ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021
| **Directors** | N Malhotra  
|              | C R Pflug  
|              | V Rathee |
| **Company secretary** | Link Company Matters Limited |
| **Registered number** | 11707488 |
| **Registered office** | 160 Great Portland Street  
|                      | Fitzrovia  
|                      | London  
|                      | W1W 5QA |
| **Independent auditor** | Nexia Smith & Williamson  
|                          | Chartered Accountants & Statutory Auditor  
|                          | 25 Moorgate  
|                          | London  
<p>|                          | EC2R 6AY |</p>
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Report</td>
<td>1 - 2</td>
</tr>
<tr>
<td>Directors' Report</td>
<td>3 - 5</td>
</tr>
<tr>
<td>Directors' Responsibilities Statement</td>
<td>6</td>
</tr>
<tr>
<td>Independent Auditor's Report</td>
<td>7 - 10</td>
</tr>
<tr>
<td>Statement of Comprehensive Loss</td>
<td>11</td>
</tr>
<tr>
<td>Statement of Financial Position</td>
<td>12</td>
</tr>
<tr>
<td>Statement of Changes in Equity</td>
<td>13</td>
</tr>
<tr>
<td>Notes to the Financial Statements</td>
<td>14 - 19</td>
</tr>
</tbody>
</table>
The directors present their Strategic Report for the year ended 31 March 2021. DNEG Plc (“the Company”) is a public limited company incorporated and domiciled in England and Wales.

Business review

The principal activity of the Company is providing intergroup management support.

During the year, the Company incurred costs of £2.0 million towards a secured bond offering, which was postponed considering market uncertainty.

Principal risks and uncertainties

The Company does not have significant risks as the principal activity is providing intergroup management support.

General risks include economic downturn and currency fluctuations. Risks relating to a local economic downturn are relatively low due to the nature of the Company’s activities. The Company has limited foreign currency exposure. The Company has little cross-border transactions with the European Union and consequently does not expect Brexit to have a significant impact on the results.

Development and performance of the Company

The Company provides intergroup management support to the group companies.

During the year, the Company incurred costs of £2.0 million towards a secured bond offering, which was postponed considering market uncertainty.

The directors do not intend to make any substantial changes in the direction or strategy of the business in the short to medium term.

Directors’ statement of compliance with duty to promote the success of the Company

The Company’s directors consider, both individually and together, that they have acted in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its shareholders. They have also considered the Company’s other stakeholders and matters set out in section 172(1)(a) to (f) of the Companies Act 2006 in the decisions taken during the financial year ended 31 March 2021. In doing the duties, the directors must have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the Company employees
- the need to foster the Company’s business relationships with customers, suppliers and others;
- the impact of the Company’s operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company

The board fully understands its duty under section 172 (1) of the Companies Act, 2006 to ensure they promote the success of the Company for the benefits of its members. The board is aware of all stakeholder interests, and as such takes a long-term view in making key decisions, and when such decisions are taken, the board acts in the interests of such shareholders and ensures all stakeholders are treated fairly.

Decisions made by the Company’s directors are in line with Prime Focus World NV group’s strategic priorities and code of conduct. The key decisions made at the Company level include approving the annual financial statements and dividend distribution during the board meetings.
Future developments

The directors expect the general level and focus of activity of the Company to remain consistent in the forthcoming year in terms of the intergroup management support.

This report was approved by the board and signed on its behalf.

V Rathee
Director

Date: 28/09/2021
The directors present their report and the financial statements for the year ended 31 March 2021.

The Company has chosen, in accordance with section 414C(11) of the Companies Act 2006, and as noted in this Directors’ Report, to include certain matters in its Strategic Report that would otherwise be disclosed in this Directors’ Report. An indication of likely future developments may be found in the Strategic Report.

Principal activity

The nature of the Company’s operations and its principal activity is providing intergroup management support.

The Company does not have significant cross-border transactions with the European Union, and consequently does not expect Brexit to have a significant impact on future results.

General information

DNEG Plc (the Company) is a Company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 2. The nature of the Company’s operations and its principal activity is providing intergroup management support.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company has applied Financial Reporting Standard 101 ‘Reduced Disclosure Framework’ (FRS 101) issued by the Financial Reporting Council (FRC) incorporating the Amendments to FRS 101 issued by the FRC in July 2015 other than those relating to legal changes and has not applied the amendments to Company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 that are effective for accounting periods beginning on or after 1 January 2016.

Business review

During the year, the Company incurred costs of £2.0 million towards a secured bond offering, which was postponed considering market uncertainty.

Creditor payment policy

It is the Company’s policy to pay all creditors promptly as payments fall due.

Our partners and customers

The Company upholds the highest standards in our relationship with customers, suppliers and stakeholders. A relationship of service and trust is vital to our success as a company.
Results and dividends

During the year, the Company had loss after tax of £2,194,943 (2020: £Nil) mainly due to costs incurred towards secured bond offering in the current year.

No dividends were paid during the year and the directors did not recommend the payment of dividend for the year.

Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue to meet its liabilities as they fall due.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for twelve months from the date of signing the accounts. The directors have considered all the factors likely to affect its future development, performance, and its financial position. The directors, having assessed the responses of the directors of the Company’s fellow subsidiary Prime Focus World NV to their enquiries and having received a letter of support, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern or its ability to continue with the current banking arrangements.

Directors

The directors who served during the year were:

N Malhotra  
C R Pflug (appointed 18 September 2020)  
V Rathee  
S Desai (resigned 30 September 2020)  
U Dhawan (resigned 30 September 2020)  
M Entekhabi (resigned 30 September 2020)  
A R Gavin (resigned 30 September 2020)  
S J Mair (resigned 30 September 2020)  
T B McGrath (resigned 30 September 2020)  
M W Opzoomer (resigned 30 September 2020)

Basis of preparation

The Company's financial statements have been presented on a going concern basis, which contemplates the realisation of assets and the satisfaction of liabilities in the normal course of business.

The Company meets the definition of a qualifying entity under FRS 100 ‘Application of Financial Reporting Requirements’ issued by the FRC. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 ‘Reduced Disclosure Framework’.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payment, financial instruments, capital management, presentation of comparative information in respect of certain assets, preparation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions.
Disclosure of information to auditor

So far as the directors are aware, there is no relevant audit information of which the auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditors are aware of that information pursuant to s418 of the Companies Act 2006.

Auditor

Nexia Smith & Williamson were appointed as auditor of the Company during the period. At the forthcoming annual general meeting, a resolution for the re-appointment of Nexia Smith & Williamson as auditor of the Company will be proposed pursuant to s487 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

V Rathee
Director

Date: 28/09/2021
The directors are responsible for preparing the Strategic Report, the Directors’ 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 ‘Reduced Disclosure Framework’. 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:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 to enable them to ensure that the financial statements comply with 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.
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DNEG PLC

Opinion
We have audited the financial statements of DNEG PLC (the 'Company') for the year ended 31 March 2021 which comprise the Statement of Comprehensive Loss, the Statement of Financial Position, the Statement of Changes in Equity and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 “Reduced Disclosure Framework” (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:
• give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its loss 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.

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 Auditor’s 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.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.
Other information
The other information comprises the information included in the Annual Report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions 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 Strategic Report and the Directors’ Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors’ Report have 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 Strategic Report or the Directors’ Report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors
As explained more fully in the Directors’ Responsibilities Statement set out on page 6, 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 is 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.
Auditor’s 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 an auditor’s report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements and which are central to the Company’s ability to conduct its business and where failure to comply could result in material penalties. The Company must abide by the Companies Act 2006 and FRS 101 in respect of the preparation and presentation of the financial statements. Aside from this, we did not identify any specific laws and regulations as being of significance in the context of the Company.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations identified above:

- We enquired with the Company’s management as to the existence of litigation and no material items were identified;
- We have reviewed legal correspondence throughout the year, and nothing has come to light in respect of non-compliance; and
- We obtained written management representations regarding disclosure of any non-compliance with laws and regulations.

The senior statutory auditor led a discussion with all members of the engagement team regarding the susceptibility of the entity’s financial statements to material misstatement, including how fraud might occur. We also considered performance targets and their influence on efforts made by management to meet external pressures in reporting the financial results or for personal interest of the directors.

Audit procedures performed by the engagement team on the areas where fraud might occur included:

- Evaluation of the design effectiveness of management’s controls designed to prevent and detect irregularities;
- Testing journal entries, selected based on specific risk assessments applied based on client processes and controls surrounding manual journals; and
- Testing the completeness and occurrence of related party transactions.

The senior statutory auditor was satisfied that the engagement team collectively had the appropriate competence and capabilities to identify or recognise irregularities.

A further description of our responsibilities is available on the Financial Reporting Council’s website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

Use of our report

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.
Nicholas Jacques (Senior Statutory Auditor)
for and on behalf of
Nexia Smith & Williamson
Chartered Accountants
Statutory Auditor
25 Moorgate
London
EC2R 6AY
Date: 28/09/2021
STATEMENT OF COMPREHENSIVE LOSS
FOR THE YEAR ENDED 31 MARCH 2021

<table>
<thead>
<tr>
<th></th>
<th>31 March 2021</th>
<th>31 March 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other income</td>
<td>171,730</td>
<td>318,555</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(2,328,603)</td>
<td>(239,944)</td>
</tr>
<tr>
<td>Other operating charges</td>
<td>(38,070)</td>
<td>(78,611)</td>
</tr>
<tr>
<td><strong>(Loss)/profit before tax</strong></td>
<td>(2,194,943)</td>
<td>-</td>
</tr>
<tr>
<td>Tax on (loss)/profit</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>(Loss)/profit for the financial year</strong></td>
<td>(2,194,943)</td>
<td>-</td>
</tr>
</tbody>
</table>

There was no other comprehensive income for 2021 (2020 - £Nil).

The notes on pages 14 to 19 form part of these financial statements.
# Statement of Financial Position

**As at 31 March 2021**

<table>
<thead>
<tr>
<th>Note</th>
<th>2021 £</th>
<th>2020 £</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors: amounts falling due within one year</td>
<td>6</td>
<td>52,658</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>52,658</strong></td>
</tr>
<tr>
<td>Creditors: amounts falling due within one year</td>
<td>7</td>
<td>(2,247,601)</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>(2,247,601)</strong></td>
</tr>
<tr>
<td><strong>Net current (liabilities)/assets</strong></td>
<td></td>
<td>(2,194,943)</td>
</tr>
<tr>
<td><strong>Net (liabilities)/assets</strong></td>
<td></td>
<td>(2,194,943)</td>
</tr>
<tr>
<td><strong>Capital and reserves</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Called up share capital</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Profit and loss account</td>
<td></td>
<td>(2,194,943)</td>
</tr>
<tr>
<td><strong>Shareholders’ deficit</strong></td>
<td></td>
<td>(2,194,943)</td>
</tr>
</tbody>
</table>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

V Rathee
Director

Date: 28/09/2021

The notes on pages 14 to 19 form part of these financial statements.
## STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

<table>
<thead>
<tr>
<th></th>
<th>Called up share capital</th>
<th>Profit and loss account</th>
<th>Total equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 3 December 2018</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Comprehensive income for the period</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit for the period</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>At 1 April 2020</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Comprehensive income for the year</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss for the year</td>
<td>-</td>
<td>(2,194,943)</td>
<td>(2,194,943)</td>
</tr>
<tr>
<td>At 31 March 2021</td>
<td>-</td>
<td>(2,194,943)</td>
<td>(2,194,943)</td>
</tr>
</tbody>
</table>
1. General information

DNEG PLC is a public company, limited by shares, domiciled and incorporated in England and Wales (registered number: 11707488). The registered office address is 160 Great Portland Street, Fitzrovia, London, W1W 5QA.

The Company's functional and presentational currency is GBP.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IAS 7 Statement of Cash Flows

2.3 New and amended Standards and Interpretations issued but not effective for the financial year beginning 1 April 2021

These may have significant impact in future years:

Amendment to IFRS 9: "Financial Instruments"
Amendment to IAS 39: "Recognition and Measurement"
Amendment to IFRS 7: "Financial Disclosures"

2.4 Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue to meet its liabilities as they fall due.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for twelve months from the date of signing the accounts. The directors have considered all the factors likely to affect its future development, performance, and its financial position. The directors, having assessed the responses of the directors of the Company’s fellow subsidiary Prime Focus World NV to their enquiries and having received a letter of support, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern or its ability to continue with the current banking arrangements.

2.5 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.
2. Accounting policies (continued)

2.6 Redeemable preference shares

Preference shares, which are mandatorily redeemable and classified as liabilities.

2.7 Financial instruments

(i) Financial assets

Initial recognition and measurement

The Company determines the classification of its financial assets at initial recognition.

Trade debtors are held in order to collect the contractual cash flows and are initially measured at the
transaction price as defined in IFRS 15, as the contracts of the Company do not contain significant
financing components. Impairment losses are recognised based on lifetime expected credit losses in
the income statement.

Other debtors are held in order to collect the contractual cash flows and accordingly are measured at
initial recognition at fair value, which ordinarily equates to cost and are subsequently measured at
cost less impairment due to their short term nature. A provision for impairment is established based
on 12-month expected credit losses unless there has been a significant increase in credit risk when
lifetime expected credit losses are recognised. The amount of any provision is recognised in the
income statement. The Company's financial assets include cash and short-term assets, trade and
other debtors and loan notes.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that
are not quoted in an active market. Such assets are initially recognised at fair value and subsequently
measured at amortised cost using the effective interest rate (EIR) method, less impairment.
Amortised cost is calculated by taking into account any discount or premium on acquisition and fees
or costs that are an integral part of the EIR. The EIR amortisation is included in the finance revenue
in the income statement. Losses arising from impairment are recognised in the income statement in
other operating expenses.
2. Accounting policies (continued)

2.7 Financial instruments (continued)

(ii) Financial liabilities

Initial recognition and measurement

Finance liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit and loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value, and in the case of loans and borrowings, plus directly attributable transaction costs.

De-recognition of financial liabilities

A liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

Where an existing liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in the income statement.

Offsetting of financial liabilities

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial information in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. There are no key sources of estimation uncertainty or significant judgements used in the preparation of financial statements.
4. Employees

<table>
<thead>
<tr>
<th></th>
<th>16-month period ended</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31 March 2021</td>
<td>31 March 2020</td>
<td></td>
</tr>
<tr>
<td>Wages and salaries</td>
<td>£116,687</td>
<td>£204,202</td>
<td></td>
</tr>
<tr>
<td>Social security costs</td>
<td>£16,973</td>
<td>£35,742</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>£133,660</strong></td>
<td><strong>£239,944</strong></td>
<td></td>
</tr>
</tbody>
</table>

The average monthly number of employees, including the directors, during the year was as follows:

<table>
<thead>
<tr>
<th></th>
<th>16-month period ended</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31 March 2021</td>
<td>31 March 2020</td>
<td></td>
</tr>
<tr>
<td>Directors</td>
<td>6</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>1</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>7</strong></td>
<td><strong>5</strong></td>
<td></td>
</tr>
</tbody>
</table>

5. Directors’ remuneration

<table>
<thead>
<tr>
<th></th>
<th>16-month period ended</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31 March 2021</td>
<td>31 March 2020</td>
<td></td>
</tr>
<tr>
<td>Directors' emoluments</td>
<td>£99,160</td>
<td>£204,202</td>
<td></td>
</tr>
</tbody>
</table>
6. Debtors

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receivables due from related party</td>
<td>£50,000</td>
<td>£91,295</td>
</tr>
<tr>
<td>VAT receivable</td>
<td>£2,658</td>
<td>£15,722</td>
</tr>
<tr>
<td></td>
<td>£52,658</td>
<td>£107,017</td>
</tr>
</tbody>
</table>

Receivables due from related party pertains to outstanding from immediate holding company and fellow subsidiary and bears no interest.

7. Creditors: Amounts falling due within one year

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade payables</td>
<td>£1,506,951</td>
<td>£35,984</td>
</tr>
<tr>
<td>Payables due to related party</td>
<td>£690,650</td>
<td>£21,033</td>
</tr>
<tr>
<td>Redeemable preference shares</td>
<td>£50,000</td>
<td>£50,000</td>
</tr>
<tr>
<td></td>
<td>£2,247,601</td>
<td>£107,017</td>
</tr>
</tbody>
</table>

Payables due to related party pertains to outstanding towards fellow subsidiary and bears no interest.

50,000 redeemable non-voting preference shares were issued on 30 August 2019 for £50,000. The shares have attached to them no rights to receive any profits of the Company. In the event of a winding up, the assets of the Company available for distribution shall be applied first in repaying the holder of the redeemable preference shares the amount paid up on those shares. The shares are redeemable at the option of either the Company or the holder.

8. Financial instruments

Credit risk

The Group’s credit risk is primarily attributable to its trade receivables. The Group has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually by the board.

Trade receivables are considered in default and subject to additional credit control procedures when they are more than 30 days past due in line with industry practice. Trade receivables are only written off when there is no reasonable expectation of recovery due to insolvency of the debtor.

12 month and lifetime expected credit losses are estimated based on historical loss rates for the relevant country, adjusted where evidence is available that different rates are likely to apply in the future. This is based on changes to the expected insolvency rates in the relevant countries.
9. **Share capital**

The Company has authorised and issued share capital of 1 Ordinary share with a nominal value of £0.01.

10. **Related party transactions**

The Company has taken advantage of the exemption in IAS 24 to not disclose transactions with wholly owned group entities.

During the period, the Company incurred legal and professional expenses of £38,070 (2020 - £78,611) and recharged the expenses to a fellow subsidiary at cost.

11. **Controlling party**

The immediate parent undertaking is Prime Focus World NV, a company registered in the Netherlands.

The ultimate parent undertaking is Prime Focus Limited, a company registered in India.

The smallest group of undertakings for which group accounts for the year ended 31 March 2021 have been drawn up, is that headed by Prime Focus World NV. Copies of the group accounts are available from Prins Bernhardplein 200, 1097 JB Amsterdam, Netherlands.

The largest group of undertakings for which group accounts for the year ended 31 March 2021 have been drawn up, is that headed by Prime Focus Limited. Copies of the group accounts are available from Prime Focus House, Opp Citi Bank, Linkin Road, Khar (West), Mumbai, Maharashtra, India 400052.

The ultimate controlling party is Prime Focus Limited.