with Prime Focus Technologies UK Limited, a 100% subsidiary of Prime Focus Technologies Limited, India for sale of the shares of Prime Post (Europe) Limited (the Group's main operating subsidiary) on 13th January 2016 for a total sale consideration of GBP 2,500,000 (Pounds two million and five hundred thousand only). The said sale consideration of GBP 2,500,000 (Pounds two million and five hundred thousand only) shall be paid by Prime Focus Technologies UK Limited taking over the same amount of the Group's debt with the Bank of India.

On April 21, 2016, Arlique Limited acquired 29,034,654 shares of Prime Focus London PLC from Gatcombe Holdings Limited and Samsa International FZC thereby giving Arlique Limited 88.3% share of the Group. Prime Focus Limited no longer is the ultimate Parent Company of the Group and holds no shares in the share capital of the Group.

The Group appointed Opus Restructuring LLP on 15 December 2016 to commence liquidation of all its remaining UK operating subsidiaries on the same date being VTR Media Investments Limited, Clipstream Limited, VTR Media Investments 2 Limited, Busy Buses Limited and Prime VFX Limited. The Group has successfully restructured itself and has started the process of collecting the balance outstanding from its erstwhile Ultimate Parent Company Group – Prime Focus Limited to pay down its remaining balance outstanding (after takeover of GBP 2,500,000 by Prime Focus Technologies UK Limited) to Bank of India. The Group has no fixed overheads or operating costs anymore save for Corporate and Tax compliance costs including audits. The Group operates via freelance producers and creatives spread across the World.

### **31. Ultimate controlling party**

Arlique Limited, a company incorporated in England & Wales with Company number 08406761 is the ultimate controlling party, prior to 21 April 2016 the ultimate controlling party was Prime Focus Limited (a company incorporated in India).

## **Arlique Media Investments PLC (formerly known as Prime Focus London plc) Annual Report 2015**

### **Independent Auditors' report to the members of Arlique Media Investments plc (formerly known as Prime Focus London plc)**

We have audited the parent company financial statements of Arlique Media Investments plc (formerly known as Prime Focus London plc) for the year ended 31 March 2015 which comprise the Parent Company Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of the directors and auditors**

As explained more fully in the Directors' Responsibilities Statement (set out on page 9), the Directors are responsible for the preparation of the Parent Company financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the Parent Company financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

#### **Opinion on financial statements**

In our opinion the Parent Company financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2015; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Emphasis of Matter**

In forming our opinion, we have considered the adequacy of the disclosures made in Note 2 to the accounts, concerning the uncertainty of the company following the post year-end reconstruction. In view of the significance of this uncertainty, we consider that it should be drawn to your attention, but our opinion is not qualified in this respect.

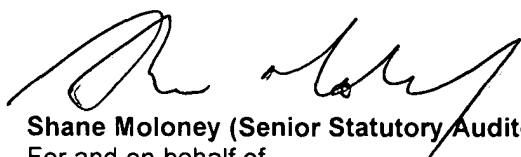
**Arlique Media Investments PLC (formerly known as Prime Focus London plc)**  
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**Independent Auditors' report to the shareholders of Arlique Media Investments plc**  
**(formerly known as Prime Focus London plc) - continued**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**Shane Moloney (Senior Statutory Auditor)**

For and on behalf of

**Shipleys LLP**

Chartered Accountants & Statutory Auditor

10 Orange Street  
Haymarket  
London  
WC2H 7DQ

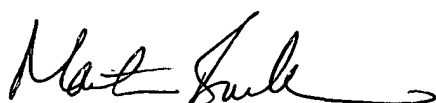
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**Arlique Media Investments PLC (formerly known as Prime Focus London plc)**  
**Annual Report 2015**

**Company Balance Sheet at 31 March 2015**

	Notes	2015 £000	Restated 2014 £000	2014 £000
<b>Fixed assets</b>				
Tangible assets	3	5,489	6,425	6,425
Investments	4	1	21	21
		<b>5,490</b>	<b>6,446</b>	<b>6,446</b>
<b>Current assets</b>				
Debtors	5	3,273	24,699	22,941
Cash at bank and in hand		1	96	96
		<b>3,274</b>	<b>24,795</b>	<b>23,037</b>
Creditors – amounts falling due within one year	7	(7,466)	(25,178)	(25,178)
<b>Net current assets</b>		<b>(4,192)</b>	<b>(383)</b>	<b>(2,141)</b>
<b>Total assets less current liabilities</b>		<b>1,298</b>	<b>6,063</b>	<b>4,305</b>
Creditors – amounts falling due after more than one year	8	(456)	(162)	(162)
<b>Net assets</b>		<b>842</b>	<b>5,901</b>	<b>4,143</b>
<b>Capital and reserves</b>				
Share capital	10	1,644	1,644	1,644
Share premium account	11	6,516	6,516	6,516
Capital redemption reserve	11	270	270	270
Merger reserve	11	730	730	730
Retained earnings	11	(8,318)	(3,259)	(5,017)
<b>Total equity shareholders' funds</b>		<b>842</b>	<b>5,901</b>	<b>4,143</b>

The financial statements were approved by the Board of Directors and authorised for issue on 22 February 2017



**Martin Boulton**  
Director

**Company Number: 01694613**

# **Arlique Media Investments PLC (formerly known as Prime Focus London plc)**

## **Annual Report 2015**

### **Notes to the Company financial statements**

#### **1. Accounting policies**

The financial statements have been prepared under the historical cost convention and are in accordance with UK Generally Accepted Accounting Principles.

The following principal accounting policies have been applied:

##### **Leasehold improvements, equipment, motor vehicles, fixtures and fittings**

Leasehold property, equipment, motor vehicles, fixtures and fittings are stated at cost less accumulated depreciation and any provision for impairment. Cost comprises all costs that are directly attributable to bringing the asset into working condition for its intended use. Depreciation is calculated to write down the cost of fixed assets to their residual values on a reducing balance basis over the following estimated useful economic lives:

Equipment	13.91%
Fixtures and fittings	18.10%
Motor vehicles	25.89%

Leasehold improvements are depreciated on a straight line basis over the unexpired period of the lease.

##### **Hire purchase and leased assets**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives at the rates set out above. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are operating leases which have annual rentals charged to the profit and loss on a straight line over the lease term.

##### **Valuation of investments**

Investments held as fixed assets are stated at cost less any provision for impairment.

##### **Deferred taxation**

Deferred taxation balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the Company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

##### **Leased assets**

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

##### **Foreign exchange**

The individual financial statements of the Company are presented in the currency of the primary economic environment in which it operates (its functional currency).

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### **Share-based compensation**

The Group operates an equity-settled, share-based compensation plan. The fair value of share option awards are estimated at the date of award, using a Black-Scholes model, taking into account the terms and conditions of the award.

No expense is recognised for grants that do not vest and charges previously made are reversed except where vesting is conditional upon a market condition which are treated as vesting irrespective of whether or not the market condition is satisfied, provided all other performance conditions are satisfied.

At each reporting date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions, the number of equity instruments that will ultimately vest or, in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense since the previous balance sheet date is recognised in profit or loss, with a corresponding entry in equity.

Where the terms for an equity-settled award are modified, and the modification increases the total fair value of the share-based payment, or is otherwise beneficial to the employee at the date of modification, the incremental fair value is amortised over the vesting period.

### **Related party disclosures**

The Company has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related Party disclosures' not to disclose transactions with members of the Group headed by Prime Focus London plc on the grounds that 100% of the voting rights are controlled within that Group.

### **Going concern**

As detailed in Note 30 "Post Balance Sheet Events" the company/group has undertaken a significant reconstruction exercise after the year end resulting in the disposal of its subsidiaries and a simplification of its own trading activity.

In addition, the company/group itself changed ownership and is no longer a subsidiary of Prime Focus Limited (registered in India). A significant receivable balance remains outstanding between the company/group and its former parent company. The directors are confident of the recovery of the debt, having already received part payment post year end. This, together with the company/group's reduced trading activities following the reconstruction, will enable the group to meet its forecast working capital requirements for at least 13 months from the date of approval of the financial statements.

On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from the company/group being unable to meet its forecast working capital requirements on the basis set out above.

## **2. Profit for the period**

The Company has elected to take exemption under Section 408 of the Companies Act 2006 not to present the Company's profit and loss account. The profit for the Company for the year is presented in note 11.

# **Arlique Media Investments PLC (formerly known as Prime Focus London plc)** **Annual Report 2015**

## **3. Tangible assets**

	Short leasehold premises £000	Motor Vehicles £000	Equipment, fixtures and fittings £000	Total £000
<b>Cost</b>				
At 1 April 2014	4,409	16	10,339	14,764
Additions	-	-	54	54
Disposals	-	-	-	-
<b>At 31 March 2015</b>	<b>4,409</b>	<b>16</b>	<b>10,393</b>	<b>14,818</b>
<b>Accumulated depreciation</b>				
At 1 April 2014	3,844	6	4,489	8,339
Charge for the year	167	3	820	990
Disposals	-	-	-	-
<b>At 31 March 2015</b>	<b>4,011</b>	<b>9</b>	<b>5,309</b>	<b>9,329</b>
<b>Net Book Value</b>				
<b>At 31 March 2015</b>	<b>398</b>	<b>7</b>	<b>5,084</b>	<b>5,489</b>
At 31 March 2014	565	10	5,850	6,425

The net book value of equipment, fixtures & fittings includes an amount of £516K (2014: £600K) in respect of assets held under hire purchase agreements. The charge for depreciation for the year on these assets was £83K (2014 £97K).

## **4. Investments**

	Investment in subsidiary undertakings £000	Investment in associated undertaking £000	Other investments £000	Total £000
<b>Cost</b>				
At 1 April 2014	20	1	-	21
Cost	20	1	-	21
Provision / Write Off	(20)	-	-	(20)
At 1 April 2014	-	-	-	-
<b>Net Book Value</b>				
<b>At 31 March 2015</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>
At 31 March 2014	20	1	-	21

# **Arlique Media Investments PLC (formerly known as Prime Focus London plc)** **Annual Report 2015**

## **5. Debtors**

	2015 £000	Restated 2014 £000
<b>Amounts falling due within one year:</b>		
Trade debtors	1,881	204
Less: Provision for impairment	-	-
	<b>1,881</b>	<b>204</b>
Amounts owed from fellow subsidiaries	804	17,251
VAT	-	-
Other Advances	208	-
Amounts owed from group	-	6,864
Prepayments and accrued income	380	380
	<b>3,273</b>	<b>24,699</b>

## **6. Deferred tax**

The movement for the year in the Company's net deferred tax asset/liability provided at the UK company rate of tax of 21% (2014: 23%) was as follows:

	2015 £000	2014 £000
Opening balance	(137)	(137)
(Charge) credit to income for the year	(319)	(0)
Closing balance	<b>(456)</b>	<b>(137)</b>
The non-current asset / (provision) comprises of:		
Accelerated capital allowances	(456)	(604)
Unutilised losses	0	467
	<b>(456)</b>	<b>(137)</b>

## **7. Creditors – amounts falling due within one year**

	2015 £000	2014 £000
Bank and other borrowings (note 9)	4,960	7,349
Trade creditors	759	1,077
Amounts due to Parent Company	1,077	14,763
Amounts due to subsidiary undertakings	-	1,279
Other Creditors	-	-
Accruals and deferred income	60	563
Corporation tax	7	7
Social security and other taxes	603	140



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7,466      25,178

**8. Creditors – amounts falling due after more than one year**

	2015 £000	2014 £000
Bank / other loan (note 9)	-	25
Deferred taxation	456	137
	<u>456</u>	<u>162</u>

**9. Borrowings**

**Analysis of debt maturity:**

	2014 £000	2013 £000
<b>Repayable within one year</b>		
Bank loan	4,926	7,109
Hire purchase obligations	34	240
	<u>4,960</u>	<u>7,349</u>

**Repayable between one and two years**

Bank loan	-	-
Hire purchase obligations	-	25

**Repayable between two and five years**

Hire purchase obligations	-	-
	<u>-</u>	<u>25</u>

**10. Called Up Equity Share Capital**

The Company has issued the following shares during the year:

	2015		2014	
Authorised	£000	Number (000s)	£000	Number (000s)
Ordinary shares of 5p each	2,500	50,000	2,500	50,000
<b>Allotted</b>				
Allotted, called up and fully paid				
Ordinary shares of 5p each At 1 April	1,644	32,882	1,644	32,882
Issued during the year				
Issue of Shares	-	-	-	-
Ordinary shares of 5p each at 31 March	<u>1,644</u>	<u>32,882</u>	<u>1,644</u>	<u>32,882</u>

No shares were issued during the year.

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## 11. Reserves

	Share capital £000	Share premium £000	Capital Redemption Reserve £000	Merger Reserve £000	Retained earnings £000	Total Equity £000
At 1 April 2014	1,644	6,516	270	730	(3,259)	5,901
Loss for the year	-	-	-	-	(5,059)	(5,059)
Share Issued during the year	-	-	-	-	-	-
<b>At 31 March 2015</b>	<b>1,644</b>	<b>6,516</b>	<b>270</b>	<b>730</b>	<b>(8,318)</b>	<b>842</b>
Reinstated						
At 1 April 2013	1,644	6,516	270	730	(3,326)	5,834
Profit for the year	-	-	-	-	(1,691)	(1,691)
Prior Period Adjustments*	-	-	-	-	1,758	1,758
Share Issued during the year	-	-	-	-	-	-
<b>At 31 March 2014</b>	<b>1,644</b>	<b>6,516</b>	<b>270</b>	<b>730</b>	<b>(3,259)</b>	<b>5,901</b>

### Prior year restatement

\*The company requires a prior period adjustment in respect of the year ended 31<sup>st</sup> March 2014 for recharges from Prime Focus Visual Entertainment Services Limited that were never accounted for in the company's financial statements. Accordingly, this has resulted in a material misstatement of the Company's financial performance and position in the financial statements for 2014.

## 12. Operating Lease and Capital commitments

At 31 March 2015 the company had annual commitments under non-cancellable operating leases for land and buildings expiring as follows:

	2015 £000	2014 £000
Within one year	565	536
Later than one year and less than five years	1,500	1,485
After five years	-	-
	<b>2,065</b>	<b>2,021</b>

## 13. Related party transactions

For details of related party transactions entered into by the Company, please refer to the consolidated Group financial statements.