

TRUE GAMES INTERACTIVE, INC

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

FOR THE YEARS ENDED MARCH 31, 2018 AND MARCH 31, 2017

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INDEPENDENT AUDITORS' REPORT

To
The Stockholders
TRUE GAMES INTERACTIVE, INC
USA

We have audited the accompanying balance sheet of TRUE GAMES INTERACTIVE, INC, as of March 31, 2018 and 2017, and the related statements of operations and retained earnings for the years ending March 31, 2018 and March 31, 2017. 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 present read with accompanying notes, present fairly, in all material respects, the financial position of TRUE GAMES INTERACTIVE, INC, as of March 31, 2018 and March 31, 2017, 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

July 16, 2018

TRUE GAMES INTERACTIVE, INC

BALANCE SHEETS
FOR THE YEARS ENDED MARCH 31, 2018 AND MARCH 31, 2017

	31-Mar-18	31-Mar-17
ASSETS		
Current assets		
Cash and cash equivalents	\$3,301	\$1,240
Total Current Assets	<u>3,301</u>	<u>1,240</u>
TOTAL ASSETS	<u>\$3,301</u>	<u>\$1,240</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accrued liabilities & Deferred Expenses	\$2,000	\$4,000
Total current liabilities	<u>2,000</u>	<u>4,000</u>
Long Term Liabilities:		
Loan from related party	17,241,459	17,233,459
Stockholders' Equity:		
Preferred stock, \$0.01 par value, 3,000,000 shares authorized, 1,200,000 shares issued and outstanding	12,000,000	12,000,000
Common stock, no par value, 1,000,000 shares authorized, 300,000 shares issued and outstanding	10,000	10,000
Capitalized Cost of Issuance of Pref Shares	(67,928)	(67,928)
Retained Earnings / (Accumulated Deficit)	(29,182,230)	(29,178,291)
Total stockholders' Equity	<u>(17,240,158)</u>	<u>(17,236,219)</u>
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	<u>\$3,301</u>	<u>\$1,240</u>

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

TRUE GAMES INTERACTIVE, INC

STATEMENT OF OPERATIONS
FOR THE YEARS ENDED MARCH 31, 2018 AND MARCH 31, 2017

	31-Mar-18	31-Mar-17
Revenue	\$-	\$-
Gross profit / (Loss)	<u>0</u>	<u>0</u>
Operating expenses:		
Selling, General and Administrative expenses	3,939	2,790
Total operating expenses	<u>3,939</u>	<u>2,790</u>
Operating Income (loss)	<u>(3,939)</u>	<u>(2,790)</u>
Net Income / (loss)	<u>(3,939)</u>	<u>(2,790)</u>
Beginning Retained Earnings / (Accumulated Deficit)	<u>(29,178,291)</u>	<u>(29,175,501)</u>
Ending Retained Earnings / (Accumulated Deficit)	<u>\$(29,182,230)</u>	<u>\$(29,178,291)</u>

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

TRUE GAMES INTERACTIVE, INC

Summary of Significant Accounting Policies

Nature of Business:

True Games Interactive, Inc, was incorporated on December 28, 2007 in the state of California as an S Corporation and subsequently as of September 11, 2008, converted into a C-Corporation status upon issuance of majority of company shares to UTV Games Ltd, Mauritius.

The company was engaged in the business of multi-player interactive online game publisher and curtailed its business operations since the games were not economically feasible. The company did not carry on any business activities during the current year.

Income Taxes:

The company adopted ASC 740 (formerly known as FAS 109) "Accounting for Income Taxes". Under the interpretation deferred tax assets and liabilities are recognized for the expected future tax consequences of events that have been included in the consolidated financial statements or tax returns. The amount of the deferred tax asset or liability is based on the difference between the consolidated financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year and the differences are expected to reverse. As of March 31, 2018, and 2017, the company does not have any deferred taxes.

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.

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.

Cash and Cash Equivalents:

During the year ended March 31, 2018 and 2017, the bank balances did not exceed the FDIC insured limit of \$250,000.

TRUE GAMES INTERACTIVE, INC

Commitments and Contingencies:

The company has licensed one of its game to a European customer for a non-refundable license fee of \$400,000 and recoupable royalty advance of \$200,000 aggregating to \$600,000, out of which \$300,000 was received. The licensee failed to take delivery and make the remainder payment to the company and instead claimed refunds of the monies paid. The company believes that the license fee received is not refundable as the licensee willfully failed to take delivery. No provision is maintained since there is no claim or correspondence from the party.

The company had a software maintenance service contract with a vendor for an amount of \$66,000. The company believes that the vendor has not provided proper and timely service that caused undue hardship in game development and so the maintenance fee is not payable. No provision is maintained since there is no claim or correspondence from the party.

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.

TRUE GAMES INTERACTIVE, INC

SUPPLEMENTARY INFORMATION

GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE YEARS ENDED MARCH 31, 2018 AND MARCH 31, 2017

	31-Mar-18	31-Mar-17
Professional Fee	\$2,000	\$2,000
Bank Charges	339	790
Franchise Tax	<u>1,600</u>	<u>-</u>
	<u>\$3,939</u>	<u>\$2,790</u>

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