

Report of the Directors and
Financial Statements for the Year Ended 31 March 2019
for
Global Mediaworks (UK) Limited

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for the Year Ended 31 March 2019

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Global Mediaworks (UK) Limited

Company Information
for the Year Ended 31 March 2019

DIRECTORS:

Satish Kadakia- appointed w.e.f. 28 August 2016

REGISTERED OFFICE:

124 Rookery Road,
Birmingham,
England
B21 9NN

REGISTERED NUMBER:

05823117 (England and Wales)

AUDITORS:

PBG Associates Ltd
Chartered Accountants and Registered Auditors
65 Delamere road,
Hayes, Middx
UB4 0NN
UK

The director presents his report with the financial statements of the company for the year ended 31 March 2019.

PRINCIPAL ACTIVITY

The company was engaged in film and media related service activities. The company has ceased its UK operations and intends to be wound up.

RESULTS AND DIVIDENDS

The Profit for the year, after taxation, amounted to £ 27,244 (2018: Loss £ 7,000).

No dividends will be distributed for the year ended 31 March 2019.

DIRECTORS

Mr Satish Kadakia has been appointed as director of the company with effect from 28 August 2016.

FINANCIAL INSTRUMENTS

The company's principal credit payment policy comprises of bank balances, trade debtors, and their intercompany account with the Indian company. The main purpose of the instruments is to raise funds for the company's operations and to finance the company's cash flows.

The company manages its liquidity risk by ensuring that there are sufficient funds to meet payments due to third party creditors.

The company mitigates its exposure to sales risk by agreeing its prices with its customers in advance.

GOING CONCERN

The risk associated with the company is of going concern status. The financial statements of the company have been prepared on the basis other than going concern as the company has ceased its operations and intends to be wound up after year end. All assets have been written down to the recoverable amounts, all expected liabilities have been recorded and long term liabilities have been reclassified as short term liabilities.

Digital Domain Media Group (DDMG), a company in the United States, pursued legal action against Reliance Mediaworks Limited, Reliance Mediaworks Entertainment Services Limited and Global Mediaworks (UK) Limited for an amount of £ 1.7 million under USA bankruptcy rules.

An order was passed on March 10, 2017 by the Bankruptcy court stating that if the Plaintiff i.e. Digital Domain Media Group Estate in bankruptcy wants to proceed with the case they have to initiate proceedings within 30 days of the order which has been expired as no filings have been made, by plaintiff, hence this case stands automatically dismissed.

The company surrendered its lease for its UK offices and is in litigation with the landlord.

There are also legal actions against the company for non - payment of rates, VAT, payroll and corporation taxes.

Management has been in contact with HM Revenue & Customs in order to determine any outstanding tax liabilities with a view to settling them. However, management believes that there should be no such liabilities outstanding to pay as the company has ceased trading.

The Director is of opinion that no liabilities should be payable, as the Company ceased trading.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The director is responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, 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 director is 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 Companies Act 2006. He is 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, PBG Associates Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Satish Kadakia - Director

Date: 26.08.2019

Opinion

We have audited the financial statements of Global Mediaworks (UK) Limited (the 'company') for the year ended 31 March 2019 which comprise the Income Statement, Statement of Financial Position, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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 a Report of the Auditors 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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its results for the year then ended;
- 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.

Material Uncertainty related to Going Concern

In forming our opinion on the financial statements we draw your attention to Note 1 of Notes to financial statements, which indicates that the Company earned net profit for the year for £ 27,244 and aggregate carried forward loss as at 31 March 2019 is £ 11,361,886 against the called up share capital of £ 10,000 and negative net shareholders' funds of £ 11,351,886. The company's net current liabilities are more than current assets by £ 11,351,886 which includes £ 10,843,460 as amount owed to group undertakings at year end. The financial statements of the company have been prepared on the basis other than going concern as the company has ceased its operations and intends to be wound up after year end. All assets have been written down to the recoverable amounts, all expected liabilities have been recorded and long term liabilities have been reclassified as short term liabilities. Our opinion is not qualified in respect of this matter.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusion relating to principal risks, going concern and financial statements

Apart from the impact of the matters disclosed in the 'Material uncertainty related to Going Concern section', we have nothing to report in respect of the information in the 'Going Concern' section of the Report of the Directors set out on page 2.

Other information

The directors are responsible for the other information. The other information comprises the information in the Directors' Report, but does not include the financial statements and our Report of the Auditors thereon.

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

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

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so as stated in the 'Going Concern' section of the Report of the Directors set out on page 2.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.



Satya Brata Ghosh
Senior Statutory Auditor
For and on behalf of PBG Associates Ltd
Chartered Accountants and Statutory Auditors
65 Delamere Road,
Hayes, Middx UB4 0NN

Date: 26/08/2019

Global Mediaworks (UK) Limited

Profit and Loss Account
for the Year Ended 31 March 2019

	Notes	31.3.19 £	31.3.18 £
TURNOVER		-	-
Administrative expenses		<u>7,996</u>	<u>7,000</u>
		(7,996)	(7,000)
Other income	2	<u>35,240</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	27,244	(7,000)
Tax on profit on ordinary activities	5	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		<u>27,244</u>	<u>(7,000)</u>
Earnings per share expressed in pence per share:	6		
Basic		2.7244	(0.70)
Diluted		<u>2.7244</u>	<u>(0.70)</u>

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the loss/ profit for the current and previous years.

The financial statements were approved by the Board of Directors on 26.08.2019 and were signed on its behalf by:



Satish Kadakia - Director

Balance Sheet

31 March 2019

	Notes	31.3.19 £	31.3.18 £
CURRENT ASSETS			
Debtors	7	61,146	76,413
Cash at bank		<u>-</u>	<u>-</u>
		61,146	76,413
CREDITORS			
Amounts falling due within one year	8	<u>(11,413,032)</u>	<u>(11,455,543)</u>
NET CURRENT LIABILITIES		<u>(11,351,886)</u>	<u>(11,379,130)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(11,351,886)</u>	<u>(11,379,130)</u>
CAPITAL AND RESERVES			
Called up share capital	9	10,000	10,000
Profit and loss account	10	<u>(11,361,886)</u>	<u>(11,389,130)</u>
SHAREHOLDERS' FUNDS		<u>(11,351,886)</u>	<u>(11,379,130)</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to Small Companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Board of Directors on 26.08.2019 and were signed on its behalf by:



Satish Kadakia - Director

Global Mediaworks (UK) Limited

Cash Flow Statement
for the Year Ended 31 March 2019

	31.3.19		31.3.18	
	£	£	£	£
Cash generated from operations				
Operating profit	27,244		(7,000)	
Reconciliation to cash generated from operations:				
Decrease/ (Increase) in debtors	15,267		-	
(Decrease)/ Increase in creditors	<u>(42,511)</u>		<u>7,000</u>	
		<u>-</u>		<u>-</u>
Net decrease in cash		-		-
Cash at bank at beginning of year		<u>-</u>		<u>-</u>
Cash at bank at end of year		<u><u>-</u></u>		<u><u>-</u></u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparation

At the year end, the company's balance sheet showed net current liabilities of £ 11,351,886. The Financial Statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015) on a breakup basis as the company has ceased its operations and will be wound up after the year end. All assets have been written down to the recoverable amounts and long term liabilities have been reclassified as short term liabilities.

Accounting convention

The financial statements have been prepared on a break up basis and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliability measured. The amount recognised as revenue is exclusive of Value Added Tax and net of discounts if any.

Rental Income from operating leases is recognised on a straight line basis over the term of the relevant lease.

Deferred tax

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

Foreign currency translation

Transactions denominated in foreign currency are recorded at exchange rates prevailing on the date of the transactions. Exchange differences arising on foreign currency transactions settled during the year are recognised in the profit and loss account of the period. Monetary assets and liabilities denominated in foreign currency as at the balance sheet date are translated at closing exchange rates on that date, the resultant exchange differences are recognised in the profit and loss account.

Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Provision and contingencies

A provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

2. OTHER OPERATING INCOME

Turnover

The company has no turnover during the year (2018 - £ Nil).

Other Income

	31.3.2019	31.3.2018
	£	£
Interest	279	-
	<u>279</u>	<u>-</u>
Other Income-Creditors written back	34,961	-
	<u>35,240</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2019

3. **STAFF COSTS**

There were no staff costs for the year ended 31 March 2019 nor for the year ended 31 March 2018.

4. **OPERATING PROFIT**

The operating profit is stated after charging/ (crediting):

	31.3.19	31.3.18
	£	£
Creditors written back	34,961	-
Auditors' remuneration:		
-Statutory Fees	2,500	2,500
-Other Services	-	2,000
Directors' remuneration	-	-

5. **TAXATION**

Analysis of the tax charge

No Liability to UK corporation tax arose on ordinary activities for the year ended 31st March 2019 nor for the year ended 31st March 2018.

Factors that may affect future tax charges

Deferred tax asset has not been provided in respect to these tax losses as the company has ceased its operations.

	31.3.19	31.3.18
	£	£
Profit/(Loss) on ordinary activities before tax	<u>27,244</u>	<u>(7000)</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2018-19%)	5,176	-

Effects of:

Utilisation of tax losses	<u>(5,176)</u>	<u>-</u>
Current tax charge	<u>-</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2019

6. **EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share are calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares.

Reconciliations are set out below.

	Earnings £	31.3.19 Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	27,244	10,000	2.7244
Effect of dilutive securities	-	-	-
Diluted EPS			
Adjusted earnings	<u>27,244</u>	<u>10,000</u>	<u>2.7244</u>

	Earnings £	31.3.18 Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	(7,000)	10,000	(0.70)
Effect of dilutive securities	-	-	-
Diluted EPS			
Adjusted earnings	<u>(7,000)</u>	<u>10,000</u>	<u>(0.70)</u>

7. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.19 £	31.3.18 £
Trade debtors	-	-
Other debtors*	<u>61,146</u>	<u>76,413</u>
	<u>61,146</u>	<u>76,413</u>

*includes balance with trust account

8. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.19 £	31.3.18 £
Trade creditors	505,014	531,674
Amounts owed to group undertakings	10,843,460	10,843,460
Social security and Other Taxes	61,608	62,108
Other creditors	<u>2,950</u>	<u>18,301</u>
	<u>11,413,032</u>	<u>11,455,543</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2019

9. CALLED UP SHARE CAPITAL

	31.3.19	31.3.18
	£	£
Allotted, called up and fully paid 10,000 (2018-10,000) ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

10. RESERVES

	Profit and loss account £
At 1 April 2017	(11,382,130)
Profit/(Loss) for the year	<u>(7,000)</u>
At 31 March 2018	<u>(11,389,130)</u>
At 1 April 2018	(11,389,130)
Profit/(Loss) for the year	<u>27,244</u>
At 31 March 2019	<u>(11,361,886)</u>

11. CONTROL

Global Mediaworks (UK) Limited (formerly known as Reliance Mediaworks (UK) Limited) is a wholly owned subsidiary of Reliance Mediaworks Limited (formerly known as Adlabs Films Limited) a company registered in India.

12. CONTINGENT LIABILITIES

Digital Domain Media Group (DDMG), a company in the United States, pursued a legal action against Reliance MediaWorks Limited, Reliance MediaWorks Entertainment Services Limited, Global MediaWorks (UK) Limited (the company) for an amount of £ 1.7 million under USA Bankruptcy rules. Service upon the company has not been established, and the court will provide a timetable for the committee or dismiss the company from the adversary proceedings. A judgement by default against other two companies was entered by the court in October 2015; however the committee shall have to prove their damages in court to obtain monetary relief.

An order was passed on March 10, 2017 by the Bankruptcy court stating that if the Plaintiff i.e. Digital Domain Media Group Estate in bankruptcy wants to proceed with the case they have to initiate proceedings within 30 days of the order which has been expired as no filings have been made, by plaintiff, hence this case stands automatically dismissed.

The Company surrendered its lease for its UK office and is in litigation with the landlord, the amount of claim is not ascertainable at this stage.

The directors are of the opinion that no liabilities should be payable, as the company has ceased trading.

13. There is also legal action against the company for non- payment of rates, VAT, payroll taxes and corporation taxes totalling £ 51,500. The financial statements already include a provision of £ 61,608 in respect of those liabilities. Management has been in contact with HM Revenue and Customs in order to determine any outstanding tax liabilities with a view to settling them. However management believes there should be no such liabilities outstanding to pay as the company has ceased trading.

14. RELATED PARTY DISCLOSURES

Included in creditors is an amount of £10,843,460 (2018:£10,843,460) due to the parent company Reliance Mediaworks Limited, a company incorporated in India. An amount of £NIL (2018: £Nil) was paid in respect of royalties, films prints and DVD'S to Reliance Mediaworks Limited.

Reliance Mediaworks (Mauritius) Ltd and Digital Media Imaging Ltd, companies which were fellow subsidiary undertakings ceased to be related party.

15. SEGMENTAL REPORTING

The Company ceased its business operations from the previous year. Accordingly the primary business segment reporting is not applicable.

16. PREVIOUS YEAR FIGURES

Previous year figures have been rearranged /regrouped wherever considered necessary to facilitate comparison with current year figure.

Global Mediaworks (UK) Limited

Profit and Loss Account
for the Year Ended 31 March 2019

	31.3.19		31.3.18	
	£	£	£	£
Income		-		-
Other income				
Interest	279		-	
Creditors written back	<u>34,961</u>		<u>-</u>	
		<u>35,240</u>		<u>-</u>
		35,240		-
Expenditure				
Professional Fees	5,496		2,500	
Auditors' remuneration				
-Statutory Fees	2,500		2,500	
-Other Fees	<u>-</u>		<u>2,000</u>	
		<u>(7,996)</u>		<u>(7,000)</u>
		27,244		(7,000)
		<u>27,244</u>		<u>(7,000)</u>
NET PROFIT/(LOSS)		<u><u>27,244</u></u>		<u><u>(7,000)</u></u>