

IGNITION ENTERTAINMENT, LTD
(Incorporated in USA)

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

FOR THE YEARS ENDED MARCH 31, 2017 AND MARCH 31, 2016

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INDEPENDENT AUDITORS' REPORT

To
The Stockholders
IGNITION ENTERTAINMENT, LTD
USA

We have audited the accompanying balance sheets of IGNITION ENTERTAINMENT, LTD as of March 31, 2017 and March 31, 2016, and the related statements of income and retained earnings for the periods then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.

In our opinion, the financial statements referred to above read with accompanying notes, present fairly, in all material respects, the financial position of IGNITION ENTERTAINMENT, LTD as of March 31, 2017 and March 31, 2016, and the results of its operations for the years then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, appearing to read "Rajeev Aggarwal", written over a horizontal line.

RAJEEV AGGARWAL
Certified Public Accountant

July 23, 2017

IGNITION ENTERTAINMENT, LTD
(Incorporated in USA)

BALANCE SHEETS
FOR THE YEARS ENDED MARCH 31, 2017 AND MARCH 31, 2016

	31-Mar-17	31-Mar-16
ASSETS		
Current Assets		
Cash & cash equivalents	\$85,981	\$115,930
Accounts receivable	0	0
Total Current Assets	<u>85,981</u>	<u>115,930</u>
TOTAL ASSETS	<u>\$85,981</u>	<u>\$115,930</u>
LIABILITIES AND MEMBER'S EQUITY		
Current Liabilities		
Accruals & Provisions	14,839	12,856
Due to related party	<u>28,694,350</u>	<u>28,810,332</u>
Total Current Liabilities	<u>28,709,189</u>	<u>28,823,188</u>
Other Liabilities:		
Advance preference share application money	<u>9,584,200</u>	<u>9,584,200</u>
Total Other Liabilities	<u>9,584,200</u>	<u>9,584,200</u>
Stockholder Equity		
Share Capital	2,000	2,000
Retained Earnings	<u>(38,209,408)</u>	<u>(38,293,458)</u>
Total Stockholder's Equity	<u>(38,207,408)</u>	<u>(38,291,458)</u>
TOTAL LIABILITIES & STOCKHOLDER'S EQUITY	<u>\$85,981</u>	<u>\$115,930</u>

The accompanying notes to financial statements are an integral part of this statement.

IGNITION ENTERTAINMENT, LTD
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STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEARS ENDED MARCH 31, 2017 AND MARCH 31, 2016

	31-Mar-17	31-Mar-16
Sales	\$88,543	\$77,975
Cost of sales	(11,825)	(12,910)
Gross profit (Loss)	<u>76,718</u>	<u>65,065</u>
Selling, general and administrative expenses	(3,970)	(4,336)
Profit / (Loss) from Operations	<u>72,748</u>	<u>60,729</u>
Income before income taxes	<u>72,748</u>	<u>60,729</u>
Miscellaneous Income (Expenses)	<u>12,042</u>	-
Income Tax Benefits (Provision)	(740)	(800)
Net Profit / Loss	<u>84,050</u>	<u>59,929</u>
Stockholder's equity - P&L -beginning	(38,293,458)	(38,353,387)
Stockholder's equity - P&L -ending	(\$38,209,408)	(\$38,293,458)

The accompanying notes to financial statements are an integral part of this statement.

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Notes to Financial Statements:

Summary of Significant Accounting Policies

Nature of Business:

Ignition Entertainment, Ltd was formed on May 22, 2006, under the laws of the State of California, to engage in the business of distribution, marketing and sale of gaming software and products. The company curtailed its operations and has limited digital revenue from its games. The Company is a 100% owned by Ignition Entertainment Ltd, United Kingdom.

Accounts Receivable:

The Company provides an allowance for doubtful accounts equal to the estimated uncollectible amounts. The Company's estimate is based on historical collection experience and a review of the status of trade accounts receivable.

Income Taxes:

The company adopted FASB interpretation No.109, "Accounting for Income Taxes". Under the interpretation, the deferred income taxes are recognized for the effect of temporary differences between financial reporting and tax filing. Temporary tax differences primarily consist of software development costs reported differently for financial reporting and tax purposes. As of March 31, 2017, and March 31, 2016, there are no deferred tax benefits.

Foreign Exchange Transaction:

Transactions in foreign currencies are recorded at the rate prevailing at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the balance sheet date. Realized foreign exchange gain / loss are recognized in profit and loss account. Unrealized foreign exchange gains / losses are reflected in balance sheet.

Related Party Dues:

As of March 31, 2017, the company owes \$28,694,350 to related parties (as of March 31, 2016 the amount due to related parties is \$28,810,332).

Cash and Cash Equivalents:

For the years ended March 31, 2017 and March 31, 2016, the bank balance has not exceeded the FDIC insured limit of \$250,000 per bank.

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Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Contingent Liabilities:

The company assures no events or transactions have occurred after the balance sheet date and through this that would require adjustment to, or disclosure in, the financial statements.

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SUPPLEMENTARY INFORMATION

COST OF SALES
FOR THE YEARS ENDED MARCH 31, 2017 AND MARCH 31, 2016

COST OF SALES	31-Mar-17	31-Mar-16
Purchases	\$1,200	\$1,210
Distribution Cost	<u>10,625</u>	<u>11,700</u>
Cost of Goods Sold	<u>\$11,825</u>	<u>\$12,910</u>

GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE YEARS ENDED MARCH 31, 2017 AND MARCH 31, 2016

SELLING AND ADMINISTRATIVE EXPENSES	31-Mar-17	31-Mar-16
Professional Fees	\$3,000	\$3,000
Other Administrative & General Expenses	970	1,336
Total Selling, General & Administrative Expenses	<u>\$3,970</u>	<u>\$4,336</u>

The accompanying notes to financial statements are an integral part of this statement.