

**IGNITION ENTERTAINMENT, LTD**  
**(Incorporated in USA)**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEARS ENDED MARCH 31, 2016 AND MARCH 31, 2015**

IGNITION ENTERTAINMENT, LTD  
(Incorporated in USA)

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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, 2016 and March 31, 2015, 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 provide 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, 2016 and March 31, 2015, 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 blue ink, appearing to read "Rajeev Aggarwal", with a long horizontal flourish extending to the right.

**RAJEEV AGGARWAL**  
Certified Public Accountant

June 18, 2016

IGNITION ENTERTAINMENT, LTD  
(Incorporated in USA)

**BALANCE SHEETS**  
**FOR THE YEARS ENDED MARCH 31, 2016 AND MARCH 31, 2015**

	31-Mar-16	31-Mar-15
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash & cash equivalents	\$115,930	\$79,461
<b>Total Current Assets</b>	<u>115,930</u>	<u>79,461</u>
<b>TOTAL ASSETS</b>	<b><u>\$115,930</u></b>	<b><u>\$79,461</u></b>
<b>LIABILITIES AND MEMBER'S EQUITY</b>		
<b>Current Liabilities</b>		
Accruals & deferred income	12,842	20,301
Due to related party	<u>28,810,338</u>	<u>28,826,338</u>
<b>Total Current Liabilities</b>	<u>28,823,180</u>	<u>28,846,639</u>
<b>Other Liabilities:</b>		
Advance preference share application money	<u>9,584,209</u>	<u>9,584,209</u>
<b>Total Other Liabilities</b>	<u>9,584,209</u>	<u>9,584,209</u>
<b>Stockholder Equity</b>		
Share Capital	2,000	2,000
Retained Earnings	<u>(38,293,458)</u>	<u>(38,353,387)</u>
Total Stockholder's Equity	<u>(38,291,458)</u>	<u>(38,351,387)</u>
<b>TOTAL LIABILITIES &amp; STOCKHOLDER'S EQUITY</b>	<b><u>\$115,930</u></b>	<b><u>\$79,461</u></b>

*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, 2016 AND MARCH 31, 2015**

	<b>31-Mar-16</b>	<b>31-Mar-15</b>
<b>Sales</b>	\$ 77,975	\$116,415
Cost of sales	(12,910)	(25,609)
<b>Gross profit (Loss)</b>	<u>65,064</u>	<u>90,806</u>
Selling, general and administrative expenses	(4,336)	(5,893)
Impairment of Inter-company receivable	-	(2,489,983)
<b>Profit / (Loss) from Operations</b>	<u>60,729</u>	<u>(2,405,070)</u>
Interest Income	-	274
<b>Income before income taxes</b>	<u>60,729</u>	<u>(2,404,796)</u>
Income Tax Benefits (Provision)	(800)	(800)
<b>Net Profit / Loss</b>	<u>59,929</u>	<u>(2,405,596)</u>
Stockholder's equity - P&L -beginning	(38,353,387)	(35,947,791)
<b>Stockholder's equity - P&amp;L -ending</b>	<b>(\$38,293,458)</b>	<b>(\$38,353,387)</b>

*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 current 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 2015, 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, 2016, the company owes \$28,810,338 to related parties (as of March, 31, 2015 the amount due to related parties is \$28,826,338).

***Cash and Cash Equivalents:***

For the years ended March 31, 2016 and March 31, 2015, 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 subsequent to 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, 2016 AND MARCH 31, 2015**

<b>COST OF SALES</b>	<b>31-Mar-16</b>	<b>31-Mar-15</b>
Purchases	\$1,210	\$8,149
Distribution Cost	<u>11,700</u>	<u>17,460</u>
<b>Cost of Goods Sold</b>	<b><u>\$12,910</u></b>	<b><u>\$25,609</u></b>

**GENERAL AND ADMINISTRATIVE EXPENSES**  
**FOR THE YEARS ENDED MARCH 31, 2016 AND MARCH 31, 2015**

<b>SELLING AND ADMINISTRATIVE EXPENSES</b>	<b>31-Mar-16</b>	<b>31-Mar-15</b>
Professional Fees	\$3,000	\$4,000
Other Administrative & General Expenses	1,336	1,893
<b>Total Selling, General &amp; Administrative Expenses</b>	<b><u>\$4,336</u></b>	<b><u>\$5,893</u></b>

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