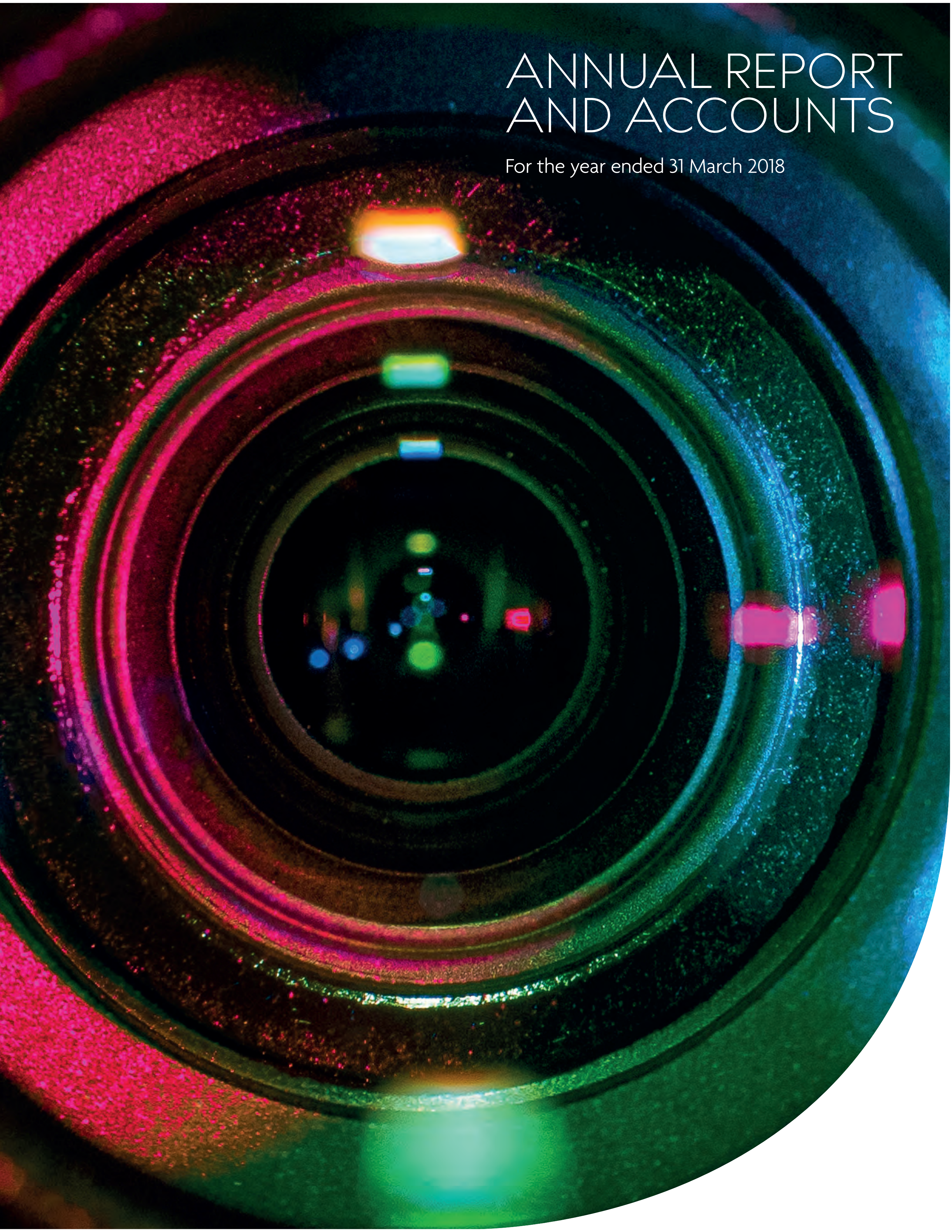
ANNUAL REPORT AND ACCOUNTS

For the year ended 31 March 2018

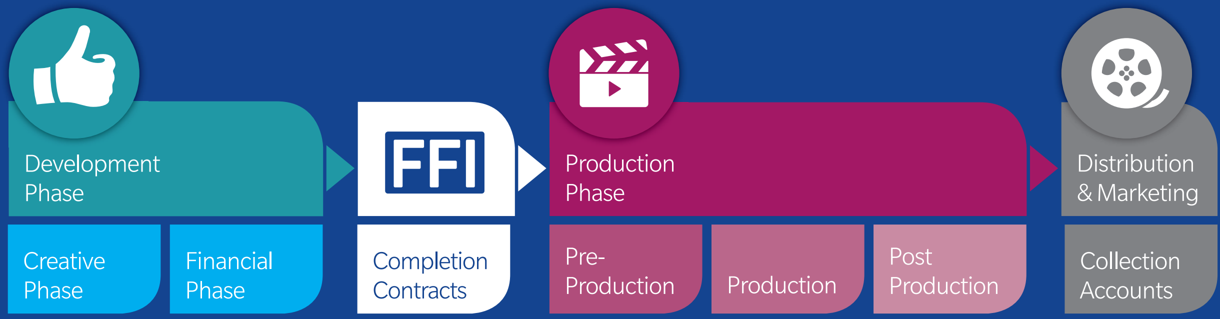


FFI

CONTENTS

HIGHLIGHTS

Providing a diverse suite of services across the film and entertainment value chain



FINANCIAL HIGHLIGHTS:

+51.7%

Group revenue of $58.9m; an increase of 51.7% (FY 2017: $38.8m)

+30.3%

Underlying EBIT* of $16.6m; an increase of 30.3% (FY 2017: $12.7m)

8.32

Fully diluted underlying net income** per share of 8.32 (cents)

$5.3m

Pre-tax profit of $5.3m; a decrease of 48.8% (FY 2017: $10.3m)

$1.7m

Adjusted net income*** of $1.7m; a decrease of 67.9% (FY 2017: $5.5m)

$19.4m

Net cash position of $19.4m at 31 March 2018

* Underlying EBIT: Represents operating income, adjusted for exceptional costs of $10.7m (FY 2017: $1.9m), acquisition-related amortization of $0.6m (FY 2017: $0), and lifestyle-related expenses of $nil (FY 2017: $0.4m).

** Based on fully diluted weighted average shares of 153,710,123.

*** Adjusted net income: Total comprehensive income, excluding net profit from discontinued operations. Adjusted net income impacted by material IPO-related expenditures that are non-deductible for U.S. income tax purposes.

STRATEGIC HIGHLIGHTS:

- **AIM admission in June of 2017** marked an important milestone for the business, providing the capital foundation for several strategic transactions which have provided diversification to the business model beyond the historic focus on completion contracts.

- **The Group is now fully established** with a model that provides services across the broader entertainment industry landscape; including pre and post-production services, content investment, insurance services and content distribution.

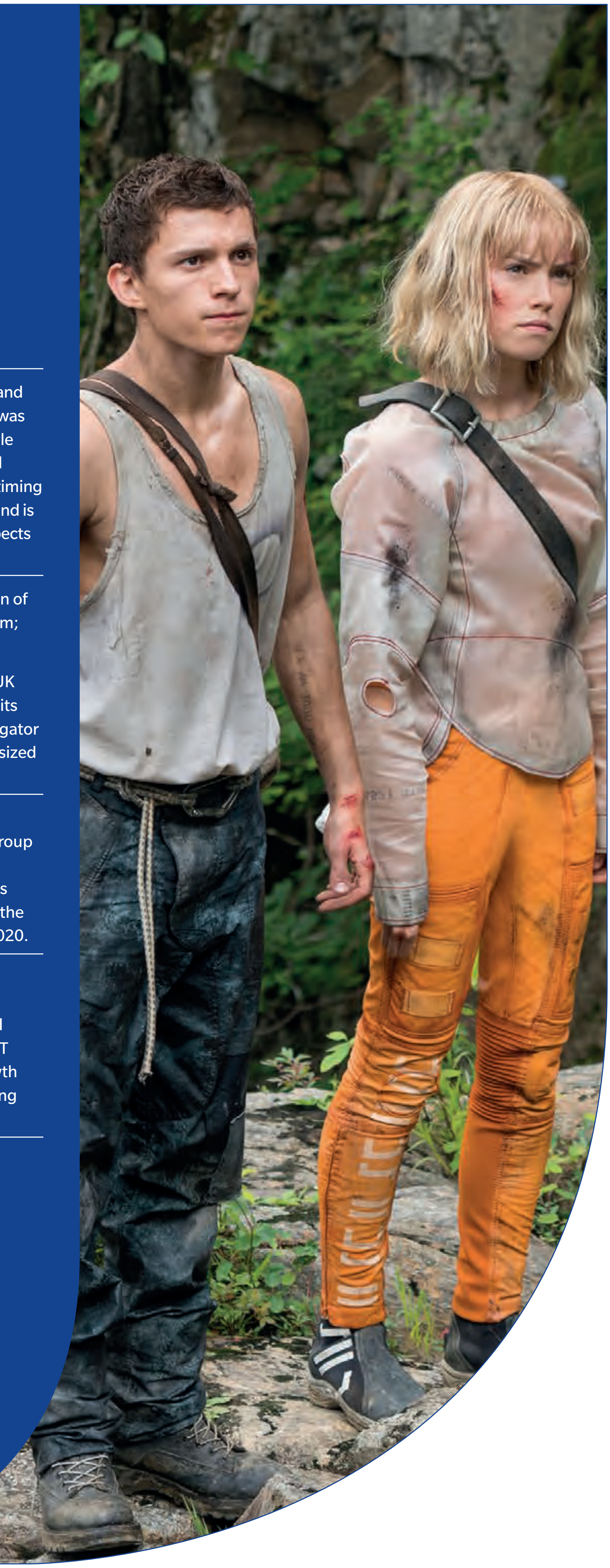
- **FFI Insurance: Formed and capitalized FFI Insuranc**e, in Bermuda as a captive insurer for the Group, significantly reducing our insurance related costs.

- **Enhancement of post-production services** offering via acquisition of EPS-Cineworks (upfront consideration of $8.3m; Nov 2017) and Buff Dubs (upfront consideration of $1.1m; Dec 2017).
    - With a strong management team and a significant presence in North America, EPS-Cineworks is at the forefront of post-production services and technology. The Company holds particularly strong relationships in television and independent projects, which are seeing growth due to the increased content being produced by streaming companies that do not have traditional post-production capabilities.
    - Headquartered in New South Wales, Australia, Buff Dubs was founded in 2005 and has grown quickly through its ability to process media content of any description and transform, reproduce and aggregate it in the various formats demanded by its clients. This has helped Buff Dubs to secure vendor status with some of the world's leading media platforms, including Netflix, Apple and Google, as well as gaming platforms including PlayStation and Xbox.

- **Expansion into entertainment insurance services** through acquisition of Reel Media (upfront consideration of $7.4m; Dec 2017) and subsequent facilitation of strategic relationship with Allianz to offer underwriting services across North America (January 2018).
    - Reel Media's best-in-class products, experienced underwriting team and worldwide claims handling capabilities have established the Group as an industry benchmark for entertainment insurance services that include various pre to post-production risks across the entertainment spectrum.
    - Motorsports: Reel Media also bought the book of business for motorsports specialty insurance and has assumed a number of related insurance producer activities for Allianz in North America. This complementary acquisition has expanded Reel Media's presence in North America and diversity of product offerings.
    - Reel Media has invested to accommodate the significant growth it expects as the accounts previously serviced "in-house" by Allianz are transitioned over to Reel Media.

POST YEAR-END TRADING AND OUTLOOK:

- **Successful launch of the movie *Pandas*.** Distributed and partly financed by IMAX and Warner Brothers, the film was released in April 2018 and received extremely favourable critical reviews. While the Group expects long term and continuing international Box Office sales, the ultimate timing of cash flows will be dependent on theatre availability and is subject to IMAX's release schedule. The Group now expects wider distribution in late 2018 and beyond.
- **Entry into the distribution market** via the acquisition of Signature Entertainment (upfront consideration of $5m; April 2018).
  - Signature is the largest distributor of films in the UK by volume. It has distributed over 600 titles since its inception in 2011. Signature also acts as an aggregator for Netflix, Amazon and others for smaller to mid-sized budget productions
- **Reel Media recently hired a team of specialists** to complement its existing Motorsports business. The Group expects an additional $3m of salary and operational overhead expenses in FY 2019. On an annualized basis the Group expect revenues for Reel Media to outpace the additional overhead cost and add to EBIT during FY 2020.
- FFI's corporate overhead expenses are expected to be ahead of the Board's previous expectations for FY 2019. These additional overhead expenses are related to an expansion of the Group's legal, accounting and IT infrastructure to support acquisitions and future growth as well public company and compliance expenses being ahead of budget for FY2019.
- The Board expects to report Underlying EBIT in the range of $20-22 million for the financial year ending 31 March 2019.



CHIEF EXECUTIVE'S STATEMENT

As Chief Executive Officer, I am pleased to present the annual report and audited accounts for FFI Holdings PLC ("FFI" or the "Company" and, together with its subsidiaries, the "Group") in respect of the financial year ended 31 March 2018 ("FY 2018" or "financial year 2018").

A transformative year for FFI

The past twelve months have been transformative for the Group. A year ago, FFI was a company with a leading global market share in the delivery of completion contracts to the entertainment industry. Today, we are operating in four business areas that provide a suite of diversified services and products across the entertainment industry, including completion contracts, pre and post-production services, entertainment insurance services, and content investment and distribution.

The Company's initial public offering and admission to the AIM market of the London Stock Exchange (the "IPO") last year was a critical milestone in this journey. The net proceeds of the offer ($38.8m) have provided the capital foundation upon which to embark on a series of strategic acquisitions have enabled it to become one of the industry's most comprehensive providers of non-creative production services.

Our diversification began shortly before the IPO with the acquisition of Pivotal Post, a leading provider of post-production equipment rental to filmmakers in North America and Europe. It has continued with the acquisition of several other businesses that we believe can take advantage of the changing market place for creators of both film and television content.

We began with the acquisition of two additional production service companies (EPS-Cineworks and Buff Dubs) which provide services for films in post-production. Following which we then purchased Reel Media, an insurance agency that specialises in commercial and contingency insurance products in entertainment, film, television, motorsports and other areas, giving FFI capabilities in entertainment insurance services for the first time. As well as facilitating the acquisition of an attractive book of motorsports insurance business from All Risks Ltd, Reel Media provided the platform through which FFI has forged its current strategic relationship with one of the world's largest insurers, Allianz Global Corporate Speciality (AGCS). Through this partnership we offer underwriting services across North America through AGCS, a dominant player in entertainment risk underwriting for more than a century.

Since the financial year end FFI has continued this momentum with the acquisition of Signature Entertainment, the largest distributor of films in the UK by volume, which is a new market for FFI.

Each of these transactions have shared a common objective: to ensure that FFI has importance to producers of entertainment and content irrespective of their need for completion contracts. FY 2018 saw us make significant progress towards achieving this goal.

Today, FFI is a diversified global business, with a presence in 11 countries and the ability to offer existing and new customers a growing range of essential services across the production value chain. We continue to see opportunities in China, where we enjoy a first mover position as a foreign provider of completion contracts to one of the world's fastest-growing entertainment markets.

Furthermore, we have significantly reduced the cost of our completion contract business through the creation of an in-house captive insurance platform. We have also made significant progress in owned content, seeing the successful launching of the documentary film Pandas in April 2018, a new IMAX title that has received extremely favourable critical reviews and is being distributed to international markets this year.

As with any business, we are subject to market conditions which are at times out of our control and FFI was impacted by volatility in its own markets in 2017. The US movie industry, particularly the independent film business, suffered a setback with allegations of impropriety surfacing at the Weinstein Company, one of the largest independent production companies in the world prior to the end of 2017. This resulted in a vital reappraisal of the ethics and values of some of the entertainment industry's most influential companies. From a financial perspective, FFI was not immune to the fall-out from this episode and it was necessary to revise downwards our full-year guidance when several large productions planned for the third quarter of FY 2018 were either postponed, outright cancelled or produced by parties that did not require a completion contract. Our Board firmly believes that our business has now fundamentally improved and evolved, with a higher degree of diversification than ever before; we are unrecognisable from the Group we were at the end of the financial year ended 31 March 2017 ("FY 2017" or "financial year 2017").

Outlook

On the business side, the industry we operate in is experiencing an era of profound transformation. Since the advent of "home video" in the 1980's, technology has continued to drive change across the entertainment landscape at a rate that has been consistently underestimated. There is not only an unprecedented demand for content, but with the rise of streaming services there has been a significant shift in the ways and means by which people are viewing it. This trend has escalated dramatically over the last five years leading to ongoing disruption and the emergence of a new group of financial players and production demands in the market.

However, whilst things may change, many aspects of the independent content business remain constant and our level of expertise within this field remains unrivalled. The viewer demand to be entertained is stronger than it has ever been, and FFI is uniquely positioned to capitalise on the opportunities presented for servicing the needs of content creators in this consistently changing landscape. We are excited about the year ahead and look forward to continuing to grow our various lines of business, with recent developments including the hiring of a team of specialists at Reel Media to complement its existing Motorsports business. We anticipate an additional $3m of salary and operational overhead expenses in FY 2019 and on an annualized basis expect revenues for Reel Media to outpace the additional overhead cost and add to EBIT during FY 2020.

FFI's corporate overhead expenses are expected to be ahead of the board's previous expectations for FY 2019. These additional overhead expenses are related to an expansion of the Company's legal, accounting and IT infrastructure to support acquisitions and future growth as well public company and compliance expenses being ahead of budget. The Board expects to report Underlying EBIT in the range of $20-22 million for the fiscal year ending 31 March 2019, as described more fully below.

As with any corporate endeavour, our success is rooted in the skills and dedication of our employees, and the loyalty of our customers, without whom FFI would not have thrived for nearly seven decades at the heart of the entertainment industry. I would like to take this opportunity to thank them for their commitment and support as we embark on the next phase of our journey in this ever-changing industry.

Steve Ransohoff

Chief Executive Officer
FFI Holdings PLC
31 August 2018

OUR MARKETPLACE

Evolving content demand

The entertainment industry is in a constant state of flux, evolving and adapting with the development of new technologies, new platforms and evolving consumer habits.

The world is consuming more content than ever before thanks to the continued advancement of streaming services and the evolution of viewing habits through mobile devices and over-the-top (OTT) services. This has been accompanied by a shift in the type of content being consumed and the manner in which it is produced, financed and distributed, with an increasing emphasis being placed on the development of high quality, high budget, episodic television content over the traditional big screen blockbuster hits. Whilst blockbuster movies made for the theatre still get completed, episodic series developed for in home and mobile viewing have increased dramatically over the last few years.

And while this industry change is one of great opportunity, it also is one of great challenge.

OTT video revenues £1.6bn

Cinema revenues £1.7bn

By way of example, in the UK, OTT video revenues are set to overtake cinema in 2019, for the first time[1].

This trend has been driven by the rise of streaming companies like Netflix, Amazon and Hulu who have improved the quality and manner in which we now view content. Founded in 1997, Netflix has morphed from a DVD rental service into an entertainment powerhouse in a few short years. Netflix is set to spend $8 billion[2] on content in 2018, putting it on par with traditional film and television studios and networks. This has sparked a content race resulting in a series of major deals amongst traditional industry players, including AT&T's acquisition of Time Warner and Comcast and Disney's bid for 21st Century Fox.

125m

The number of households serviced by Netflix

1bn

Number of hours subscribers watch Netflix per week

1/5th

The amount of worldwide downstream internet bandwidth consumed by Netflix

Netflix £6.3bn

Disney £7.8bn

Time Warner £8bn

The amount Netflix has pledged to spend on content in 2018 £8bn

Amount spent on content from industry players in 2017[3]

FFI is actively committed to evolving with the changing needs of film makers brought on by this revolution. This philosophy has been particularly well demonstrated over the last 12 months, as our business has diversified outside of its traditional completion contract offering to encompass services that have relevance across the full entertainment content lifecycle – including pre and post- production capabilities, distribution, content production, project management and risk insurance.

China – market opportunity

China's entertainment industry has experienced unprecedented growth in recent years and is the fastest growing film market in the world. Contributing to nearly 20% of global cinema ticket sales, China's box office is expected to reach approximately $15 billion by 2020, exceeding North America as the world's largest market in both box office revenue and audience numbers. In addition, China has developed robust streaming platforms for content in recent years, with plans to produce thousands of hours of new programming to satisfy increased demands in these areas.

With this development, cooperation via co-productions has increased, paving the way for China's films to enter the global market and vice versa. At present, half of the world's top 10 international box office markets have signed co-production agreements with China.

Reacting to this rapid growth, FFI has continued to build its corporate presence in China where it is a provider of completion contracts to the entertainment market. It is also in the process of broadening its influence to provide consulting services for entertainment insurance and other services in China, via its relationship with the People's Insurance Company of China (PICC).

20%

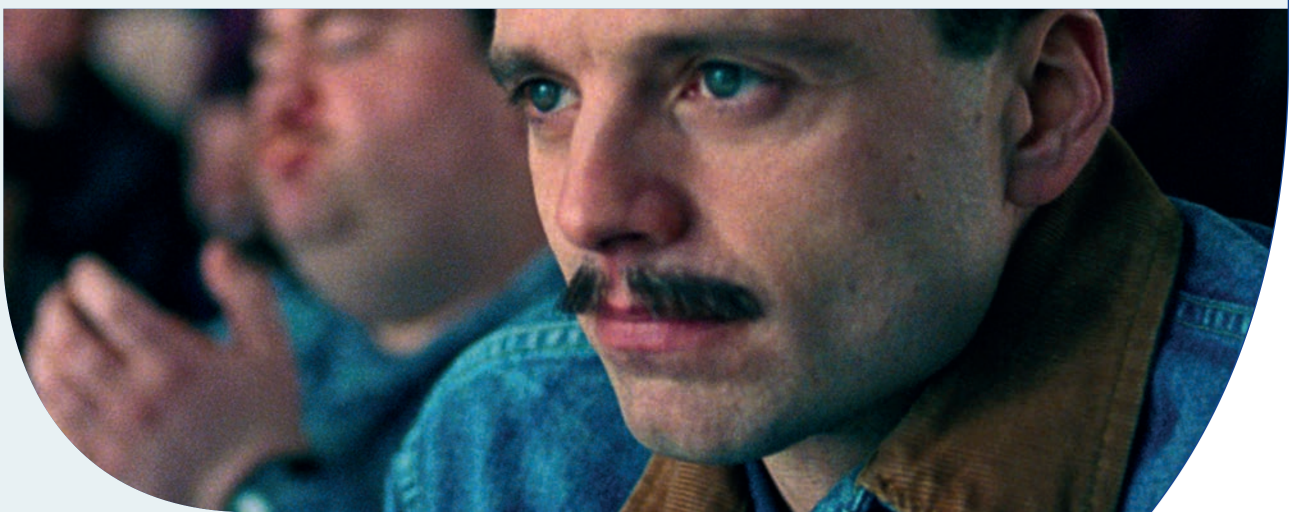
China's contribution to global cinema ticket sales in 2017

30%

YOY increase in box office revenues

$15bn

China's expected box office revenues in 2020



[1]The 2018 UK entertainment and media outlook, PWC
[2]Netflix, Q1 2018 Letter to shareholders
[3]Statista, The Billion-Dollar Content Race, 28 Feb 2018

STRATEGIC REPORT

OUR BUSINESS

Our History

A diversified services provider to the entertainment industry

The FFI story began in London in 1950 when FFI was founded following the severe financial crisis that affected the British film industry in the late 1940s. This financial squeeze prompted film companies to cease to provide direct finance for film productions and to rely instead on government subsidies to finance film production. Completion contracts offered by FFI – a form of contract between the financiers and film producers to ensure on-time and on-budget completion of movies—became a key component for film financiers and producers who wished to access those subsidies. Over successive decades, FFI grew to dominate this market globally and today FFI believes it has an over 80% market share[4].

In 1982, FFI opened its office in Los Angeles, which is now used as the Group's headquarters. Since then, FFI has established 11 offices globally including in London, Stockholm, Toronto, New York, Cape Town, Cologne and Shanghai.

In May 2017, FFI Holdings PLC was incorporated in London as a holding company of Film Finances, Inc. In June 2017, the Company undertook the IPO, the conclusion of which saw the Company admitted to trading on London's AIM market on 30 June 2017 under the exchange identifier "FFI". The IPO valued FFI Holdings at approximately $300 million on admission.

Our Business – global leader in completion contracts

Since its founding almost seven decades ago, FFI's primary focus has been the provision of completion contracts, which guarantee the financiers of films, television productions and, more recently, streamed content that the productions will be completed on time, on budget and to a basic pre-agreed specification. Without a completion contract in place, financiers will not generally lend to productions. In this relationship, FFI plays a gatekeeper role in unlocking production capital, without which productions may not progress beyond the development phase for independent producers.

Over successive decades, as FFI's global market share in completion contracts has grown, it has become a trusted, iconic brand positioned at the centre of the independent film and television industry. This has enabled us to build an extensive network of relationships with the studios, mini studios, streaming companies, producers, distributors and financiers involved in the production of films, television and other content. This network, together with FFI's deep knowledge and expertise of the film and television production process, has enabled us to secure a leading market share in the global marketplace for completion contracts of over 80% and a high level of repeat business from existing clients.

Since 2008, FFI has issued completion contracts to all the leading financiers involved in the entertainment industry, unlocking funding for over 1,800 productions with gross production budgets estimated to be more than $19bn.

Completion contracts – managing financial risk

FFI does not assume the financial risk associated with the artistic or commercial quality of a film. FFI's fees for issuing completion contracts are paid upfront and in full and so as long as the production is delivered on time and on budget, the actual commercial success of the production has little or no impact on the Group's profitability.

In the rare circumstances where FFI has had to provide funds to finish a production due to a film or television show having gone over budget, FFI is entitled to recover those sums once financiers have recouped their investments. Importantly, in the event that the commercial success of the film or television show is limited, FFI does not rely on recovery of its contributions to productions to meet its financial forecasts. FFI purchases insurance every year to indemnify from losses incurred under its completion contracts should the aggregate losses in any one year exceed an agreed amount.

In addition, when issuing our completion contracts, FFI mitigates its risk exposure in relation to a number of external factors which could impact a production schedule or budget by requiring the purchase of third party insurance products that FFI is then made a party to. These factors include the illness of actors or crew working on a film, accidents on set and a broad range of other potential circumstances which would increase the cost of production. At the same time, FFI does not take credit risk associated with the financiers who are party to its completion contracts. FFI's obligations are subject to the financier fully funding their obligations to pay for the production budget of the film or television production. If the financier is unable to complete its financial obligations for a bonded production, FFI will have no obligation to complete the funding for the production's budget.

Our completion contracts business was negatively impacted in financial year 2018 by a number of factors, including the exceptional events that took place relating to the Weinstein Company, which resulted in the delay or cancellation of several projects. Despite this set back, the completion contract business has grown internationally over the year, helped by first-time contributions from China.

[4]There are no official statistics for a market share analysis. FFI's estimate is based on market intelligence it gathers through its network and contracts throughout the film financing and production community.

OUR BUSINESS CONTINUED

We currently expect to see performance in the US normalise in financial year 2019. We continue to issue completion contracts for around 150-200 productions per year in line with historical precedent.

Our Business – integrated provider of ancillary services

Being the market leader in completion contracts provides FFI with a privileged vantage point at the heart of the global entertainment industry.

This affords FFI the ability to identify the changing needs of our customers and then acquire and/or develop services to match. Responding to these needs, FFI has embarked on a diversification strategy beyond completion contracts to provide services across a broader industry landscape, which today includes pre and post-production services, content investment, general risk insurance and distribution.

Pre and post-production services

Not all film, TV and streamed content productions need completion contracts, however all content needs editing equipment and a range of other services that facilitate the creation of the finished product. Drawing on our unique position at the heart of the entertainment industry, we have identified and subsequently acquired three companies that offer complementary capabilities in this area:

Pivotal Post

Pivotal Post ("Pivotal") was the first business acquired by FFI outside of the traditional completion contract business. Pivotal (the trading name of Rainbow Production Services, LLC and its subsidiaries) is a leading provider of post-production editing equipment rental services for film makers around the world. At acquisition, Pivotal had 89 rental suites for content editing, and at year end we now have more than 150 editing suites, the majority of which are currently under lease by third parties. This illustrates both the growth in industry demand and the ability of the FFI platform to benefit from the referral concept which lies at the heart of our diversification strategy.

EPS-Cineworks

Acquired in November 2017, EPS-Cineworks is a full-service digital post-editing equipment rental business with a significant market presence in North America. EPS-Cineworks provides a strong complement to Pivotal: both provide access to editing equipment, but each has a distinct market focus. Whereas Pivotal has strong customer relationships across the film industry, EPS-Cineworks enjoys a market leading franchise for producers of television content. Given that FFI's completion contract relationships cover the full gamut of production types – film, television, streamed media – we see a strong opportunity to cross-sell EPS-Cineworks' services alongside Pivotal's into our existing customer base, reinforcing our credentials as a diversified services provider to the industry.

Buff Dubs

As the importance of online content delivery has increased, so has the need for best-in-class technologies that enable media to be delivered to an ever-widening array of platforms. That was the premise behind our purchase in December 2017 of Buff Dubs, one of Australia's most innovative post-production technical services companies and a technology leader in encoding, transcoding, media duplication and mastering. Founded in 2005, Buff Dubs has grown quickly through its ability to process media content of any type and to transform, reproduce and aggregate it into varied formats. This has helped Buff Dubs to provide services to some of the world's leading media platforms, including Netflix, Apple and Google, as well as gaming platforms including PlayStation and Xbox. We hope that we can extend Buff Dubs technology and skills to countries outside of Australia.

More generally, every film needs some form of formatting and digitisation for various devices, from smartphones to airline entertainment systems. With these capabilities, Buff Dubs is positioned strongly for the ongoing revolution in streaming services.

Taken together, our three newly-acquired production services companies bookend the production cycle. Whereas Pivotal and EPS-Cineworks sit at the front end of the process, Buff Dubs is a back-end provider dealing with finished films, converting the digital assets into formats that can be accessed by digital users.

Content Distribution

As technology redefines the channels through which entertainment content is delivered to audiences, we at FFI have been examining ways in which the Group can take an economic share of the market opportunity created by the advent of streaming services.

This was the motivation behind our acquisition of Signature Entertainment in April 2018, just following the close of our 2018 financial year. Signature is the largest distributor of films in the UK by volume of films. Signature has a wealth of industry experience and acts as an aggregator for Netflix, Amazon Prime and Sky

amongst other streaming services. Since it was founded in 2011, Signature has released over 600 titles, establishing itself as a leading distributor of diverse entertainment titles to a broad UK audience in both traditional cinemas and at home viewing in the process.

Signature's focus is streaming media content via Video On Demand and acts as an aggregator of smaller budget films. These films, which typically have a budget of USD $5-20m, are a size for which most major distributors like Netflix and Amazon will only deal with aggregator companies in conducting distribution agreements. In this role, Signature is the largest digital aggregator in the UK and fits well with FFI's high growth umbrella of digital media services.

As with our other acquisitions, Signature offers FFI strong referral opportunities, not least in completion contracts given that within Signature's book of titles only around 3% are currently bonded by FFI. Signature also provides us with significant non-bonding referral opportunities given that all films require editing, general insurance and a range of other ancillary services which FFI can now offer. Referral opportunities are two-way, with Signature itself offering distribution options for some of our smaller-budget completion contract clients.

Entertainment insurance services

We have seen a growing demand for general risk cover amongst our customer base, as well as an ability to make selective acquisitions and forge strategic partnerships to meet these needs. To date, we have entered into three transactions in the insurance area:

Reel Media

Acquired in December 2017, Reel Media is a leading US-based entertainment insurance agency and specialty brokerage that offers numerous insurance products to the entertainment industry. Reel Media delivers creative and tailored solutions for entertainment, live, touring, sports & leisure and contingency insurance needs worldwide. Its products serve the entire production and live event cycle, from pre to post-production risk mitigation.

The acquisition of Reel Media extended the reach of our business into various forms of entertainment risk cover for the first time, immediately establishing FFI as a major player in this marketplace. Reel Media now acts as the strategic platform from which FFI will continue to expand its market reach in this area.

Motorsports

Shortly after our acquisition of Reel Media, it acquired the motorsports insurance book of business from All Risks Ltd, a large independent wholesale brokerage in the U.S. The motorsports business provides specialty and commercial insurance coverage to race teams, racetracks, sanctioning bodies, associations, road courses, and motorsports special events and activities. The book of business has been consolidated by Reel Media and its management team on-boarded as part of the its newly-created International and Motorsports division.

OUR BUSINESS CONTINUED

Allianz Global Corporate & Specialty (AGCS)

The acquisition of Reel Media was a strategic transaction that enabled FFI to secure what has been its most transformative insurance relationship to date. In January 2018, Reel Media concluded a strategic underwriting relationship with Allianz to become their largest entertainment Managing General Agency of its North American Global Corporate & Specialty (AGCS) business. This agreement gives Reel Media delegated underwriting authority for the US-based AGCS studio, independent film and television business, as well as its US loan-out corporation and touring business. The relationship also extends into Canada, where Reel Media will have similar privileges for AGCS' studio, independent film and television franchise, as well as its Documentary, Industrial, Commercial & Educational (DICE) business.

In each instance, Reel Media will act as an insurance agency, and viewed in the context of our broader Group structure, represents a new services division that sits alongside our Completion Contracts and Production Services platforms. Our ability to cross sell entertainment insurance services into our existing client base is significant. As one of Hollywood's oldest companies, our industry relationships are extremely strong and are set to deepen further as we forge new business channels between ourselves and our customers.

Content Investment

Although FFI is first and foremost a services provider, the Company is also committed to investing in entertainment content where this can enhance shareholder returns. Once again, our position at the heart of the movie industry provides an excellent vantage point from which to identify such opportunities.

Of the approximately 150-200 projects per annum FFI provides completion contracts for, we would expect to see five or six projects which may be appropriate for this type of strategic, low risk investment. Thus far, FFI has acted on two of these opportunities. In 2016, FFI acquired certain South American territorial rights associated with a film for $1 million. At the same time, we were able to secure an onward distribution deal commencing in September 2017 with a major studio with a return of $2 million which has been realised and is accounted for in full in the 2018 financial results.

At a similar time, FFI co-financed the production of a 45-minute IMAX documentary called *Pandas*. From a cinematographic standpoint, this was a challenging project that involved filming pandas in the wild in the forests of Central China. Distributed and partly financed by IMAX and Warner Brothers, the film was released in April 2018 to select theatres. This followed a short production delay relating to an improvement in IMAX photographic technology that required part of the movie to be re-shot. The results, we believe, were worth waiting for – Pandas met with resounding critical acclaim and is expected to be a staple of IMAX theatres worldwide, now expected to b e late in 2018. From a financial perspective, FFI will be entitled to approximately 21% of the net revenues of this film after repayment of the production costs and deduction of distribution fees and marketing expenses. In light of the early success of this venture, FFI is also in discussions with IMAX regarding expanding our relationship to co-finance additional documentaries in the future.

China

As a country in which FFI operates, China deserves a special mention. The country's sheer size, in both economic and demographic terms, are strong indicators of its potential to become the world's largest entertainment market.

FFI was an early mover in this high-growth market, which is seeing significant growth in the number of movie theatres and film production companies, as well as sustained demand for content given the prevalence of mobile devices as the platform of choice for Chinese viewers. FFI China already provides completion contracts for local language and international co-productions and is broadening its business to provide consulting services for entertainment insurance and other services in China. In providing these services, FFI has a strategic relationship with the People's Insurance Company of China (PICC), the world's largest insurance company, which offers us considerable customer reach. At the same time, our collaboration with IMAX on the production of Pandas afforded us unique insight into the local film production industry and fostered relationships which we will build upon in the years ahead.

FINANCIAL REVIEW

Group Overview

Revenues grew by 51.7% to $58.9m (FY 2017: $38.8m) as first-time contributions from our newly acquired businesses contributed to our top line. Adjusted for IPO-related expenses ($9.5m), acquisition-related expenses ($1.2m), and acquisition-related intangible asset amortization ($0.6m), underlying EBIT grew by 30.3% to $16.6m (FY 2017: $12.7m). On a reported basis, operating profits declined by 49.2% to $5.3m (FY 2017: $10.5m) once IPO-related and acquisition-related exceptional costs are accounted for. Adjusted net income for the period was $1.7m, down 67.9% versus FY 2017 ($5.5m), reflecting these exceptional costs and the absence of a one-time profit contribution in FY 2017 from discontinued operations of $2.8m.

Continuing operations and underlying EPS (USD)	FY 2018	YoY change (%)	Margin (%)
Revenue	58,889,742	51.7%	
Gross profit	44,852,963	47.9%	76.2%
Underlying EBIT *	16,609,296	30.3%	28.2%
Reported EBIT **	5,308,315	-49.2%	9.0%
Pre-tax profit	5,270,354	-48.8%	8.9%
After tax profit from continuing operations	1,502,581	-74.0%	2.6%
Adjusted net income***	1,748,471	-67.9%	3.0%

* Underlying EBIT: Represents operating income, adjusted for exceptional costs of $10.7m (FY 2017: $1.9m), acquisition-related amortization of $0.6m (FY 2017: $0), and lifestyle-related expenses of $0 (FY 2017: $0.4m)

** Presented as "operating profit" in the income statement

*** Adjusted net income: Total comprehensive income, excluding net profit from discontinued operations. Adjusted net income impacted by material IPO-related expenditures non-deductible for U.S. income tax purposes.

A key feature of financial year 2018 was a significant broadening in FFI's sales mix, adding new revenue contributions from pre and post-production services, content distribution, and insurance agency services for the first time. As a result, our completion contracts accounted for two-thirds (67.1%) of our revenues in financial year 2018, down from 96.8% in FY 2017. The remaining revenue contribution came from pre and post-production services (25.3%), which includes editing equipment rental and technical services, insurance agency services (3.7%) and content distribution (3.4%).

FINANCIAL REVIEW CONTINUED

For the year ended 31 March 2018	Completion contracts USD	Editing equipment rental USD	Technical services USD	Insurance agency USD	Tax credit financing USD	Content distribution USD	Unallocated corporate expenses USD	Group USD
Total revenue	39,527,383	13,806,215	1,073,939	2,191,835	290,370	2,000,000	-	58,889,742
Gross profit	34,284,721	7,551,319	460,909	1,268,296	287,718	1,000,000	-	44,852,963
Operating profit/(loss)	**13,695,764**	**2,430,585**	**(203,971)**	**(1,196,557)**	**280,907**	**1,000,000**	**(10,698,413)**	**5,308,315**
Finance income	31,784	-	-	4,175	-	-	-	35,959
Finance costs	(33,421)	(41,617)	(1,657)	-	(22,948)	-	-	(99,643)
Net profit from joint venture	-	-	-	25,723	-	-	-	25,723
Profit/(loss) before taxation	**13,694,127**	**2,388,968**	**(205,628)**	**(1,166,659)**	**257,959**	**1,000,000**	**(10,698,413)**	**5,270,354**

By region, North America continued to be FFI's biggest market (71.5% of revenue), whilst Asia (specifically China) made a significant contribution to sales (9.0% of revenue) as first-time receipts from completion contracts were recognised. South America made an appearance as a geographic end-market for the first time (3.4% of revenue), which relates to the distribution rights FFI acquired for film distribution into this region.*

Completion Contracts

Our completion contract business continued to grow over the period, delivering revenues of $39.5m (FY 2017: $37.6m). This was helped by the contribution from Asia of $5.3m (13.4% of total). North America remained the largest region by volume and sales for completion contracts:

Completion Contract Revenue by geographical segment:	FY 2018 ($)	FY 2017 ($)	YOY change (%)
Asia	5,302,188	6,293	n/a
Australia	1,890,871	2,156,006	-12%
Europe	5,539,750	5,111,835	8%
Middle East & Africa	146,179	130,771	12%
North America	26,648,395	30,160,089	-12%
	$39,527,383	**$37,564,994**	**5%**

*Refer to section 3 for a summary of key performance indicators for FFI's major operating segments.

North American completion contracts revenues declined year over year in FY 2018 to $26.6m (FY 2017: $30.1m). This was in part, due to a slowdown in production in the six months following allegations of misconduct by executives and talent in the film industry, that emerged in the last calendar quarter of 2017. A number of titles in the Group's pipeline for completion bonding and post production editing in the financial year were either cancelled or delayed as a result. In particular, the FFI pipeline reflected $3.5m in completion guarantee fees from the three large titles from one specific production company, which it is not now in a position to proceed with.

Following the creation of our in-house insurance captive, FFI Insurance, at the end of September 2017, gross insurance costs fell significantly during the financial year to 33.7% of net completion guarantee fees (FY 2017: 42.5%). Net claims for financial year 2018 were $1.3m (FY 2017: $0.3m net recoveries), representing 3.7% of completion guarantee fees. We expect our new captive insurance arrangement to continue to enable future reductions to our net insurance costs going forward.

FFI continues to issue completion contracts for between 150 - 200 productions per annum, a figure that has tended to remain relatively constant over time. This number is more than all the feature films produced by the major studios in the United States combined. For this service, FFI charges a fee based on the total production budget. In turn, FFI mitigates its risk by buying insurance, thereby earning a profitable spread on each production. Fees charged by FFI are paid and received up-front and in full at the time the completion contract is issued.

Whereas the total number of bonded productions has tended not to change dramatically year on year, the Group’s completion contract business has seen a steady growth in movie budgets over time, which in turn has driven growth in FFI’s total value of bonded budgets since 2000. As at the end of March 2018, the total annual budget of FFI’s bonded projects had grown to $2.0 billion, over three times the level it was in 2000. The growth in the average single production budget that FFI bonds mirrors this. As at the end of March 2018, this had grown to $14.3m, more than three times the budget during the year 2000.

In part due to the previously mentioned industry events, the number of new projects in our completion contracts business was lower in FY 2018 at 142 (FY 2017: 168). Average budget per project was marginally higher at $14.3m (FY 2017: $14.1m). Along with first-time contributions from China, this resulted in total completion contract revenues of $39.5m (FY 2017: $37.6m).

The exceptional events of 2017 aside, we expect that both the total and average budget of FFI’s bonded projects will continue to grow over time, in line with historical precedent and the growing demand for high-quality content globally. It is not possible to state with certainty that film budgets will always continue to increase, but the trend has been that the average budgets for films bonded by us increases over the long term. Despite advancements in technology allowing some content to be produced more cheaply, this has not tended to apply to theatrical features and high budget episodic television, where delivering high production value and scale has remained vitally important. FFI’s entry into China also gives us added confidence in our ability to grow the total number of productions we provide completion contracts for each year, albeit at potentially lower average budget sizes given the generally smaller scale of Chinese productions.

Pre and post-production services

Acquisitions of post-production services companies have been a key strategic focus of our business as we leverage FFI's core Completion Contracts franchise to deliver an ever-broader range of capabilities to our customers.

First-time contributions from our newly acquired businesses made a significant contribution to our financial performance in FY 2018, which saw the first full-year revenue contribution from Pivotal Post and part-year contributions following the acquisitions of EPS-Cineworks and Buff Dubs. On an underlying EBIT basis, these combined businesses contributed $2.8m (17% of total), versus 2% in FY 2017 (Pivotal Post only).

Entertainment Insurance Agency Services

Our two acquisitions in the area of entertainment risk insurance (Reel Media and Motorsports) came late in our financial year, as did the strategic partnership we forged with Allianz Global Corporate & Specialty (AGCS). We also experienced some challenges in our integration of Reel Media where we saw delays in the launch of a number of insurance lines as well as delays in the timing of contract renewals. However, these early stage issues have now been overcome; there is significant product development underway and we are on target to continue with further launches of new business lines in this sector.

FINANCIAL REVIEW CONTINUED

China

China continues to be the newest and most exciting growth market for FFI. As one of very few companies licensed to offer completion contracts to the domestic entertainment industry, we see significant opportunities to expand our commercial reach in what remains one of the world's fastest growing entertainment markets. Our relationship with PICC remains strong and rollout on entertainment risk insurance services has now begun with training of key FFI China personnel. With $5 million in first time proceeds realised, China contributed 13.4% to total completion contract revenues. We expect to write our first policies in this business during financial year 2019.

Acquisitions Update

As described in the Operational Review section, acquisitions are core to FFI's growth strategy. The global entertainment production industry remains highly fragmented; outside of the large movie studios, it is dominated by a large number of private companies, many of which with discrete skills and specialty services.

We see a strong opportunity on behalf of our shareholders to play a consolidator role in this market where we can identify attractively-valued companies with services that complement FFI's existing businesses. These must be businesses that can make an immediate financial contribution to our Group but which also offer us referral opportunities over time to cross-sell our services.

Our track record to date (six acquisitions since February 2017) points to our success here, not only in terms of the range of capabilities we have been able to harness to the FFI platform but also the accretive valuations we have been able to secure these business for (typically between 3 and 5 times EBITDA multiples). The financing of these acquisitions has also been conducted in a capital-efficient manner, with the majority agreed on a partial earnout basis, enabling us to fund these largely through operating cashflow.

Name	Date	Cash consideration	Deferred consideration	Historic sales	Historic EBIT	Activity
Pivotal Post	28-Feb-17	$4.0m	$0.4m annually for 4 years, plus 30% of excess annual EBITDA targets of $2.5m in 2017, $2.6m in 2018, $2.7m in 2019, and $2.8m in 2020	$9.9m	$1.5m	Provides post production equipment rental and software for filmmakers around the world
EPS-Cineworks	10-Nov-17	$8.3m	2 x $0.6m	$9.4m	$2.7m	US post-production, including television
Buff Dubs	01-Dec-17	$1.1m	5x 12.5% EBITDA at 4x	$3.3m	$0.7m	Australian post production, including gaming
Reel Media	20-Dec-17	$7.4m	5x annual instalments of 6 x 8.6% x trailing EBITDA	$9.9m	$2.7m	Entertainment insurance provider, based in North America
Motorsports	10-Jan-18	$1.825m	None	Unknown	Expected $0.6m	Motorsports insurance book
Signature Entertainment	26-Apr-18	$5m	4 x 13.75% prevailing EBIT at 5x	$12.1m	$2.0m	Film distribution in the UK

KEY PERFORMANCE INDICATORS

COMPLETION CONTRACTS

Number of New Orders

2017	168
2018	142

Total Bonded Budgets ($ billions)

2017	2.4
2018	2.0

Average Budget ($ millions)

2017	14.1
2018	14.3

Average Net Fee

2017	1.53%
2018	1.55%

EQUIPMENT RENTAL – EDITING SUITES

Average Available Suites

2017	92
2018	238(1)

Average Utilized Suites

2017	68
2018	182

Average Utilization

2017	73%
2018	77%

(1) Growth in editing suites from acquisition of EPS-Cineworks (118), plus additional growth from Pivotal (26)

* Statutory financial statement metrics are referenced in summary table on page 13

PRINCIPAL RISKS

Approach to risk management

Risk is inherent in our operations and the decisions that we make in pursuit of our strategy. The Board has overall responsibility for determining both the nature and extent of the principal risks that the Group is willing to take and the Group's systems of risk management and internal control.

Principal risks

1. Commercial

Nature of risk
A failure to agree appropriate terms for completion contracts or a failure to deliver a production on agreed terms may lead to losses in the completion contract business or increased claims made by distributors, sales agents, financiers, producers or other recipients and may result in reduced profits or losses on contracts.

Increased competition in the Group's core markets may adversely affect its competitive position which may adversely affect its operating margins, capital position and capital requirements, or reduce its market share.

Mitigating actions and progress
The Group employs an experienced team of lawyers and other executives and engages external advisers in certain jurisdictions to help ensure completion contracts are entered into on appropriate terms, which can be fulfilled.

Over the years, several companies have attempted to make inroads into the Group's market share but FFI's relationships and experience ensure it maintains a leading position. The Group is also able to be flexible in its pricing of completion contracts to retain business ahead of its competitors.

2. Growing the business

Nature of risk
A failure to integrate new businesses into the Group may lead to acquisitions not being accretive to earnings and may not otherwise meet the Group's operational or strategic expectations, while diverting management's time and resources from running the Group's existing business. Expanding the business overseas introduces new risks to the Group associated with tax, operational and regulatory matters with which the Group may fail to comply.

Mitigating actions and progress
The acquisitions completed during the past 12 months have been labour intensive for senior management. However, the personnel managing the day-to-day running of the completion contract business have not been significantly impacted. We intend to work on further integration of the acquired businesses where applicable, not least to assist with identifying cross selling opportunities, but we are confident this will remain possible without disrupting the completion contract business or causing operational and/or regulatory hurdles, other than those which can be efficiently managed.

3. Technological change

Nature of risk
Technological development may lead to changes in formats through which entertainment is created/and or delivered to consumers, such as online and mobile devices. Changes relating to post-production may mean that post-production equipment becomes obsolete or will have to be replaced more often that the Group's expectations. Insurance has become increasingly reliant on software and integrating operating systems with brokers, underwriters and agents. Delays in implementing new software or should the software not work properly, it may lead to delays in launching product lines or the marketing of existing product lines.

Mitigating actions and progress
FFI is actively committed to harnessing and evolving with the changing nature of the industry. Over the last 12 months, the business has diversified its offering to encompass services that have relevance to producers across the full content lifecycle – including pre and post- production capabilities, distribution, content production, project management and risk insurance.

FFI has a privileged vantage point at the heart of the global entertainment industry and is therefore well positioned to leverage the opportunities available across the evolving landscape.

4. Market

Nature of risk
The Group's business is impacted by the key market drivers affecting the entertainment industry which could change rapidly and most of which are beyond the control of the Group. A reduction in the number of productions, and those productions financed by debt or third party private financing, may reduce fee income that is charged by the Group for providing completion contracts to entertainment productions. Competition may affect prices that can be charged for services or insurance products offered by the Group companies. Insurance products which Reel Media is an agent for, may be affected by competition or losses incurred by insurers with who it trades.

The Group is particularly exposed to the independent film business as most large studios directly finance productions and therefore do not require completion contracts.

Mitigating actions and progress
Over the last 12 months, FFI has embarked on a diversification strategy to takes the business beyond its traditional reliance on completion contracts. Through a series of transactions, FFI now provides services across a broader industry landscape, which today includes pre and post-production services, content

investment, general risk insurance and distribution. The Board believes that the business has fundamentally improved and evolved over the past year, with a higher degree of diversification than ever before.

5. Economic

Nature of risk

Continued uncertainty over the United Kingdom's exit from the EU and future laws and regulations could decrease foreign direct investment in the United Kingdom, increase costs, depress economic activity and restrict access to capital.

Any economic downturn or political instability, either globally or locally in any area in which the Group operates, may lead to a reduction in consumer spending and may have an adverse effect on the demand for the Group's products and services.

Mitigating actions and progress

As a global business, with strong industry relationships and a broad offering across the full entertainment value chain, the Group considers that it will not be significantly impacted by the UK's exit from the European Union or indeed a reduction in consumer spending.

6. Reputation

Nature of risk

Damage to the Group's reputation or the reputation of its brand may affect the Group's ability to attract and retain customers and personnel and conduct business with its counterparties.

Mitigating actions and progress

We have a process in place which guides the identification, assessment and management of reputational risk issues. We work with a communications consultancy to help mitigate and manage any reputational risks which may occur.

Each employee is under an obligation to be alert to any potential causes of reputational risks and to address them according to the employee guidelines.

7. Internal controls

Nature of risk

A failure to develop and implement effective internal controls following admission to the Alternative Investment Market may impact the Group's ability to produce accurate and/or timely budgets and forecasts as well as management and financial accounts.

Mitigating actions and progress

FFI uses various mechanisms to support the implementation and effectiveness of its internal controls. This includes an ongoing self-assessment process, and regular consultation from external advisors.

8. IT systems and internal controls

Nature of risk

An IT system failure, including service outages and malicious attacks, or an inability to correctly and efficiently implement new IT software, may affect our ability to continue day-to-day operations.

Mitigating actions and progress

FFI's IT function monitors, manages and optimises the IT systems on an ongoing basis to ensure that it is fit for purpose. We continue to invest in our IT infrastructure and have recently implemented a range of updates across the business.

9. People

Nature of risk

A failure to attract and/or retain members of the Group's senior management or other key personnel may lead to a loss of highly experienced staff that have key relationships with clients, producers, banks, studios and insurers. The disability, illness or death of key employees may impact the business.

Mitigating actions and progress

FFI sets high standards for the recruitment of its staff across its global offices. The business also remunerates employees accordingly through competitive salaries and performance related awards and places importance on training the team, so that staff are able to progress through the business.

10. Insurance

Nature of Risk

Loss of insurance support across various divisions could drive up prices to find replacements or cause delays in running businesses. Large losses in the insurance market as a whole could drive up insurance costs thereby increasing our costs as well.

Mitigating actions and progress

FFI has multiple insurance partners and believes that should any one of its insurers wish to cease trading with it, that those insurers can be replaced. FFI has had a very long-standing relationship with its insurers and communicates with them regularly throughout the year. Reel Media acts primarily for Allianz as an agent, but there are numerous reinsurers on its relationship with. Reel Media is constantly in touch with its insurers partners.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE STATEMENT

Corporate governance

The policy of the Board is to manage the affairs of the Group having regard to the Quoted Companies Alliance's Corporate Governance Code (the "QCA Code"). The Directors support the principles underlying these requirements insofar as is appropriate for a group the size of FFI Holdings PLC.

As Chairman of the Board, I am responsible for leading the Board, ensuring that it is well-functioning, balanced and, ultimately, effective. I also have primary responsibility for the Board's approach to corporate governance and the quality of the Group's governance arrangements.

Corporate governance developments

In March 2018, the London Stock Exchange published updated AIM Rules which included an amendment to AIM Rule 26. As a result of the AIM Rule change, AIM companies are required to adopt a recognised corporate governance code and state on their websites how they have complied with that code and, where they have departed from that code, provide an explanation for doing so, by 28 September 2018.

The Board is considering the adoption of the new QCA Code published by the QCA in April 2018 (the "2018 Code"). The Company will, however, disclose on its website (www.ffi.com) before 28 September 2018 a more detailed corporate governance statement in respect of the Company's corporate governance arrangements in accordance with the 2018 Code as required by AIM Rule 26.

The Board

As at 31 March 2018, the Board of Directors comprised the Chairman, James Terlizzi, the Chief Executive Officer, Steven Ransohoff, the Chief Financial Officer, Tim Trankina, the Chief Operating Officer, Antony Mitchell, non-executive director Stephen Argent and independent non-executive directors, Julian Bartlett and Simon Ingram.

Each member of the Board of directors other than Julian Bartlett were appointed on incorporation or prior to the IPO. Julian Bartlett was appointed as a director on 29 August 2017. There have been no other changes to the Board, either during the 2018 financial year or since the financial year end.

The Board believes that it is comprised of directors with the appropriate balance of skills and experience to meet the needs of the Group, both now and in the future, and is of a size appropriate for the size and nature of the business. Excluding the Chairman, there is an equal number of executive and non-executive directors so as to ensure that the Board is not dominated by one person or a group of people.

The Board meets most months and receives Board packs comprising reports from the Executive Directors together with any other material necessary for the Board to discharge its duties. It is the Board's responsibility to formulate and approve the Group's strategy, budgets, corporate actions and oversee the Group's progress towards its goals.

The Board and its Committees are provided with the timely provision of quality information in advance of all Board and Committee meetings to facilitate discussion and decision making during the meetings. Where necessary, non-executive directors are able to obtain independent professional advice in addition to the support of the Company Secretary.

In accordance with the Company's articles of association, at each Annual General Meeting one-third of the Directors are required to retire by rotation and are subject to re-election by shareholders at the Annual General Meeting.

CORPORATE GOVERNANCE STATEMENT CONTINUED

JAMES TERLIZZI (AGED 53)

Non-Executive Chairman

Mr Terlizzi joined the Group in June 2017 as its Non-Executive Chairman. Mr Terlizzi has over 20 years of executive management experience. Mr Terlizzi is currently a principal in several specialty finance businesses and has been the Executive Chairman of a multi-asset liquidity solutions company called DRB Financial Solutions, LLC since 2014. Mr Terlizzi was formerly the Chief Operating Officer and subsequently, the Chief Executive Officer of Peach Holdings, Inc., a finance company specialising in purchasing high-quality deferred payment obligations. He led the initial public offering of Peach Holdings, Inc. on AIM in 2006 and remained in the position of Chief Executive Officer until 2011 (following its acquisition by Orchard Acquisition Company in late 2006). Mr Terlizzi holds a Bachelor of Arts and a Juris Doctor degree from Rutgers University and Rutgers University Law School, respectively and is admitted to the New Jersey State Bar and the New York State Bar Associations (retired).

Mr Terlizzi is a member of the Audit and Remuneration Committees.

TIMOTHY TRANKINA (AGED 56)

Chief Financial Officer

Mr Trankina joined the Group in February 2017 as its Chief Financial Officer. Mr Trankina has over 20 years of executive management experience. Prior to joining the Group, Mr Trankina was the Managing Director of Gateway Capital Holdings, LLC, a boutique private equity firm. Mr Trankina founded Peach Holdings, Inc. and was the President of this company at the time of its initial public offering on AIM in 2006. Mr Trankina remained in this position until the company was acquired later in that year (as noted above). Mr Trankina was formerly a member of the Entertainment, Media and Communications practice at PricewaterhouseCoopers LLP and provided tax consulting and transactional structuring advice to clients. Mr Trankina holds a Bachelor of Economics from Rutgers University and a Juris Doctor degree from Georgia State University College of Law. He also holds a Masters degree in Business Administration from Georgia State University and is a member of the State Bar of Georgia (inactive) and was previously a member of the Georgia State Board of Accountancy as a Certified Public Accountant.

STEVEN RANSOHOFF (AGED 60)

Chief Executive Officer

Mr Ransohoff joined the Group in July 1986 and was appointed as its Chief Executive Officer and President in 2016. From 2008, Mr Ransohoff was Co-President and Co-Chief Executive Officer. Mr Ransohoff has over 35 years of experience in the film industry and has deep industry relationships with producers, studios, banks and insurers. Mr Ransohoff holds a Bachelor of Arts from Vassar's College and a Juris Doctor degree from the University of California, Hastings College of Law.

ANTONY MITCHELL (AGED 53)

Chief Operating Officer

Mr Mitchell joined the Group in March 2017 as its Chief Operating Officer. Mr Mitchell has over 15 years of public company leadership and executive management experience. Prior to joining the Group, Mr Mitchell was the Chief Executive Officer of Emergent Capital, Inc. (formerly called Imperial Holdings, Inc.) since its founding in February 2007 and prior to August 2012 also served as its Chairman, including at the time of its initial public offering on the New York Stock Exchange in 2011. Between 2010 and 2016, Mr Mitchell was the Executive Chairman of Polaris Infrastructure Inc. (formerly called Ram Power, Corporation), an entity listed on the Toronto Stock Exchange. Between 2013 and 2015, Mr Mitchell also served as the acting Chief Executive Officer of DRB Capital, LLC, which specialises in the purchase of annuities. Mr Mitchell was also a co-founder of Singer Asset Finance Company, LLC (a subsidiary of Enhance Financial Services Group Inc.) in 1993, which was involved in acquiring insurance policies, structured settlements and other types of receivables.

STEPHEN ARGENT (AGED 61)

Non-Executive Director

Mr Argent joined the Group in June 2017 as a Non-Executive Director. Mr Argent is the Chief Executive Officer and founder of Soupologie Limited, an international fresh soup company. Prior to founding Soupologie, Mr Argent ran his own accountancy practice for 30 years dealing with clients in the entertainment, fashion and medical sectors. Mr Argent was also appointed to develop the computer software for Singer Asset Finance Company LLC's sales and marketing strategy before the company's acquisition by a New York Stock Exchange listed company. As a result of his experience, he has developed sophisticated financial models that were used by companies in sectors such as life insurance, stockbroking and asset securitisation. Mr Argent is a qualified chartered accountant and commenced his career at Bright Grahame Murray Chartered Accountants.

Mr Argent is a member, and acts as chair, of the Audit Committee and is a member of the Remuneration Committee.

SIMON INGRAM (AGED 48)

Independent Non-Executive Director

Mr Ingram joined the Group in June 2017 as a Non-Executive Director. Mr Ingram is a senior international executive with strong public company leadership. Mr Ingram was the founder, director and Chief Executive Officer of Reservoir Minerals Inc., a Toronto Stock Exchange venture listed company which grew from a market capitalisation of $10 million to over $500 million in six years. In 2016, a merger between Reservoir Minerals Inc. and Nevsun Resources Ltd. created a $1 billion company which was awarded the UK Mining Journal 2016 outstanding achievement award for the best small and mid-cap deal of the year. Mr Ingram was also shortlisted as Chief Executive Officer of the year in 2015 and 2016 in the UK Mining Journal. Reservoir Minerals Inc. was also awarded the Toronto Stock Exchange venture top 50 company award in 2013 and 2014 in the mining sector. Mr Ingram holds a Bachelor of Science in Exploration and Mining Geology and a PhD. in Earth Sciences from Cardiff University.

Mr Ingram is a member, and acts as chair, of the Remuneration Committee and is a member of the Audit Committee.

JULIAN BARTLETT (AGED 54)

Independent Non-Executive Director

Mr Bartlett joined the group in August 2017 as a further independent non-executive director. He is a recently retired partner of accounting and consulting firm Grant Thornton UK LLP, where he provided audit, transaction support and consulting services to listed, AIM and private companies. During his career he has specialised in financial services and financial markets and was also leader of Grant Thornton's services to the investment management sector. Prior to his position at Grant Thornton, Mr Bartlett was a partner of RSM Robson Rhodes LLP following 15 years at Deloitte & Touche.

Mr Bartlett is also a director of Invesco Perpetual Life Limited, a trustee and director of St Mary's Eltham Community Centres Association and chairman of an amateur theatre group.

Mr Bartlett is a member of the Audit and Remuneration Committees.

CORPORATE GOVERNANCE STATEMENT CONTINUED

Board and committee attendance

Board and Committee meetings are scheduled in advance for each calendar year. Additional meetings are arranged as necessary. While the Board held additional meetings, the schedule below reflects the required Board and Committee meetings and attendance during the year ended 31 March 2018, which were as follows:

Director	Board	Audit Committee	Remuneration Committee
James Terlizzi, Chairman	9/9	3/3	2/2
Steven Ransohoff, CEO	9/9	N/A	N/A
Tim Trankina, CFO	9/9	N/A	N/A
Antony Mitchell, COO	9/9	N/A	N/A
Stephen Argent, Non-executive director	9/9	3/3	2/2
Julian Bartlett, Non-executive director	7/7	3/3	2/2
Simon Ingram, Non-executive director	9/9	3/3	2/2

Board evaluation

The Board has not yet undertaken a formal evaluation of its performance in light of this being the first reporting period since incorporation and admission to AIM. However, the Board notes that performance evaluations are best practice and will consider the most appropriate time to undertake its first review.

Shareholder relations

The Company meets with its institutional shareholders and analysts as appropriate. In addition, the Company uses the Annual Report and Accounts, the Interim Report and the website (www.ffi.com) to provide further information to shareholders.

Internal control and risk management

The Board has overall responsibility for the system of internal control and for reviewing its effectiveness. Such systems are designed to manage rather than eliminate risks and can provide only reasonable and not absolute assurance against material misstatement or loss. During the reporting period the Audit Committee reviewed the effectiveness of these systems. The Board is not aware of any significant failings or weaknesses in the system of internal control.

The Board has determined that an internal audit function is not required due to the small size of the Group. The Board will keep this matter under review as the Group develops.

A formal budgeting process was completed during the reporting period, the output of which was reviewed and approved by the Board. In addition, the Group conducted quarterly re-forecasts. The Group's results, as compared against budget, were regularly reported to the Board and discussed in detail at each meeting of the Board.

Audit Committee

The Audit Committee is chaired by Stephen Argent, having a relevant financial background, and is further comprised of Julian Bartlett, Simon Ingram and James Terlizzi. It is scheduled to meet at least twice a year and has primary responsibility for monitoring the quality of internal controls to ensure that the financial performance of the Group is properly measured and reported on. It receives and reviews reports from the Group's management and external auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group.

The Audit Committee is also responsible for maintaining an appropriate relationship with the independent auditor of the Group.

Accounting policies

There were no significant changes in accounting policies applying to the Group for the year to 31 March 2018.

Independent auditor

The independent auditor liaises with the Audit Committee regarding work to be undertaken and complies with the Ethical Standards for Auditors issued by the Auditing Practices Board. Prior to commencing its audit work, the independent auditor confirmed in writing the nature of any non-audit work carried out on behalf of the Group and the safeguards in place to ensure its independence and objectivity; any in-year proposals for non-audit work are subject to prior approval by the Audit Committee.

The independent auditor presented its audit plan to the Audit Committee prior to commencement of the audit. The plan was reviewed and approved with specific areas of focus by the independent auditor discussed in detail.

The independent auditor (RSM UK Audit LLP) was appointed in May 2017.

The analysis of the auditor's remuneration is shown in the table on page 51.

Whistle-blowing

The Group has engaged NAVEX Global to develop a formal "whistle-blowing" system which can be accessed by all employees of the Company either by web or phone. If any notices are sent through the system, the Chair of the Audit Committee is notified promptly of the facts and content of the call so that appropriate action can be taken.

Remuneration Committee

The Remuneration Committee is chaired by Simon Ingram and is further comprised of Stephen Argent, Julian Bartlett and James Terlizzi. It is scheduled to meet at least twice a year and has primary responsibility for reviewing the performance of the executive directors and making recommendations to the Board on matters relating to their remuneration and terms of service.

The Remuneration Committee also makes recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any employee share option scheme or equity incentive plans in operation from time to time. The Remuneration Committee takes into accounts the QCA Remuneration Committee Guide and associated guidance.

CORPORATE GOVERNANCE STATEMENT CONTINUED

Remuneration Report

Directors' remuneration

Details of the remuneration of the directors for the year ended 31 March 2018 are set out below:

Director	Salary and fees $	Benefits in kind $	Pension contributions $	Total $
S Ransohoff	475,000	34,729	7,950	517,679
T Trankina	259,616	-	-	259,616
A Mitchell	259,616	6,428	-	266,044
J Terlizzi	107,918	-	-	107,918
S Argent	64,303	-	-	64,303
J Bartlett	51,443	-	-	51,443
S Ingram	64,303	-	-	64,303
Total	**1,282,199**	**41,157**	**7,950**	**1,331,306**

Directors' share plan interests

Details of the share plan interests of the directors as at 31 March 2018 are set out below:

Director	Plan	Date	Exercise price	Options awarded	Options vested	Date of vesting	Options exercised	Date of exercise	Options vested but not exercised at 31/03/18	Options not vested at 31/03/18
T Trankina	Pre-IPO Options	30/6/17	$0.40	1,020,329	1,020,329	30/6/17	765,247	15/6/18	255,082	0
A Mitchell	Pre-IPO Options	30/6/17	$0.40	1,020,329	340,110	30/6/17	340,110	15/6/18	0	680,219

On 30 June 2017, the date of admission to AIM, 1,020,329 executive options were granted to Antony Mitchell and Timothy Trankina respectively. On the date of grant, 30 June 2017, one third of the executive options granted to Antony Mitchell and all of the executive options granted to Timothy Trankina vested. Antony Mitchell and Timothy Trankina exercised 340,110 and 765,247 executive options respectively on 15 June 2018.

Of the unvested executive options granted to Antony Mitchell, a further third vested and became exercisable on 30 June 2018 and the final third will vest and become exercisable on 30 June 2019, with the executive options expiring on 15 June 2019 and 15 June 2020 respectively. With respect to the executive options granted to Timothy Trankina, the balance of the executive options vested but not yet exercised will expire on 15 June 2022.

Once vested, the executive options may be exercised in full or in part by the recipient by following the procedures established by the Group. In each case, if the recipient's employment is terminated, all executive options must be exercised within 90 days after the date of termination, or the date on which such executive options otherwise expire.

DIRECTORS' REPORT

The directors present their Annual Report and audited financial statements for the Group for the year ended 31 March 2018.

Principal activities

The principal activity of the Company is that of a holding company. The principal activities of the Group are described in our business overview on pages 9 to 12. The Chief Executive's statement is included in the overview section on pages 4 to 5.

Strategic Report

The Group is required by section 414A of the Companies Act 2006 to present a Strategic Report in the Annual Report. This can be found on pages 9 to 19 and includes, where appropriate, an indication of the directors' view on likely future developments in the business of the Group.

Dividends

The directors have not recommended payment of a final dividend for the year ended 31 March 2018.

Share capital

The Company has one class of ordinary share capital, having a nominal value of £0.01. The ordinary shares rank pari passu in respect of voting and participation are admitted to trading on the AIM market of the London Stock Exchange. At 31 March 2018, the Company had 157,041,248 ordinary shares in issue (2017: n/a).

The directors will be seeking authorisation on an annual basis to allot shares, to allot a limited number of shares in the Company for cash other than to existing shareholders and to make market purchases of shares within prescribed limits. Resolutions in respect of the three areas of authorisation will be proposed at the 2018 AGM and are further explained in the Notice of AGM included on pages 78 to 85 of this Annual Report.

On 30 June 2017, the Group issued 157,041,248 ordinary shares at a price of $1.94 per share. The issued shares were admitted to trading on the AIM market on the same day.

On 22 June 2017, the Company entered into a share for share agreement with the ultimate beneficiaries of Film Finances, Inc. and subsidiaries, whereby 136,043,872 new ordinary shares of £0.01 each were issued on 30 June 2017 to the shareholders of Film Finances, Inc. in exchange for their shares in Film Finances, Inc. in the same proportion as their shareholding in Film Finances, Inc. The transaction has been treated as a capital reorganisation and merger accounting principles applied in consolidating the results of FFI Holdings PLC and Film Finances, Inc. and subsidiaries.

Also on 30 May 2017, the Company issued 50,000 non-voting redeemable shares of £1 each. The Company subsequently redeemed in full and cancelled the 50,000 non-voting redeemable shares of £1 each on 30 June 2017.

Significant direct and indirect shareholdings

As at 31 July 2018 the Company had been made aware, pursuant to the FCA's Disclosure Guidance and Transparency Rules, of the following beneficial interests in 3% or more of the Company's ordinary share capital:

Shareholder	Interest	% capital
Golden Sun Emerging Fund	48,068,122	30.61
Mr. Steven A. Ransohoff*	47,476,547	30.23
MS Amlin Underwriting Limited	10,799,173	6.88
JDT Holdings	10,308,184	6.56
Old Mutual Global Investors	7,795,446	4.96
GLG Partners	6,640,183	4.23
Canaccord Genuity Group Inc	4,965,320	3.16

* Includes ordinary shares held by The Crystal Court Trust UDT, a trust established for the benefit of Steven Ransohoff and his family.

There were no material changes in any of the significant holdings between 31 July 2018 and the date of this Annual Report.

Board and directors' indemnities

Summary biographies of the Board directors as at 31 March 2018 are on pages 22 and 23. During the year, Antony Mitchell and Steven Ransohoff were appointed as directors on 30 May 2017 (the date of incorporation of the Company) and Stephen Argent, Simon Ingram, James Terlizzi and Tim Trankina were appointed as directors on 7 June 2017. Julian Bartlett was appointed as a director on 29 August 2017. There have been no other changes to the Board, either during the 2018 financial year or since the financial year end.

DIRECTORS' REPORT CONTINUED

Each of the directors has the benefit of directors' and officers' liability insurance provided by the Company indemnifying the director against liabilities incurred in his office as director. In addition, the Company has given customary indemnities to the directors, to the extent permitted under the Companies Act 2006, and these provisions were in force during FY 2018.

The Company operates a formal ongoing procedure for the disclosure, review and authorisation of directors' actual and potential conflicts of interest, in accordance with the Companies Act 2006. In addition, conflicts of interest are reviewed and, as necessary, authorised by the Board on an annual basis.

Political donations

No political donations or contributions were made, or political expenditure incurred, by the Group during the period under review

Financial Instruments

Further Information regarding the Group's financial instruments can be found in section 32 of the notes to the financial statements (pages 65 to 67).

Important events since year end

On 26 April 2018 the Group acquired Signature Entertainment UK, the largest distributors of film in the UK. There have been no other material events or developments affecting the Company or any of its operating subsidiaries since 31 March 2018. Details of indications of likely future developments in the business of the company are included in the "Outlook" section on page 5.

Going concern

The directors have conducted a rigorous and proportionate assessment of the Group's ability to continue in existence for the foreseeable future. This has been reviewed during the financial year and the directors have concluded that there are no material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. Furthermore, the Group has adequate resources and visibility as to its future workload, as explained in this Annual Report. It is therefore justified in using the going concern basis in preparing these financial statements.

Disclosure to auditors

Each of the directors at the date of approval of this Annual Report confirms that:

- so far as the director is aware, there is no relevant audit information of which the auditor is unaware; and
- the director has taken all 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 auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with section 418 of the Companies Act 2006.

A resolution is to be proposed at the forthcoming AGM for the reappointment of RSM UK Audit LLP as auditor of the Company, at a rate of remuneration to be determined by the Audit Committee.

AGM

The AGM will be held at 9000 Sunset Boulevard, Suite 1400, Los Angeles, California 90069, USA on 26 September 2018 at 11.00 am (PDT time). The notice convening the AGM, contained on pages 78 to 85 of the Annual Report, explains the items of business to be considered at the meeting.

Approval of Report

The Strategic Report on pages 9 to 19, the Corporate Governance and Directors Remuneration Reports on Pages 20 to 26 and the Directors Report on pages 27 to 29, were approved by the Board of Directors on 31 August 2018.

For and on behalf of the Board

Jordan Company Secretaries Limited
Company Secretary

Anthony Mitchell
Director

31 August 2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 group and company financial statements for each financial year. The directors are required by the AIM Rules of the London Stock Exchange to prepare group financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and have elected under company law to prepare the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The group financial statements are required by law and IFRS adopted by the EU to present fairly the financial position and performance of the group; the Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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 Group and the Company and of the profit or loss of the group for that period.

In preparing each of the group and company financial statements, the directors are required to:

a. select suitable accounting policies and then apply them consistently;

b. make judgements and accounting estimates that are reasonable and prudent;

c. for the group financial statements, state whether they have been prepared in accordance with IFRSs adopted by the EU and for the company financial statements state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the company financial statements;

d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the FFI Holdings PLC website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FFI HOLDINGS PLC

Opinion

We have audited the financial statements of FFI Holdings PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2018 which comprise the consolidated statement of comprehensive income, consolidated and company statements of financial position, consolidated statement of cash flows, consolidated and company statements of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 group's and of the parent company's affairs as at 31 March 2018 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 group and the parent 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 as applied to listed entities 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require

us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition on completion contracts

The main revenue stream of the group is derived from completion contracts with financers of film productions; these are recognised in accordance with the stage of completion of the film which is measured against forecast production milestone dates. Rebates are offered to producers for films which do not incur claims and also to incentivise producers who bond multiple film productions with FFI.

As the stage of completion is a judgemental area based on the budget of the film, there is a risk that revenue may be recorded in the wrong period and therefore misstated. Rebate arrangements are typically on an informal basis and do not follow a standard process.

The accounting policy and significant judgements and estimates related to revenue recognition from completion contracts are disclosed in notes 2.7, 2.25 and 2.26. Revenue from completion contracts for the year was $39.53m (FY 2017: $37.56m).

Our response to the risk included:

- Selection of a sample of revenue transactions to test whether revenue was appropriately recognised based on the contracted fee, production budget and stage of completion and that where applicable, revenue had been deferred appropriately.
- For a sample of accrued liabilities recognised at the year-end in respect of rebates payable we audited the calculations provided by management.
- Discussions were held with management and a sample of post year end payments reviewed for evidence of under accrued liabilities at the year-end.

Insurance rebate receivable

The group is often eligible for a rebate of a portion of premiums paid to its 3rd party insurance provider. The rebate is based on its underlying insurance policies and the aggregate level of claims paid in the year. The contracts in place state that the rebate is due on the completion of the film and is paid net of any claims made in the period.

The insurance rebate is paid once a year, in October, therefore accrued income should be recognised at 31 March in relation to films where a rebate is receivable and where the film was complete at the year-end. The recognition of a rebate at the year-end therefore requires a degree of management judgement.

The accounting policy and significant judgements and estimates related to insurance rebates receivable are disclosed in notes 2.19, 2.25 and 2.26. The insurance rebate receivable at the year-end was $3.12m (FY 2017: $2.30m).

Our response to the risk included:

- Selection of a sample of rebate receivable balances and recalculation of the rebate due, in line with the underlying insurance agreement
- Scrutiny of the listing of films included within the rebate accrual to obtain confidence that rebates were only recognised in respect of films which have been completed.
- Review of the rebate receivable calculation to test whether the balance was recognised net of insurance claims made during the year.

Acquisition of subsidiary undertakings

During the year FFI has acquired three businesses: Buff Dubs PTY Ltd; Cineworks Digital Studios (EPS-Cineworks) and Reel Media, LLC and a separate book of business from All Risks Ltd for aggregate consideration of $37.44m, including contingent consideration of $17.57m. The total fair value of the identifiable net assets acquired was $15.79m, of which $12.14m related to managements' assessment of the fair value of separately identifiable intangible assets acquired, excluding goodwill. The aggregate goodwill arising on these acquisitions was $21.64m.

The valuation of the separately identifiable intangible assets and the contingent consideration requires significant management judgement and estimation, including determination of fair value model assumptions, such as discount rates, customer attrition rates and forecast profitability.

The accounting policy and significant judgements and estimates related to goodwill and intangible assets are disclosed in notes 2.8, 2.9, 2.25 and 2.26. Details of the business combinations are disclosed in note 33.

Our response to the risk included:

- Obtaining management's valuation reports for each acquisition and in conjunction with our valuation specialists, challenged the assumptions used, documented supporting corroboration and where relevant, requested that further sensitivity analysis was performed.
- Discussion of each acquisition with management and assessment of the allocation of value between goodwill and intangible assets with regard to the underlying business units and the flow of future economic value.

- Agreement of underlying earn-out calculations to the terms of the SPAs and discussion and challenge of future forecast profitability with management.
- Audit of the disclosures in the financial statements for compliance with IFRS 3 – Business combinations

Our application of materiality

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures and to evaluate the effects of misstatements, both individually and on the financial statements as a whole. During planning we determined a magnitude of uncorrected misstatements that we judge would be material for the financial statements as a whole (FSM). During planning FSM was calculated as $1.17m, which was updated during the course of the audit to a final FSM of $1.49m. We agreed with the Audit Committee that we would report to them all unadjusted differences in excess of $10,000, as well as differences below those thresholds that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

The audit was scoped to support our audit opinion of the company and group financial statements of FFI Holdings PLC and was based on group materiality and an assessment of risk at group level.

The group's acquired businesses have local finance functions that report in to the group finance function situated at the group's head office. The group audit was completed at the group's head office on the consolidated financials and additional procedures were completed in relation to the risk areas in the businesses acquired during the year.

The group's captive insurance vehicle, FFI Insurance Limited is based in Bermuda and was subject to a full scope local statutory audit by a component audit firm. The audit working papers of the component audit firm have been reviewed by RSM UK Audit LLP.

The testing outlined resulted in coverage of 100% of the revenues and profit before tax of the group and 100% of total gross assets of the group.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 group and the parent company and their 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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, 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 group's and the parent 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 group or the parent 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://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.

Mark Harwood
(Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London EC4A 4AB

31 August 2018

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2018

		2018 USD	2017 USD
Continuing operations			
Revenue	3	58,889,742	38,812,125
Costs related to revenue	4	(14,036,779)	(8,490,550)
Gross profit		44,852,963	30,321,575
Administrative and other expenses	5	(29,434,638)	(18,853,329)
Exceptional costs	5	(10,698,413)	(1,894,445)
Other income		588,403	924,666
Other expense		-	(42,633)
Operating profit		5,308,315	10,455,834
Financing income	7	35,959	42,310
Finance costs	7	(99,643)	(202,205)
		5,244,631	10,295,939
Net profit from joint venture	20	25,723	-
Profit before taxation		5,270,354	10,295,939
Taxation	9	(3,767,773)	(4,518,441)
Profit for the year from continuing operations		1,502,581	5,777,498
Discontinued operations			
(Loss)/profit for the year from discontinued operations	35	(10,872)	2,844,697
Profit for the year		1,491,709	8,622,195
Total profit for the year attributable to:			
Owners of the Company		1,428,769	8,429,493
Non-controlling interest	19	62,940	192,702
		1,491,709	8,622,195
Other comprehensive income, net of income tax			
Exchange difference on translating foreign operations attributable to Owners of the Company		237,075	(307,070)
Total other comprehensive income attributable to Owners of the Company		237,075	(307,070)
Exchange difference on translating foreign			(20,063)
operations attributable to non-controlling interests		8,815	
Total comprehensive income for the year		1,737,599	8,295,062
Total comprehensive income attributable to:			8,122,423
Owners of the Company		1,665,844	
Non-controlling interest	19	71,755	172,639
		1,737,599	**8,295,062**
Earnings per share attributable to owners of the parent			
Total			
Basic (cents)	10	0.94	6.20
Diluted (cents)	10	0.93	6.20
Continuing operations			
Basic (cents)	10	0.99	4.25
Diluted (cents)	10	0.98	4.25

The notes on pages 40 to 71 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

		31 March 2018 USD	31 March 2017 USD
Assets			
Non-current			
Goodwill	14	31,215,954	9,871,423
Intangible assets	15	15,468,359	5,472,988
Investments	16	283,113	283,113
Investment in joint venture	20	410,723	-
Other non current assets	17	1,490,890	741,279
Property, plant and equipment	18	4,647,389	2,957,436
Deferred tax assets	9	1,626,893	646,079
Non-current assets		55,143,321	19,972,318
Current			
Trade and other receivables	21	18,512,663	12,164,786
Other current assets	22	2,631,936	4,428,372
Restricted cash	23	68,382,153	40,397,215
Cash and cash equivalents	24	23,552,491	13,146,871
		113,079,243	70,137,244
Assets classified as held for sale	20	-	216,044
Current assets		113,079,243	70,353,288
Total assets		168,222,564	90,325,606
Equity and liabilities			
Equity			
Share capital (2017 restated, see note 2.2)	12	2,035,570	1,763,402
Share premium	8	38,539,508	-
Other reserve (2017 restated, see note 2.2)	8	14,731,074	14,731,074
Merger reserve (2017 restated, see note 2.2)	8	(16,384,976)	(16,384,976)
Foreign exchange		(87,292)	(324,367)
Share based payment reserve	13	3,807,511	-
Retained earnings		19,423,978	17,995,209
Total equity attributable to owners of the Company		62,065,373	17,780,342
Non-controlling interests	19	103,911	139,120
Total equity		62,169,284	17,919,462
Liabilities			
Non-current			
Borrowings	25	379,415	590,163
Other payables	33	15,208,995	1,709,000
Deferred tax liabilities	9	1,631,578	4,667,661
Non-current liabilities		17,219,988	6,966,824
Current			
Trade and other payables	26	28,004,345	21,737,427
Income tax payable		316,323	1,287,635
Payables to production	23	56,119,649	36,265,379
Provision for losses	27	609,556	777,246
Borrowings	25	3,783,419	5,371,633
Current liabilities		88,833,292	65,439,320
Total liabilities		106,053,280	72,406,144
Total equity and liabilities		**168,222,564**	**90,325,606**

The notes on pages 40 to 71 are an integral part of these consolidated financial statements.

The Financial Statements of FFI Holdings Plc (registered number 10793426) were approved by the Board of Directors and authorized for issue on 31 August 2018. They were signed on its behalf by:

Timothy J. Trankina Director

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2018

		2018 USD	2017 USD
Cash flows from operating activities			
Profit before taxation including discontinued operations		5,259,482	13,140,636
Adjustments for:			
Share based payments	13	3,807,511	-
Depreciation	18	1,680,328	214,770
Amortisation of intangible assets	15	643,513	82,694
Finance costs		99,643	202,205
Loss/(profit) on disposal of subsidiary	34/35	10,872	(2,810,569)
Net foreign exchange loss/(gain)		245,890	(327,133)
		11,747,239	10,502,603
Increase in working capital:			
Increase in restricted cash	23	(6,851,698)	(58,086)
Increase in accounts receivable	21	(640,836)	(920,128)
Decrease/(increase) in other assets		2,202,656	(1,686,628)
Decrease in trade and other payables	26	(2,480,107)	(717,149)
(Decrease)/increase in provision for losses	27	(167,690)	319,614
(Decrease)/increase in deferred revenue	26	(1,218,839)	1,510,019
Cash generated from operations		**2,590,725**	**8,950,245**
Interest paid		(67,733)	(202,205)
Income taxes paid		(8,420,884)	(2,013,859)
Net cash (used in)/generated from operating activities		**(5,897,892)**	**6,734,181**
Cash flows from investing activities			
Proceeds on sale of financial assets	20	216,044	-
Purchases of intangible assets	15	(3,897,010)	(2,989,016)
Purchase of property, plant and equipment	18	(1,502,812)	(260,167)
Loan amounts advanced to employees	21	-	(4,862,113)
Loan repayments by employees	21	3,275,871	1,867,030
Net cash outflow on acquisition of subsidiaries	33	(18,223,228)	(3,016,503)
Net cash used in investing activities		**(20,131,135)**	**(9,260,769)**
Cash flows from financing activities			
Net proceeds from issue of share capital	8	38,811,676	**-**
Distribution of capital to non-controlling interests		(106,964)	**(7,660)**
Proceeds from borrowings	25	3,500,000	5,157,707
Repayment of borrowings	25	(5,770,065)	(4,405,372)
Net cash generated by financing activities		**36,434,647**	**744,675**
Net increase/(decrease) in cash and cash equivalents		**10,405,620**	**(1,781,913)**
Cash and cash equivalents at the beginning of the year	24	13,146,871	14,928,784
Cash and cash equivalents at the end of the year	24	**23,552,491**	**13,146,871**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2018

	Equity attributable to owners of the parent				
	Share capital USD	Share premium USD	Treasury shares USD	Other reserve USD	Merger reserve USD
Balance at 31 March 2016	1,763,402	-	-	14,731,074	(16,384,976)
Profit for the period	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-
Distribution of capital to non-controlling interests	-	-	-	-	-
Acquisition of own shares into treasury	-	-	2,810,569	-	-
Cancellation of shares	-	-	(2,810,569)	-	-
Balance at 31 March 2017	1,763,402	-	-	14,731,074	(16,384,976)
Profit for the period	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-
Issue of shares during period	272,168	40,553,072	-	-	-
Issuance costs	-	(2,013,564)	-	-	-
Equity settled share based payments	-	-	-	-	-
Disposal of subsidiary (note 34)	-	-	-	-	-
Distribution of capital to non-controlling interests	-	-	-	-	-
Balance at 31 March 2018	2,035,570	38,539,508	-	14,731,074	(16,384,976)

Foreign exchange USD	Share based payment reserve USD	Retained earnings USD	Total equity attributable to owners of the parent USD	Non-controlling interest USD	Total equity USD
(17,297)	-	12,376,285	12,468,488	(25,859)	12,442,629
-	-	8,429,493	8,429,493	192,702	8,622,195
(307,070)	-	-	(307,070)	(20,063)	(327,133)
(307,070)	-	8,429,493	8,122,423	172,639	8,295,062
-	-	-	-	(7,660)	(7,660)
-	-	(2,810,569)	-	-	-
-	-	-	(2,810,569)	-	(2,810,569)
(324,367)	-	17,995,209	17,780,342	139,120	17,919,462
-	-	1,428,769	1,428,769	62,940	1,491,709
237,075	-	-	237,075	8,815	245,890
237,075	-	1,428,769	1,665,844	71,755	1,737,599
-	-	-	40,825,240	-	40,825,240
-	-	-	(2,013,564)	-	(2,013,564)
-	3,807,511	-	3,807,511	-	3,807,511
-	-	-	-	(1,930)	(1,930)
-	-	-	-	(105,034)	(105,034)
(87,292)	3,807,511	19,423,978	62,065,373	103,911	62,169,284

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General Information

FFI Holdings Plc. (the 'Company') is the holding company of a group of companies (the 'Group') whose principal activity is to provide completion contracts to financers and distributors in connection with the production of motion picture films and television content. Completion contracts guarantee that a particular film will be completed within specific time and budget constraints. In such circumstances, the Group's completion contract acts as a form of guarantee for film production. The Group also provides film editing equipment and editing suite rentals, post-production technical services, investment in content and entertainment-related insurance services.

2. Significant Accounting Policies and Basis of Preparation

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied. For the purpose of ease of reading the terms 'balance sheet' and 'accounting' and variations of these have been used interchangeably with the IFRS terms 'statement of financial position' and 'recognition'.

2.1 Basis of preparation

The Group financial statements are prepared in accordance with International Financial Reporting Standards, International Accounting Standards and interpretations (collectively IFRSs) issued by the International Accounting Standards Board, as adopted for use in the European Union. The accounting policies adopted are consistent with those of the previous financial year.

The following Standards and Interpretations, relevant to the Group's operations that have not been applied in the financial statements, were in issue but not yet effective or endorsed (unless otherwise stated):

IFRS 9 'Financial Instruments'
Another version of IFRS 9 'Financial Instruments' was issued in July 2014 and becomes effective for accounting periods beginning on or after 1 January 2018 with early adoption permitted. The key changes include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Based on the analysis of the Group's financial assets and liabilities as at 31 March 2018 on the basis of the facts and circumstances that exist at that date, the directors of the Company have assessed the impact of IFRS 9 to the Group's consolidated financial statements to be immaterial.

IFRS 17 'Insurance Contracts'
IFRS 17 'Insurance Contracts' becomes effective from 1 January 2021. IFRS 17 replaces IFRS 4 'Insurance Contracts'.

The Group is currently in the process of assessing the impact of IFRS 17 on the financial statements.

IFRS 15 'Revenue from contracts with customers'
IFRS 15 'Revenue Recognition' becomes effective for accounting periods beginning on or after 1 January 2018.

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers.

The majority of the Group's contracts with customers are not complex, with revenue being fixed and earned over a certain period of time.

The Group is still gathering data to evaluate the impact of IFRS 15, however estimates that there will be no material impact on revenue.

IFRS 16 'Leases'
In January 2016, the IASB issued IFRS 16 'Leases' to replace the existing standard IAS 17, which will be effective for accounting periods beginning on or after 1 January 2019 but with earlier adoption permitted.

The main change under IFRS 16 is that it requires the recognition of the lease obligations, together with an asset representing the right to the use of the leased asset during the term of the lease. Under IAS 17, for leases qualifying as operating leases, the lease obligations are not recognised in the statement of financial position.

The Group is currently in the process of assessing the impact of IFRS 16 on the financial statements. The undiscounted value of the Group's operating lease obligations are disclosed in note 28.

Other Pronouncements
There are a number of amendments to IFRSs that have been issued by the IASB that become mandatory during 2018 or in a subsequent accounting period. The Group has evaluated these changes and none are expected to have a significant impact on the consolidated financial statements.

2.2 Capital reorganisation

On 30 June 2017 FFI Holdings Plc entered into a share for share agreement with the ultimate beneficiaries of Film Finances, Inc. and Subsidiaries, whereby 136,043,872 new ordinary shares of £0.01 each were issued to the ultimate beneficiaries of Film Finances, Inc. and Subsidiaries in exchange for their shares in Film Finances, Inc. and Subsidiaries in the same proportion as their shareholding in Film Finances, Inc. and Subsidiaries. The transaction has been treated as a capital reorganisation and merger accounting principles applied in consolidating the results of FFI Holdings Plc and Film Finances, Inc. and Subsidiaries.

The comparatives used within the consolidated financial statements reflect the financial performance and position of Film Finances, Inc. and Subsidiaries. The impact of merger accounting is to reflect the group as though it had always been in existence. Therefore, the prior periods comparatives reflect those of Film Finances, Inc. and Subsidiaries. In the current period, the results reflect those of the whole group for the whole period. The only change to the reported

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

balance sheet position at 31 March 2017 is to reflect the share capital of FFI Holdings Plc rather than that of Film Finances, Inc. and Subsidiaries. At the date of the share for share agreement, the nominal value of the shares issued was $1,763,402 and the total equity of Film Finances, Inc. and Subsidiaries was $16,494,476. The difference of $14,731,074 was taken to other reserves. The difference between the total equity of Film Finances, Inc. and Subsidiaries at the date of the shares issued of $16,494,476 and the share capital of Film Finances, Inc. of $109,500 equals $16,384,976, which has been taken to merger reserve.

Film Finances, Inc. was incorporated in California on 16 June 1982 and is domiciled in the USA. The address of its registered office is 9000 Sunset Boulevard, Suite 1400, Los Angeles, CA 90069.

2.3 Going Concern

The Group has generated a profit before taxation on continuing activities as well as a profit after taxation for the comparative financial period. After reviewing the Group's performance and forecasted future cash flows, the Directors consider the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing the Group's non-statutory financial statements.

2.4 Basis of consolidation

The annual financial statements include the accounts of the Company and all of its subsidiary undertakings. Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has the right to, variable returns from its involvement with the entity, and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred in a business combination is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred to former owners of the acquiree at the date of acquisition. At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their fair value, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the considerations transferred in the business combination. Changes in the fair value of the contingent considerations that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

Contingent consideration that is classified as an asset or a liability is re-measured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Acquisition related costs are generally recognised in profit or loss as incurred.

Intercompany transactions, balances and unrealised gains are eliminated upon consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.5 Foreign currencies

US Dollar (USD) is the functional currency of the Company and the presentational currency of the Group. The functional currency of the subsidiaries is the local currency of the primary economic environment in which each entity operates.

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transaction. Foreign exchange gains or losses on monetary assets and liabilities denominated in foreign currencies resulting from the settlement of such transactions and from the translation to the rate prevailing at the year end are recognised in the income statement.

The financial statements of subsidiaries whose functional currency is different to the presentational currency of the Group are translated into the presentational currency of the Group on consolidation. Assets and liabilities are translated at the exchange rate prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising on consolidation are recognised in other comprehensive income and accumulated in equity.

2.6 Investment in associates and joint venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decision of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exist only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that joint venture, the Group discontinues recognising its share of further losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

An investment in an associate or joint venture is accounted for using the equity method from the date on which the investee becomes an associate or joint venture.

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with IAS 36 Impairment of assets as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or joint venture, or when the investment is classified as held for sale.

2.7 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable from services provided by the Group in the ordinary course of the Group's activities:

Completion Contracts
Services include fees from completion bond contracts. These bond contracts provide a completion guarantee to financiers for the completion and delivery of a film or other production. The Group must monitor each production through each stage of completion and the Group has the ability to take over production if budgets and schedules are not properly adhered to. As such, revenue is recognised rateably over the separate production stages of each project.

Editing Equipment Rentals
Revenue from film editing equipment and editing suite rentals are structured as weekly rentals and the related revenue is recognised on a weekly basis during the rental period, using the accrual method of accounting.

Technical Services
Revenue earned from post-production services, such as encoding, transcoding, media duplication, and mastering, is recognised on a project by project basis upon completion of services provided.

Insurance Agency
Insurance agency revenue includes insurance provided for a variety of entertainment events including film, television, theatre, and concerts. Revenue is recognised once amounts are determinable and upon successful placement of each policy.

Content Distribution
Content distribution revenue is recognised over the distribution life of the film or from the direct sale of film rights.

Tax Credit Financing
Revenue from tax credit financing activities is recognised as the excess tax credits received after repayment of borrowings and company advances, if any.

Credit Card Fees
Revenue from fees earned on credit card spending is recognised as it is earned. The fee amounts are based on the amount of spending on each credit card.

2.8 Goodwill

Goodwill represents the excess of consideration over the fair value of the Group's share of the identifiable net assets acquired at the date of acquisition. Goodwill is carried at cost less accumulated impairment losses. Impairment losses are recognised in the income statement and cannot subsequently be reversed.

For the purpose of impairment testing, goodwill is allocated to cash-generating units ("CGUs"). The allocation is made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

The carrying value of goodwill for each CGU is reviewed annually for impairment, or more frequently when there is an indication that the unit may be impaired. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value-in-use.

2.9 Intangible assets

Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Identified intangible assets acquired as part of a business combination are customer relationships, trade names, non-competition agreements, and software. These intangible assets have a finite useful economic life and are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the expected life of the asset. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Customer Relationships	12 – 15 years
Trade Names	5 years
Non-competition Agreements	2-6 years
Software	2-7 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Intangible assets acquired as part of a business combination are reviewed for impairment annually or whenever events or changes in circumstances indicate that the carrying value may not be fully recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value-in-use. Intangible assets acquired as part of a business combination that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Impairment losses and reversal of impairment losses are recognised in the income statements.

Intangible assets also include acquired film distribution rights. These intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recorded in line with actual revenue recognised in the period over the total projected revenue. Impairment losses are recorded in the event that the present value of future proceeds is less than the carrying cost. The Group had one acquired film distribution rights deal, which was sold during the year.

Intangible assets also include capitalised film production costs. The Group has produced a documentary film with distribution occurring subsequent to the year end. All film costs are capitalised and included within intangible assets. The balance is amortised in line with actual revenue recognised in the period over total projected revenue. The film is projected to have a life of approximately 10 years. Impairment losses are recorded in the event that the present value of future proceeds is less than the carrying cost. No revenues have been recognised in the current year, therefore no amortisation was recognised during the period.

2.10 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. Leasehold improvements are amortised over the lives of the respective leases or the service lives of the improvements, whichever is shorter. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Editing Equipment	5 years
Fixtures and Fittings	5 - 7 years
Leasehold Improvements	5 - 15 years
Automobiles	7 years

Property, plant and equipment is reviewed for impairment annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Any property, plant and equipment that has suffered an impairment is reviewed for possible reversal of the impairment at each reporting date.

2.11 Leases

Leases in which a significant portion of risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

The Group as a lessor

Rental income from short-term operating leases relating to the rental of editing equipment is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.12 Current and deferred taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which the applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. The Group recognises deferred tax liabilities and assets for expected future income tax consequences of events that have been recognised in the Group's financial statements, which will either be taxable or deductible when the assets and liabilities are recovered or settled and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. The carrying value of the amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all, or part, of the tax asset to be utilised.

2.13 Borrowing costs

Borrowing costs are expensed in the period in which they are incurred and reported in finance costs. Arrangement and facility fees are capitalised with the borrowings and amortised over the life of the arrangement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2.14 Employee benefits

The Group sponsors various 401(k) plans across its operating segments for all eligible US employees. All US resident employees are eligible to participate in the plans after reaching the age of 18 or 21 and completing a certain number of months of service with the Group. Employees may defer compensation up to the limits prescribed by the US Internal Revenue Code. The plans provide for various levels of employer matching contribution relative to the employee's deferral. The Group is currently evaluating the need for a consolidated 401(k) plan.

The Group also pays for certain health and pension benefits for its employees in the US, UK, China, Sweden and Canada.

2.15 Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Unless otherwise stated financial assets and liabilities are subsequently measured at amortised cost. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.16 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable.

Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount or fair value less costs to sell.

2.17 Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held to maturity' investments, 'available for sale' (AFS) financial assets, and 'loans and receivables.' The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums and discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Loans and receivables

Loans and receivables, including loans due from related parties, are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including accounts and other receivables, bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired with where is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For available for sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assets not to be impaired individually.

2.18 Financial liabilities

Financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2.19 Accounts and other receivables

Trade receivables

The Group records as trade receivables amounts related to the outstanding fees on the short-term rental of editing equipment, insurance agency commissions and technical services billings. The Group also records trade receivable amounts related to completion contract fees not yet received as of the consolidated balance sheet date and receivables related to future tax credits on productions. These tax credits are usually collateral on loans that are used to provide financing to productions.

Insurance receivable

The Group records an insurance receivable related to losses incurred on completion contracts in excess of $5,000,000 (prior to 30 September 2017 this was $500,000), the Group's deductible amount. The change in 30 September 2017 occurred in conjunction with the formation of FFI Insurance Limited ('Captive'). The Group provides periodic updates on the latest claims positions to the insurers. Any claims in excess of $5,000,000 (prior to 30 September 2017 this was $500,000) are reimbursed by the insurer in accordance with the insurance policies.

Rebate receivable

Potential rebates consist of profit commissions in the form of cash due from underwriters as well as the release of insurance premiums held in escrow. Rebates are accrued throughout the year based on the difference between the provisional insurance premium and the final premium plus any claims incurred in excess of $5,000,000 (prior to 30 September 2017 this was $500,000). The change in 30 September 2017 occurred in conjunction with the formation of the Captive. The insurance company calculates rebates annually, no later than 15 months following the expiration of the policy period. Rebates are recorded as a reduction to the insurance expense.

Insurance agency receivable

The entertainment insurance agency receivable is related to the insurance premiums collected by the insurance agency on behalf of the underwriters. The receivable will be collected and held as restricted cash until it is used to settle the liability with the underwriters.

Film costs receivable

Film costs receivable represents the portion of film costs owed by third parties. The Group has funded 100% of the film costs and is therefore owed by each of the parties that have ownership interest in the film.

2.20 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2.21 Restricted cash

The Group, acting in a fiduciary capacity on behalf of certain financiers of films, receives cash that is restricted in use for the production of films. The Group is required to fund the production of the related films according to the production funding agreement. The Group records this cash received as restricted cash, with a corresponding payable to productions.

Restricted cash also includes insurance premiums held in escrow in connection with rebate conditions of the Group's insurance policy. The escrow funds will be released with the annual insurance rebate in the event that actual claims experienced are less than certain stipulated levels.

Restricted cash also includes insurance premiums collected by Reel Media, LLC, which are due to underwriters and cash held by FFI Insurance Limited to cover any potential claims.

2.22 Accounts and other payables

Accounts payable and accruals

The Group's liabilities include trade and other payables which principally comprise of amounts outstanding for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classifies as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Accounts payable are non-interest bearing and are initially measured at fair value and thereafter at amortised costs using the effective interest method.

Deferred revenues arise when the Group enters into a completion contract. Consideration received is initially deferred and recognised in line with the revenue recognition policy. Insurance agency payable is the amount of insurance premiums collected on behalf of underwriters and is offset by corresponding amounts in either restricted cash or receivables related to the insurance agency.

No claim bonuses payable

Certain completion contracts written by the Group provide for the return of a portion of the bond fee in the event that no claims are made against the contract. A liability is accrued for a no-claim bonus when the completion contract is consummated and paid upon the determination that no claims will be made on a specific contract. If a claim is made, any no-claim bonus liability is recognised as income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Insurance payable

Completion contracts written by the Group are primarily insured through a syndicate led by a UK based specialist insurance market. The Captive began participating in the Group's insurance policy on 1 October 2017. Film projects are insured on a title-by-title basis, for which the Group premiums are assessed based upon a sliding scale subject to certain deductibles and stop-loss provisions. Insurance premiums are due 45 days following the end of a month in which a completion contract is executed. The Group's facultative insurance policy has been historically renewed on an annual basis. Neither the Group nor the insurance companies are under obligation to renew the policies at their annual policy renewal date. If such policies were not renewed and a new insurance company was not secured, the impact would likely be significant to the operation of the Group.

The Group has used the same insurance provider for many years and has not had an issue renewing the policy. The Group has renewed the policy through 1 April 2019.

Insurance agency payable

The insurance agency payable is related to the entertainment insurance business. The payable is to underwriters and is settled with monies collected from customers. The Company collects the fees on behalf of the underwriters. As such a separate receivable is recorded, and any monies collected on behalf of the underwriters is held as restricted cash.

2.23 Prepaid expenses

Included in prepaid expenses are prepaid insurance costs. Insurance costs related to each project are deferred and recognised over the period of the contract. These costs are released in line with the recognition of revenue.

2.24 Provision for losses

In accordance with any completion contract entered into, the Group may incur costs to complete and deliver a particular film in the event a counter party to the completion agreement fails to do so. All completion contracts are insured with a maximum deductible of $5,000,000 (prior to 30 September 2017 this was $500,000) for each claim incurred on insured completion contracts, however the insurance policies also allow the insurer to claw back a portion of claims paid in excess of $5,000,000 (prior to 30 September 2017 this was $500,000) against certain layers of insurance rebates due to the Group. The change in 30 September 2017 occurred in conjunction with the formation of the captive. The Group may receive recoveries of losses from the exploitation of the film subject to the completion bond contract. Such recoveries are recognised as a reduction of costs related to revenue when received.

In connection with this reserve, management performs an evaluation of periodic production accounting reports, visitation during various stages of production, and communication with various personnel associated with the production of the film.

2.25 Areas of significant management judgment

The following are significant management judgments made in applying the accounting policies of the Group that have the most significant effect on the historical financial information.

Recognition of revenues from completion contracts

The Group takes on risk as soon as the contract is executed, and the incurred risk follows production spending throughout the stages of the project. Determining when to recognise revenues from these completion contracts in line with the risk incurred requires an understanding of the budget, contracts, historical experience, and knowledge of the industry.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Classification of EP Financial Solutions as a joint venture

EP Financial Solutions is a limited liability company whose legal form confers separation between the parties to the joint arrangement and the company itself. Furthermore, there is no contractual arrangement or any other facts and circumstances that indicate that the parties to the joint arrangement have rights to the assets and obligations for the liabilities of the joint arrangement. Accordingly, EP Financial Solutions was classified as a joint venture of the Group. In the current year the investment is classified as held for sale. See note 20 for details.

Insurance rebates

The Group is entitled to insurance rebates if the actual claims are less than certain stipulated levels within the insurance policy. The insurance company calculates rebates 15 months following the expiration of the policy period, therefore the Group must calculate the insurance rebate to be received each period based on the actual claims for each contract and the stipulated levels within the insurance contract.

Provision for losses

The Group will calculate a provision for losses as soon as the loss is probable and estimable. The Group estimates each loss by evaluating the degree of over budget costs against contingency of the budget and the possibility of recoveries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Control over Panda Productions, LLC

Note 19 describes that Panda Productions, LLC is a subsidiary of the Group even though the Group has no ownership interest in Panda Productions, LLC. Panda Productions, LLC is an investment that was entered into by key management personnel. The key management personnel owns 50% of the investment and has direct control overs its dealings. The key management personnel has assigned all Panda Productions, LLC proceeds to the Group.

The Directors of the Group assessed whether or not the Group has control over Panda Productions, LLC based on whether the Group has the practical ability to direct the relevant activities of Panda Productions, LLC unilaterally. In making their judgement, the directors considered the Group's absolute holdings in Panda Productions, LLC and the relative size of the dispersion of the shareholdings owned by the other investor. After assessment, the directors concluded that the Group has sufficiently dominant voting interest to direct the relevant activities of Panda Productions, LLC and therefore the Group has control over Panda Productions, LLC. If the directors had concluded that the Group did not have control, Panda Productions, LLC would instead have been classified as an associate and the Group would have accounted for it using the equity method of accounting.

Control over DSK Ventures Limited

Note 19 describes that DSK Ventures Limited is a subsidiary of the Group even though the Group has no ownership interest in DSK Ventures Limited. DSK Ventures Limited provides tax credit financing deals. There is an agreement in place between DSK Ventures Limited and KSD Holdings LLC that assigns all profits from DSK Ventures Limited to KSD Holdings LLC. KSD Holdings LLC is 70% owned by the Group. The tax credit financing deals are actively managed by DSK Ventures Limited and the Group.

The Directors of the Group assessed whether or not the Group has control over DSK Ventures Limited based on whether the Group has the practical ability to direct the relevant activities of DSK Ventures Limited unilaterally. In making their judgement, the directors considered the Group's absolute holdings in DSK Ventures Limited and the overall dispersion of the profits. After assessment, the directors concluded that the Group has sufficiently dominant voting interest to direct the relevant activities of DSK Ventures Limited and therefore the Group has control over DSK Ventures Limited. If the directors had concluded that the Group did not have control, DSK Ventures Limited would instead have been classified as an associate and the Group would have accounted for it using the equity method of accounting.

Control over Reel Media Canada, Inc.

The Group has 50% ownership interest in Reel Media Canada, Inc., through Reel Media LLC. Reel Media LLC was acquired on 20 December 2017 and is an insurance agency that helps provide insurance agency services for a variety of entertainment events including film, television, theatre, and concerts.

The Directors of the Group assessed whether or not the Group has control over Reel Media Canada, Inc. based on whether the Group has the practical ability to direct the relevant activities of Reel Media Canada, Inc. unilaterally. In making their judgement, the directors considered the Group's absolute holdings in Reel Media Canada, Inc. and the relative size of the dispersion of the profits. After assessment, the directors concluded that the Group does not have sufficiently dominant voting interest to direct the relevant activities of Reel Media Canada, Inc. and therefore the Group does not have control over Reel Media Canada, Inc.. As such, Reel Media Canada, Inc. has been classified as a joint venture and is accounted for using the equity method of accounting.

Fair value of shares received on Realta Production Group, Inc. disposal

In consideration for its disposal of Realta Production Group, Inc. the Group received 542 shares in Film Finances, Inc. The fair value of these shares of $2,810,564 was determined with reference to a comparable market transaction which occurred at the same time and the directors consider this an appropriate basis.

Contingent consideration

The Group has recognised contingent consideration in regard to the acquisition of several subsidiaries during the year. The contingent consideration is calculated on the future performance of each subsidiary. The Group has used all information available, including historical information as well as forecasts for each subsidiary in determining the liability.

2.26 Key sources of estimation uncertainty

Revenue recognition

In order to recognise completion contract revenue within the time period of each stage of the contract, the Group utilises a ratio equal to the actual days incurred over the budgeted number of days within each stage multiplied by the percentage of the bonded budget allocated to the stage. Determining what percentage of revenue should be recognised at the different stages of each contract requires an estimation of the breakdown of the bonded budget expenditures over the contractually covered stages of each contract. Note 3 provides a breakdown of the total revenue recognised on completion contracts.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual cash flows are less than expected, a material impairment loss may arise. No impairment losses have been recognised to date.

The carrying amount of goodwill at 31 March 2018 was $31,215,954 (31 March 2017: $9,871,423). No impairment losses have been recognised. Details of impairment testing are set out in note 14.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Valuation of intangible assets

To determine the fair value of acquisition related intangible assets, valuation techniques were adopted. These techniques use a variety of estimates, including expected future results and projected future cash flows, which are discounted using appropriate discount rates. See note 33 for the intangible assets acquired during the year.

Useful lives of assets

The expected lives of intangible assets are estimated based on operational experience and the expectations that the customer relationships, trade names, non-competition agreements, and software will continue to provide additional synergies to the Group. Should any circumstances arise that would shorten the overall life, the carrying value of the asset may require adjustment.

Provision for losses

Reserves for losses represent management's estimate of the amount of expected costs associated with the completion of films, which includes the estimated deductible for claims on insured contracts. The resulting reserve for losses liability is periodically reviewed, and any adjustments are reflected in earnings at that time. As shown in note 27, the balance at 31 March 2018 was $609,556 (31 March 2017: $777,246).

Rebate receivable

The expected rebate receivable is estimated based on management experience and historical evidence. The rebate receivable balance at 31 March 2018 was $3,122,784 (31 March 2017: $2,302,824).

Deferred tax

The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities. Such changes to tax liabilities will impact tax expense in the period that such determination is made.

No deferred tax was recorded on the intangible assets acquired during the year as the fair value of the assets and liabilities acquired did not differ from their tax base.

The Group has recognised deferred taxes on operating losses, deferred revenue, accrued bonuses, stock option, capitalised expenses, intangible assets, rebate receivables and depreciation. See note 9 for a breakdown of the deferred tax liabilities and deferred tax assets.

Carrying amount of assets and liabilities

The Group believes the overall carrying amounts of those assets and liabilities where there is estimation or uncertainty are properly stated, in particular, the provision for losses and the contingent consideration recognised as part of the business combination. See note 27 for more information on provision for losses. See note 33 for more information on the contingent consideration.

Share-based payments

The Group issued executive options to subscribe for ordinary shares to three employees during the year, which are measured at fair value. In estimating the fair value, the Group has used market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages a third party qualified valuer to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value are disclosed in note 13.

3. Segmental Information

For management purposes, the Group is organised into six operating segments; completion contracts, editing equipment rentals, technical services, insurance agency, tax credit financing, and content distribution. These segments are the basis on which the Group reports internally to the Directors, who have been identified as the chief operating decision makers.

Revenue and costs not included in one of these operating segments, for example central overheads, have not been allocated to an operating segment in line with the way they are reported to the chief operating decision makers. The Captive costs are included with the completion contracts.

The principal activities of the operating segments are as follows:

Completion Contracts

The main segment of the Group is to provide completion contracts to financers and distributors in connection with the production of film and television content.

Editing Equipment Rental

A segment of the Group provides film editing equipment and editing suite rentals. The Group acquired EPS-Cineworks, Inc. on 10 November 2017 to expand the editing equipment rentals segment. EPS-Cineworks, Inc. provides post-production equipment rental and software services with a focus on theatrical and television productions in North America. In the prior year, Rainbow Production Services, LLC was acquired on 28 February 2017. See note 33.

Technical Services

Buff Dubs was acquired on 1 December 2017 and is a post-production services company in Australia with capabilities in encoding, transcoding, media duplication, and mastering for film and television productions (see note 33). This is a new operating segment for the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Insurance Agency

Reel Media LLC was acquired on 20 December 2017 and is an insurance agency that helps provide insurance agency services for a variety of entertainment events including film, television, theatre, and concerts (see note 33). This is a new operating segment for the Group.

Tax Credit Financing

A segment of the Group provides tax credit financing in the entertainment industry.

Content Distribution

A segment of the Group acquires and distributes film content.

For the year ended 31 March 2018	Completion contracts USD	Editing equipment rental USD	Technical services USD	Insurance agency USD	Tax credit financing USD	Content distribution USD	Unallocated corporate expenses USD	Group USD
Total revenue	39,527,383	13,806,215	1,073,939	2,191,835	290,370	2,000,000	-	58,889,742
Gross profit	34,284,721	7,551,319	460,909	1,268,296	287,718	1,000,000	-	44,852,963
Operating profit/(loss)	**13,695,764**	**2,430,585**	**(203,971)**	**(1,196,557)**	**280,907**	**1,000,000**	**(10,698,413)**	**5,308,315**
Finance income	31,784	-	-	4,175	-	-	-	35,959
Finance costs	(33,421)	(41,617)	(1,657)	-	(22,948)	-	-	(99,643)
Net profit from joint venture	-	-	-	25,723	-	-	-	25,723
Profit/(loss) before taxation	**13,694,127**	**2,388,968**	**(205,628)**	**(1,166,659)**	**257,959**	**1,000,000**	**(10,698,413)**	**5,270,354**

For the year ended 31 March 2017	Completion contracts USD	Editing equipment rental USD	Technical services USD	Insurance agency USD	Tax credit financing USD	Content distribution USD	Unallocated corporate expenses USD	Group USD
Total revenue	37,564,994	931,397	-	-	315,734	-	-	38,812,125
Gross profit	29,493,805	560,252	-	-	267,518	-	-	30,321,575
Operating Profit/(loss)	**11,863,380**	**272,548**	**-**	**-**	**214,351**	**-**	**(1,894,445)**	**10,455,834**
Finance income	42,310	-	-	-	-	-	-	42,310
Finance costs	-	-	-	-	(202,205)	-	-	(202,205)
Profit/(loss) before taxation	**11,905,690**	**272,548**	**-**	**-**	**12,146**	**-**	**(1,894,445)**	**10,295,939**

The Group's revenue from continuing operations from external customers by location of operations are detailed below:

	2018 USD	2017 USD
Asia	5,302,189	6,293
Australia	2,964,810	2,156,006
Europe	6,357,528	5,499,305
Middle East & Africa	146,179	130,771
North America	42,119,036	31,019,750
South America	2,000,000	-
	58,889,742	**38,812,125**

There were no single customers that contributed 10% or more of the Group's revenue for the years ended 31 March 2018 (2017: $nil).

There was no dividend income earned for the year ending 31 March 2018 (2017: $nil). See Note 20 for more information on the investment in the joint venture.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

4. Cost of sales

The cost of sales is made up of the following charges/(credits):

	2018 USD	2017 USD
Staff costs	4,047,089	193,776
Insurance costs	11,636,243	15,977,127
Insurance rebate	(8,086,849)	(7,688,559)
Net claims/(recoveries)	1,273,708	(295,662)
Content/distribution fees	1,000,000	-
Commissions expense	923,539	-
Monitoring	189,804	19,645
Legal	14,233	44,188
Depreciation	1,532,238	81,923
Other	1,506,774	158,112
	14,036,779	**8,490,550**

5. Expenses

The profit before taxation is stated after charging/(crediting):

	2018 USD	2017 USD
Staff costs	15,537,590	10,915,773
Operating lease rentals	4,537,855	1,591,143
Depreciation of property, plant and equipment	148,090	132,847
Amortisation of intangible assets	643,513	82,694
Exchange rate transactional differences	80,990	(263,911)
Bad debt expense	-	334,071
Other administrative costs	8,486,600	6,060,712
	29,434,638	**18,853,329**

	2018 USD	2017 USD
Exceptional costs		
Initial public offering costs (note 8)	9,506,943	-
Acquisition costs (note 33)	1,191,470	-
Disposal of Realta Production Group, Inc. (note 34)	-	1,579,306
Other	-	315,139
Total exceptional costs	**10,698,413**	**1,894,445**

Costs of $9,506,943 were recognised during the year related to the initial public offering costs (see note 8). Included in these costs was $3,807,511 of stock compensation costs and $369,275 in consulting fees paid to a director as part of a pre-IPO arrangements. Costs of $1,191,470 were recognised during the year related to acquisition costs (see note 33).

Costs of $1,579,306 were recognised during the prior year in respect of the disposal of Realta Production Group, Inc. (see note 34) and to other legal matters connected with pre-IPO shareholder transactions. Costs of $315,139 were recognised during the prior year in respect to failed share purchase transactions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

These costs have been included as exceptional costs on the statement of comprehensive income.

	2018 USD	2017 USD
Employment costs for the Group (including Executive Directors)		
Wages, salaries and commissions	16,758,384	9,479,595
Social security costs	1,209,531	763,013
Benefits	1,197,540	668,852
Pension-defined contribution plan	419,224	198,089
	19,584,679	**11,109,549**
Included in the wages, salaries and commissions are the following amounts paid to the Directors:		
Directors emoluments	1,323,356	2,809,650
Pension-defined contribution plan	7,950	21,200
	1,331,306	**2,830,850**

Wage and salary costs were inclusive of bonus payments totalling $1,338,731 (2017: $1,540,885).

	2018 Average USD	2017 Average USD
Number of employees in the Group		
Completion contracts	76	70
Editing equipment rental	35	4
Insurance agency	7	-
Technical services	9	-
	127	**75**

The employee numbers reflect the average employees of the Group for the year, including those employees who joined the Group through acquisitions.

More detailed information concerning the Directors' remuneration, pension entitlements, and other long term incentive plans is included in the Directors' Remuneration Report on page 26.

6. Audit, audit related and other non-audit services

The following fees were paid or are payable to the Group's auditors.

	2018 USD	2017 USD
Audit services:		
The audit of the parent company and the consolidated financial statements	301,028	197,275
	301,028	**197,275**
Other non-audit services:		
Tax services	200,110	95,850
IPO related services	232,980	-
Other	7,004	-
	440,094	**95,850**
Total services	**741,122**	**293,125**

7. Financing income and finance costs

Financing income and finance costs for the reporting periods consist of the following:

	2018 USD	2017 USD
Financing income		
Bank interest	35,959	42,310
Total financing income	**35,959**	**42,310**
Finance costs		
Bank interest	99,643	202,205
Total finance expense	**99,643**	**202,205**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

8. Initial Public Offering

On 30 June 2017 the Group published its AIM Admission Document following its successful $38.8m fundraising. Its ordinary shares of £0.01 each were admitted to trading on the AIM market on 30 June 2017.

The Group issued 20,997,375 shares at a price of $1.94 per share, valuing the group at approximately $306m on issue and raising $40.8m before expenses. Total expenses of the Initial public offering ('IPO') and fundraising were $11,520,507, of which $2,013,564 were directly attributable to the issue of the new shares and have been charged to the Share Premium account. The balance of $9,506,943 has been charged to the Consolidated Income Statement and included within administrative expenses in the period ended 30 September 2017.

To facilitate the IPO, FFI Holdings Plc was incorporated on 30 May 2017 and acquired the entire issued share capital of Film Finances, Inc. and Subsidiaries under a share for share exchange on 30 June 2017.

A number of one-off and non-cash items, totalling $9,506,943 are summarised in the following table.

	2018 USD	2017 USD
Exceptional Costs		
Expenses of the IPO – one off	5,699,432	-
Equity settled share based payment transactions – non-cash	3,807,511	-
	9,506,943	**-**

9. Taxation

The charge to taxation consists of income taxes currently due or refundable plus deferred taxes arising from the timing differences between financial and income tax reporting.

The income tax provision consists of the following:

	2018 USD	2017 USD
Current	7,567,079	3,312,528
Deferred	(3,799,306)	1,205,913
	3,767,773	**4,518,441**

The income tax expense for the year can be reconciled to the accounting profit as follows:

	2018 USD	2017 USD
Profit before tax from continuing operations	5,270,354	10,295,939
Tax on book income at Federal statutory rate (effective rate of 34%)	1,662,797	3,500,619
State income tax (5.19%), net of federal benefit	192,104	348,913
Non-deductible expenses	1,883,905	11,975
Effect of different tax rates of subsidiaries in foreign jurisdiction	92,285	68,656
Effect of tax credits of subsidiaries in foreign jurisdiction	292,375	103,152
Other return to provision adjustments	(330,184)	278,079
Change in statutory rate	(25,509)	-
Adjustment to deferred income tax	-	207,047
	3,767,773	**4,518,441**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

The provision for deferred income taxes results from temporary differences in the recognition of transactions for financial statement and tax purposes. The nature of the tax effects of those differences in each year were as follows:

	2018 USD	2017 USD
Deferred tax assets		
Net operating loss	-	49,542
Deferred revenue	137,534	-
Accrued bonus	276,666	-
Stock options	997,258	-
State taxes and other	215,435	596,537
Total Assets	**1,626,893**	**646,079**
Deferred tax liabilities		
Deferred revenue	-	2,386,420
Capitalised expenses	522,495	1,035,330
Customer relationships	154,106	311,921
Rebate receivable	817,915	863,577
Depreciation	137,062	70,413
Total liabilities	**1,631,578**	**4,667,661**
Net deferred tax assets and liabilities		
Deferred tax assets	1,626,893	646,079
Deferred tax liabilities	(1,631,578)	(4,667,661)
Net deferred tax liability	**(4,685)**	**(4,021,582)**

The Group files state income tax returns in various states, which may have different statutes of limitations. Generally, state income tax returns for the years ended 31 March 2015 through present are subject to examination. The Group also files tax returns in foreign jurisdictions, including the United Kingdom and Canada. The periods open to general examination for the United Kingdom are the years ended 31 March 2016 through present. The federal tax returns for the years ended 31 March 2016 and 2017 are currently under examination by the U.S. Internal Revenue Service (IRS). As of the date of this report, the IRS has not proposed any adjustment.

U.S. and foreign withholding taxes have not yet been recognised on the excess of the amount for financial reporting over the tax basis of investments in foreign subsidiaries that are essentially permanent in duration. Determination of the amount of any unrecognised deferred income tax liability on the excess of the financial reporting basis over the tax basis of investments in foreign subsidiaries, if any, has not been made. In the event that foreign earnings are to be remitted, the additional U.S. income tax expense would be immaterial.

Factors that may affect the Group's future tax charge include the impact of corporate restructuring, the resolution of open tax issues, future planning opportunities, corporate acquisitions and disposals, the use of roll forward tax losses and changes in tax legislation and tax rates.

At 31 March 2018, the Group has no federal or state net operating loss carryforward (2017: $1,000 state net operating loss carryforward.

FFI Holdings Plc is a taxable entity by the US IRS due to inversion tax laws.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

10. Earnings per share

Basic earnings per share has been calculated on the earnings after tax for the period and the weighted average number of ordinary shares in issue during the period.

	2018 USD	2017 USD
Weighted average number of shares in issue	151,791,904	136,043,873
Profit for the year attributable to owners of the Company	1,428,769	8,429,493
Total basic earnings per share (cents)	0.94	6.20
Weighted average number of shares in issue	151,791,904	136,043,873
Share options	1,918,219	-
Weighted average fully diluted number of shares in issue	153,710,123	136,043,873
Total fully diluted earnings per share (cents)	0.93	6.20
Continuing earnings for the year	1,502,581	5,777,498
Continuing basic earnings per share (cents)	0.99	4.25
Continuing fully diluted earnings per share (cents)	0.98	4.25

11. Dividends

There were no dividends declared or paid in 2018 (2017: $nil).

12. Share capital

	Number of ordinary Shares of £0.01	Number of redeemable shares of £1.00	Total USD
At 30 May 2017 on incorporation	1	-	-
Issued on 31 May 2017	-	50,000	64,810
Cancellation of shares 30 June 2017	-	(50,000)	(64,810)
Issued on 30 June 2017 related to share for share agreement (note 2.2)	136,043,872	-	1,763,402
Issued on 30 June 2017 related to IPO (note 8)	20,997,375	-	272,168
At 31 March 2018	**157,041,248**	**-**	**2,035,570**

13. Share-based payments

On 30 June 2017, the date of admission, the Group granted to two directors and one employee executive options to subscribe for ordinary shares. These options were issued at the time of the IPO to replace pre-IPO arrangements and vest on 15 June 2018. All options are equity settled. The executive options have an exercise price $0.40 per share.

The table below shows the number of executive options granted to each recipient:

Kevin Hyman	President of Rainbow Production Services, LLC	557,780
Timothy Trankina	Chief Financial Officer	1,020,329
Antony Mitchell	Chief Operating Officer	1,020,329

All executive options for Kevin Hyman and Timothy Trankina became fully vested and exercisable at the date of admission. In the case of Antony Mitchell, one-third of his executive options became fully vested and exercisable at the date of admission, and one-third will vest and become exercisable on each of the first two anniversaries of such date thereafter.

Once vested, the executive options may be exercised in full or in part by the recipient by following the procedures established by the Group. With respect to the executive options granted to Timothy Trankina, 765,247 of the executive options expired on 15 June 2018 and 255,082 of the executive options expire on the fifth anniversary of the date of grant. All executive options granted to Kevin Hyman expired on 15 June 2018. The executive options granted to Antony Mitchell expire no later than 15 June following the year in which such portion of his executive options vest. In each case, if the recipient's employment is terminated, all executive options must be exercised within 90 days after the date of termination, or the date on which such executive options otherwise expire.

At 30 June 2017, the date of admission, the Group has charged $3,174,652 as a share-based payment expense for all executive options fully vested and exercisable at the date of admission. At 31 March 2018, the Group has charged an additional $632,859 as a share-based payment expense for the additional shares for Antony Mitchell that became fully vested and exercisable. At 31 March 2018 the Group has charged an aggregate amount of $3,807,511 as a share-based payment expense for all executive options fully vested and exercisable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Options were valued using a Black-Scholes model and will be charged through the profit and loss account over the vesting period. Volatility has been determined based on the historical common stock price volatility of selected guideline public companies over the last three years, as there is no historical stock price volatility for the Group. The risk free rate represents the yield on US Treasury notes with a maturity that approximates the expected term of each series of options.

The assumptions used in valuing the executive options are a risk free rate range of 1.23% - 1.45%, volatility range of 29% - 30.3%, and an expected life between 0.96 years and 2.5 years. The weighted average remaining contractual life of the options is 1 year. The fair value of the series of options has been calculated as $1.65 - $1.66.

In addition to the executive options, the Group intends to implement a new discretionary equity incentive plan under which awards can be granted in the form of options to acquire ordinary shares (stock options) or rights to receive a payment equal to the appreciation of an ordinary share (stock appreciation rights). The plan is currently being reviewed by management and is subject to board approval.

14. Goodwill

	2018 USD	2017 USD
Cost	9,871,423	8,540,934
Additional amount recognised from business combinations occurring during the year (note 33)	21,644,531	1,330,489
Adjustment to prior year	(300,000)	-
Balance at end of year	**31,215,954**	**9,871,423**

Goodwill represents the excess consideration over the fair value of the Group's share of the net identifiable assets and liabilities of the acquired subsidiary at the date of acquisition.

Goodwill acquired through business combinations is allocated to CGU's for impairment testing. The goodwill balance was allocated to the following CGU's:

	2018 USD	2017 USD
Completion contracts	8,240,934	8,540,934
Editing equipment rental	5,219,695	1,330,489
Insurance agency	16,411,760	-
Technical services	1,343,565	-
Total	**31,215,954**	**9,871,423**

The recoverable amount for each CGU is determined using a value in use calculation. This calculation uses pre-tax cash flow projections derived from 2019 budgets, as approved by the Directors, with an underlying growth rate of 1% - 3% per annum in years 2 to 5. After year 5 a terminal value has been applied using an underlying long-term growth rate of 1%. No additional specific growth has been assumed beyond year 1. The pre-tax cash flows are discounted to present value using the Group's pre-tax weighted average cost of capital ("WACC"), which was 15%. This rate was calculated using the Capital Asset Pricing Model with an estimated cost of debt and equity, with appropriate small company risk factors.

The value-in-use exceeds the total goodwill value across the Group. The impairment review of the Group is sensitive to changes in the key assumptions, most notably the pre-tax discount rate, the terminal growth rate and the projected operating cash flows. Reasonable changes to these assumptions are considered to be:

- 1.0% increase in the pre-tax discount rate.
- 1.0% decrease in the terminal growth rate.
- 10.0% decrease in projected operating cash flows.

Reasonable changes to the assumptions used, considered in isolation, would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

15. Intangible assets

	Film distribution rights USD	Capitalised film costs USD	Trade names USD	Non-competition agreement USD	Customer relationships USD	Software USD	Total USD
Cost							
At 1 April 2017	1,000,000	1,989,016	220,000	250,000	2,280,000	-	5,739,016
Additions	-	3,897,010	1,133,941	907,029	9,973,441	122,096	16,033,517
Disposal	(1,000,000)	-	-	-	-	-	(1,000,000)
Reclass to receivable	-	(4,394,633)	-	-	-	-	(4,394,633)
At 31 March 2018	**-**	**1,491,393**	**1,353,941**	**1,157,029**	**12,253,441**	**122,096**	**16,377,900**
Amortisation							
At 1 April 2017	-	-	(3,667)	(3,472)	(258,889)	-	(266,028)
Charge for the period	-	-	(115,597)	(101,564)	(420,538)	(5,814)	(643,513)
At 31 March 2018	**-**	**-**	**(119,264)**	**(105,036)**	**(679,427)**	**(5,814)**	**(909,541)**
Net carrying amount at 31 March 2018	**-**	**1,491,393**	**1,234,677**	**1,051,993**	**11,574,014**	**116,282**	**15,468,359**
Cost							
At 1 April 2016	-	-	-	-	1,000,000	-	1,000,000
Additions	1,000,000	1,989,016	220,000	250,000	1,280,000	-	4,739,016
At 31 March 2017	**1,000,000**	**1,989,016**	**220,000**	**250,000**	**2,280,000**	**-**	**5,739,016**
Amortisation							
At 1 April 2016	-	-	-	-	(183,334)	-	(183,334)
Charge for the period	-	-	(3,667)	(3,472)	(75,555)	-	(82,694)
At 31 March 2017	**-**	**-**	**(3,667)**	**(3,472)**	**(258,889)**	**-**	**(266,028)**
Net carrying amount at 31 March 2017	**1,000,000**	**1,989,016**	**216,333**	**246,528**	**2,021,111**	**-**	**5,472,988**

Amortisation costs are charged through administrative and other expenses.

Customer relationships exist due to the acquisition of additional subsidiaries each year. The estimated useful lives of these relationships range from 12 – 15 years. The remaining amortisation period of these relationships range from 11 – 15 years.

No amortisation costs were recognised on the film distribution rights or capitalised film costs during the year. The film distribution rights were sold during the year for $2,000,000, which has been included in total revenues on the statement of comprehensive income. No amortisation was recognised on the film distribution rights in the prior year as the film had not yet been released, therefore no revenues had been recognised.

The capitalised film costs are related to a documentary film that the Group has funded. The film was released subsequent to year end in April 2018. Although all costs are currently being incurred by the Group, 78.125% of the total costs will be recovered from outside investors, therefore a portion of the costs was reclassified to accounts receivable during the period (see note 21). The remaining costs will be amortised over the expected life of the film.

16. Investments

Investments are related to the Group's 2.5% ownership in Chinese Theatres Holdings LLC, which owns and operates the Chinese Theatre in Hollywood. Investments are carried at costs less impairment.

	2018 USD	2017 USD
Total investments	**283,113**	**283,113**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

17. Other non-current assets

Other long-term assets principally consist of prepaid expenses and deposits. These items are considered long-term as they will not be settled within the 12 months following the end of the reporting period.

	2018 USD	2017 USD
Prepaid expenses	191,519	326,819
Loans due from related parties (note 31)	487,083	-
Deposits	812,288	414,460
Total	**1,490,890**	**741,279**

18. Property, plant, and equipment

	Editing equipment USD	Automobiles USD	Leasehold improvements USD	Fixtures and fittings USD	Total USD
Cost					
At 1 April 2017	9,036,774	-	166,417	1,631,783	10,834,974
Additions	1,247,245	31,734	125,644	98,189	1,502,812
Acquired through acquisition (note 33)	6,513,417	87,704	216,798	451,577	7,269,496
At 31 March 2018	**16,797,436**	**119,438**	**508,859**	**2,181,549**	**19,607,282**
Depreciation					
At 1 April 2017	(6,611,249)	-	(29,527)	(1,236,762)	(7,877,538)
Charge for period	(1,491,916)	(8,834)	(37,195)	(142,383)	(1,680,328)
Acquired through acquisition (note 33)	(4,899,511)	(43,699)	(70,161)	(352,766)	(5,366,137)
Adjustment	-	-	-	(35,890)	(35,890)
At 31 March 2018	**(13,002,676)**	**(52,533)**	**(136,883)**	**(1,767,801)**	**(14,959,893)**
Net book value at 31 March 2018	**3,794,760**	**66,905**	**371,976**	**413,748**	**4,647,389**
Cost					
At 1 April 2016	-	-	160,750	1,594,162	1,754,912
Additions	166,358	-	28,678	65,131	260,167
Acquired through acquisition (note 33)	8,870,416	-	125,721	5,782	9,001,919
Disposals	-	-	(148,732)	(33,292)	(182,024)
At 31 March 2017	**9,036,774**	**-**	**166,417**	**1,631,783**	**10,834,974**
Depreciation					
At 1 April 2016	-	-	(154,843)	(1,027,211)	(1,182,054)
Charge for period	(80,368)	-	(3,515)	(130,887)	(214,770)
Acquired through acquisition (note 33)	(6,530,881)	-	(19,901)	(2,313)	(6,553,095)
Disposal	-	-	148,732	33,292	182,024
Adjustment	-	-	-	(109,643)	(109,643)
At 31 March 2017	**(6,611,249)**	**-**	**(29,527)**	**(1,236,762)**	**(7,877,538)**
Net book value at 31 March 2017	**2,425,525**	**-**	**136,890**	**395,021**	**2,957,436**

Depreciation expense is charged to costs related to revenue and administrative and other expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

19. Group Undertakings

FFI Holdings Plc owns 100% of Film Finances, Inc. and FFI Insurance Limited (the 'Captive'). All other holdings are held indirectly through Film Finances, Inc. Details of the interest in subsidiaries held directly and indirectly at the end of the reporting period are as follows:

Name of subsidiary	Country of incorporation/ principal operation	2018 USD	2017 USD
Held directly:			
Film Finances, Inc.	USA	100%	100%
FFI Insurance Limited (xi)	Bermuda	100%	Nil
Held indirectly:			
Film Finances Canada Ltd.	Canada	100%	100%
Film Finances Scandinavia AB	Sweden	60%	60%
Film Finances Limited (formerly Film Finances Services Limited)	United Kingdom	100%	100%
Film Finances GmbH-Munich (dormant)	Germany	100%	100%
Realta Production Group, Inc. (i)	USA	Nil	Nil
DaDa Productions, Inc. (dormant) (vii)	USA	n/a (vii)	n/a (vii)
Film Finances GmbH-Germany	Germany	100%	100%
KSD Holdings LLC	USA	70%	70%
Nordic Capital Media AB (ix)	Sweden	n/a (ix)	60%
Film Finances Singapore PTE LTD	Singapore	100%	100%
Film Finances Hungary	Hungary	100%	100%
PBL Finance	USA	100%	100%
FF Network	USA	100%	100%
Great Outlook	Malaysia	100%	100%
FF Asia	USA	100%	100%
Film Finances China Cultural Services Ltd.	China	100%	100%
Film Finances SA PTY LTD	South Africa	100%	100%
Film Finances S.R.O.	Czech Republic	100%	100%
DSK Productions Inc. (dormant) (vii)	USA	n/a (vii)	n/a (vii)
FF Sales, Inc. (dormant) (vii)	USA	n/a (vii)	n/a (vii)
Film Finances New Mexico, LLC	USA	100%	100%
Film Finances Louisiana, LLC	USA	100%	100%
FF of Carolina, LLC (viii)	USA	n/a (viii)	100%
Film Finances Pennsylvania, LLC	USA	100%	100%
Film Finances Alabama, LLC	USA	100%	100%
Film Finances Scandinavia APS (dormant) (ix)	Denmark	n/a (ix)	100%
DSK Ventures Limited (ii)	United Kingdom	Nil	Nil
Cashet Card, LLC (iii)	USA	Nil	Nil
Cashet Card Holdings, LLC (formerly Film Travel Holdings) (iii)	USA	Nil	Nil
Rainbow Production Services, LLC (iv)	USA	100%	100%
Rainbow Digital Services LLC (iv)	USA	100%	100%
Pivotal Post Limited (iv)	United Kingdom	100%	100%
Post Production Pivotal (Quebec) Inc. (iv)	Canada	100%	100%
Pivotal Post Corporation (iv)	Canada	100%	100%
Film Finances, Inc. (Bahamas) (v)	Bahamas	100%	100%
Panda Productions LLC (vi)	USA	(vi)	Nil
FFI Media Holdings Inc. (x)	USA	100%	Nil
Buff Dubs Pty. Ltd. (xii)	Australia	100%	Nil
EPS-Cineworks, Inc. (xii)	USA	100%	Nil
Reel Media, LLC (xii)	USA	100%	Nil

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

(i) Realta Production Group, Inc. was sold in the prior year. See note 35.

(ii) DSK Ventures Limited is 70% owned by key management personnel of the Group. The service agreement between KSD and DSK as well as control by the key management personnel gives the Group indirect control.

(iii) Cashet Card, LLC is 50% owned by Realta Production Group, Inc., a formerly fully owned subsidiary. Cashet Card Holdings, LLC is 100% owned by Cashet Card, LLC. Realta Production Group, Inc. was sold during the prior year; therefore the Group no longer had control over Cashet Card Holdings LLC and Cashet Card, LLC as of 31 March 2017. See note 35.

(iv) Rainbow Production Services, LLC and subsidiaries (Rainbow Digital Services LLC, Pivotal Post Limited, Post Production Pivotal (Quebec) Inc. and Pivotal Post Corporation) were purchased during the prior year. See note 33.

(v) Film Finances, Inc. (Bahamas) was incorporated on 19 December 2016 and became a subsidiary at that date.

(vi) Panda Productions LLC is 50% owned by key management personnel of the Group. The service agreement between the key management personnel and Panda Productions LLC gives the Group rights to variable returns from the entity, which gives the Group indirect control.

(vii) The following entities, which were previously dormant, were dissolved in the prior year:

a. DaDa Productions, Inc., 9 May 2016

b. DSK Productions, Inc., 7 November 2016

c. FF Sales, Inc., 7 November 2016

(viii) On 17 July 2017 the dormant entity FF of Carolina was dissolved.

(ix) The following entities were disposed of during the year (note 34):

a. Film Finances Scandinavia APS, 16 May 2017

b. Nordic Capital Media, 26 October 2017

(x) FFI Media Holdings Inc. was incorporated on 25 October 2017. The Company was set up to acquire Reel Media, LLC.

(xi) FFI Insurance Limited was incorporated on 12 July 2017 and became a subsidiary at that date.

(xii) Buff Dubs Pty. Ltd., EPS-Cineworks, Inc., and Reel Media, LLC were purchased during the year. See note 33.

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interest:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the non-controlling interest		Other comprehensive income allocated to non-controlling interest		Accumulated non-controlling interests	
		2018	2017	2018 USD	2017 USD	2018 USD	2017 USD
KSD Holdings LLC (i)	USA	30%	30%	85,424	(1,484)	38,285	57,895
Cashet Card, LLC (ii)	USA	0%	0%	-	143,346	-	-
Individually immaterial subsidiaries with non-controlling interests				(13,669)	30,777	65,626	81,225
Total				**71,755**	**172,639**	**103,911**	**139,120**

(i) A distribution to holders of non-controlling interest of $105,034 was made by KSD Holdings, LLC during the year.

(ii) Prior to its disposal, Realta Production Group, Inc., was a fully owned subsidiary, and owned 50% of Cashet Card, LLC. The Group maintained the bank accounts for Cashet Card, LLC, managed the financial reporting, and made the strategic decisions. As such, the Group had control over the entity. Realta Production Group, Inc. was sold in the prior year. See note 34.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interest is set out below. The summarised financial information below represents amounts before intragroup eliminations.

KSD Holdings LLC	2018 USD	2017 USD
Current assets	1,670,659	5,561,204
Non-current assets	-	-
Current liabilities	(7,285)	(4,182,578)
Non-current liabilities	-	-
Equity attributable to owners of the Company	1,663,374	1,378,626
Non-controlling interests	-	-

	2018 USD	2017 USD
Revenue	290,370	315,734
Expenses	(33,709)	(307,871)
Profit for the year	256,661	7,863
Profit attributable to owners of the Company	179,663	5,504
Profit attributable to the non-controlling interests	76,998	2,359
Profit for the year	256,661	7,863
Other comprehensive income attributable to owners of the Company	19,661	(5,061)
Other comprehensive income attributable to the non-controlling interests	8,426	(3,843)
Other comprehensive income for the year	284,748	(8,904)
Dividends paid to non-controlling interests	-	7,660
Net cash outflow from operating activities	(105,150)	(1,900,754)
Net cash outflow from financing activities	-	(7,660)
Net cash outflow	(105,150)	(1,908,414)

20. Investments in joint ventures

	2018 USD	2017 USD
Joint venture at equity method accounting		
Opening cost of joint venture at equity method accounting	-	-
Capital contributions	385,000	-
Closing cost of joint venture at equity method accounting	385,000	-
Cumulative share in earnings (losses) of joint venture	25,723	-
Closing value of joint venture at equity method accounting	**410,723**	**-**

The Group owns a 50% interest in Reel Media Canada, Inc. Reel Media Canada, Inc. is an insurance agency that helps provide insurance agency services for a variety of entertainment events including film, television, theatre, and concerts in Canada. The purpose for the investment in Reel Media Canada, Inc. was to expand the services provided by Reel Media LLC. Reel Media LLC was acquired on 20 December 2017 (note 33).

	2018 USD	2017 USD
Investment in joint venture held for sale	-	216,044

The Group owned a 40% interest in EP Financial Solutions. Entertainment Partners owns the other 60% interest in EP Financial Solutions and is responsible for the financial reporting. EP Financial Solutions provides tax credit financing. The purpose for the investment in EP Financial Solutions was to participate in the domestic tax credit financing.

The Group disposed of the investment in EP Financial Solutions on 20 December 2017 at its carrying value. As such, no gain/loss was recognised on the sale.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

21. Trade and other receivables

Trade and other receivables consist of the following:

	2018 USD	2017 USD
Trade receivables	4,684,233	2,091,695
Rebate receivable	3,122,784	2,302,824
Insurance receivable	723,524	194,473
Insurance agency receivable	4,353,349	-
Film costs receivable (note 15)	4,394,633	-
Due from joint venture	430,143	-
Due from related parties	498,941	3,423,999
Other receivables	305,056	-
Total trade and other receivables	**18,512,663**	**8,012,991**
Loans receivable		
Loan receivable (i)	-	4,151,795
Total	**18,512,663**	**12,164,786**

(i) The collateral for the loan balance above is a tax credit receivable.

The ageing of trade and other receivable balance is as follows:

	2018 USD	2017 USD
Not past due	17,254,899	11,856,229
Past due 1 to 30 days	721,795	148,447
Past due 31 to 90 days	382,149	143,915
Past due 91 days	153,820	16,195
Total	**18,512,663**	**12,164,786**

The Directors consider that the carrying value of accounts and other receivables approximates to fair value.

22. Other current assets

Other current assets principally consist of prepaid expenses and prepaid taxes. Prepaid expenses include expenses incurred related to the completion contracts. Expenses that are incurred related to these contracts are deferred and recognised in line with the recognition of revenue.

	2018 USD	2017 USD
Prepaid expenses	2,517,070	3,032,438
Tax and other	114,866	1,395,934
Total	**2,631,936**	**4,428,372**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

23. Restricted cash

Restricted cash comprises the following:

	2018 USD	2017 USD
Held in fiduciary capacity for production (i)	56,119,649	36,265,379
Insurance premiums held in escrow (ii)	2,656,910	4,131,836
Insurance agency (iii)	1,782,127	-
Captive (iv)	7,823,467	-
Restricted cash	**68,382,153**	**40,397,215**

(i) The Group acts in a fiduciary capacity on behalf of certain financiers of films. The Group receives cash, which is restricted in use for the production of films. The Group is required to fund the production of the related films according to the production funding agreement. The amounts are recorded in restricted cash with the corresponding payable recorded as payable to productions.

(ii) The Group reserves for approximately 9 percent of net bond fees as insurance premiums to be held in escrow to satisfy insurance premiums in the event that actual claims expense exceeds stipulated levels. To the extent actual claims result in additional insurance premiums due, that incremental premium amount is carried forward to future insurance periods to offset rebates that would otherwise be payable to the Group and, in certain situations, the incremental premium amount is immediately due.

(iii) The insurance agency restricted cash is related to monies collected by Reel Media, LLC, which are due to underwriters.

(iv) The captive restricted cash, is the cash held by FFI Insurance Limited to cover any potential claims (see note 30).

24. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	2018 USD	2017 USD
Cash in hand	15,200	2,443
Cash at bank	23,537,291	13,144,428
Cash and cash equivalents	**23,552,491**	**13,146,871**

25. Borrowings

The Group has several bank finance facilities. The first is a one-year term loan secured by a tax credit receivable. The loan bears interest at 2% plus one month LIBOR. The loan had an initial maturity date of 30 September 2016, was renewed, and matured on 30 September 2017. The average interest rate on the loan for the year ended 31 March 2018 was 2.23% (2017: 2.23%). The outstanding balance of the loan as of 31 March 2018 was $nil (2017: $4,173,954).

The second is a $1,000,000 promissory note in connection to the acquisition of film distribution rights (note 15), which bears interest at 12% per annum when called upon and is due on demand. During the year, the promissory note was paid off and the film distribution rights were sold. The outstanding balance at 31 March 2018 was $nil (2017: $1,000,000).

The third is a three-year promissory note due to an employee entered into on 28 February 2017 in the amount of $804,497. The note is payable in $20,000 monthly instalments and bears interest at 6% per annum with the remaining balance outstanding and all accrued interest payable on 25 January 2020. The term loan is payable to a related party, see note 31. The outstanding balance at 31 March 2018 was $589,753 (2017: $787,842).

The fourth is related to two equipment loans that were acquired as part of the acquisition of Buff Dubs PTY Ltd. The first equipment was taken on 27 November 2014 in the amount of $58,134. The loan is payable in 60 monthly instalments of $924 with a lump sum payment due at the end of the loan of $11,627. The second equipment loan was taken on 4 December 2015 in the amount of $49,992. The loan is payable in 60 monthly instalments of $722 with a lump some payment due at the end of the loan of $14,754.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

The fifth is a production loan agreement. The production loan is to finance the production of a documentary film and the loan is secured by the future distribution proceeds of the film. The maturity date is the earlier of the abandonment of the film or 6 July 2018. The loan bears interest equal to prime plus prime rate margin (0.25%) with the aggregate rates ranging from 4.5% - 5.0% during the period the loan was outstanding.

	2018 USD	2017 USD
Non-Current		
Term loan (related party) 2-5 years	379,415	590,163
	379,415	**590,163**
Current		
Term loan (secured by a tax credit receivable)	-	4,173,954
Term loan	-	1,000,000
Equipment loans	73,081	-
Term loan (related party)	210,338	197,679
Production loan	3,500,000	-
	3,783,419	**5,371,633**
Total borrowings	**4,162,834**	**5,961,796**

26. Trade and other payables

	2018 USD	2017 USD
Trade payables	1,286,475	811,450
Accruals	2,125,479	2,230,703
Deferred revenue	5,265,479	6,484,318
No-claim bonus payable	2,609,726	3,903,393
Insurance payable	5,187,468	7,289,844
Insurance agency	6,040,900	-
Other payables	5,328,818	1,017,719
Due to related parties	160,000	-
Total	**28,004,345**	**21,737,427**

Included in "other payables" balance is an amount of $62,590 (2017: $500,000) relating to a tax liability accrual, $4,066,228 (2017: $491,000) of contingent earn-out payments generated as part of the acquisition of several subsidiaries, and $1,200,000 (2017: $nil) related to a deferred payment related to an acquisition of a subsidiary (see note 33).

27. Provision for losses

	2018 USD	2017 USD
At beginning of year	777,246	457,632
Losses charged to income	817,736	445,157
Claims paid	(1,858,330)	(634,686)
Recoveries on claims paid	872,904	509,143
At end of year	**609,556**	**777,246**

The provision for losses is in relation to amounts payable for the completion of certain films, which includes the estimated deductible for claims on insured contracts. Provisions for losses are provided for on a by project basis when losses are probable and quantifiable up to the deductible amount of $5,000,000 (prior to 30 September 2017: $500,000). The change in 30 September 2017 occurred in conjunction with the formation of the captive. Claim payments are typically made directly to productions depending on their funding needs. Any claims payments in excess of the deductible are reimbursed by the insurers. Recoveries, if any, are recorded as a reduction to claim payments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

28. Operating lease commitments

Operating leases relate to leases of land with lease terms of between 4 and 10 years. The Group does not have an option to purchase the leased land at the expiry of the lease periods. The Group had commitments under non-cancellable operating leases as follows:

	2018 USD	2017 USD
Not later than 1 year	6,445,647	2,398,688
Later than 1 year and not later than 5 years	21,257,789	8,011,515
Later than 5 years	10,611,498	615,424
Total	**38,314,934**	**11,025,627**

29. Capital commitments

The Group has entered into an agreement to fund the production of a film. At of 31 March 2018 the total amount funded is $53,354 (2017: $nil), which is included in other current assets. Per the agreement, the Group is required to fund an additional $175,000.

30. Contingent liabilities

The Group issues Completion Bonds. The Group mitigates the risk in relation to these agreements by making payments to certain third parties in the event a project is not delivered within a time frame and budget range set forth under the terms of the specific agreement. The Group incorporated FFI Insurance Limited during the year, and as of 1 October 2017, the Group is self insured for 90% of the first $5 million in losses per title, with an aggregate cap of $8 million. The Group utilises one or more insurance companies to cover the remainder of the losses as well as anything above the stated limits. While no liability is recorded with respect to the Completion Bond obligation to the third parties, as there is no history of claims against the Completion Bonds, the Company does record the costs associated with the insurance purchased to cover its risk and the budget overruns related to each such Completion Bond.

31. Related party transactions

The Directors do not consider there is an ultimate controlling party. The Group has related party relationships with its subsidiaries and its Directors. Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note.

Advances to employees totalled $986,025 at 31 March 2018 (2017: $144,380). A portion of the balance, $220,608 (2017: $144,360), are non interest bearing and are due on demand. The remaining balance, $765,417 (2017: $nil), bears interest at 2% and are due in equal instalments over the next three years.

Advances to officers totalled approximately $nil at 31 March 2018 (2017: $3,257,000). These balances bear interest at 3% and have maturity dates ranging from 2017 through 2025. The interest recognised during the year related to these notes total $17,527 (2017: $34,698). The prior year balance includes a $3,000,000 promissory note to an officer, which was secured against 3,216 shares in Film Finances, Inc. as at 31 March 2017. This promissory was repaid on 25 July 2017 with no call made on the security provided.

A key member of management has a loan outstanding to Panda Productions LLC in the amount of $160,000 (2017: $160,000). The loan is payable on closing of the production bank loan.

A shareholder of the Group participates in the syndicate that insures the Group's completion contracts. Gross premiums paid to the shareholder totals $3,129,724 for the year ended 31 March 2018 (2017: $1,148,911).

The Group has a three-year term loan from an employee in the amount of $804,497. The note was entered into on 28 February 2017 and is due in full on 25 January 2020. The note bears interest at 6% per annum and has monthly payments of $20,000. The outstanding balance at 31 March 2018 was $589,753 (2017: $787,842).

During the year the Group disposed of a subsidiary, Nordic Capital Media to the 40% non-controlling interest (see note 34).

The Group has a consulting agreement with a former director of the Group. As of 11 November 2016, the directorship ended and the new agreement became effective. The agreement requires the director to provide guidance and services to the Group on an exclusive basis from 1 April 2016. The director receives a consulting fee in the amount of $24,000 per month as well as an expense allowance of $3,000 per month. In addition, there is a potential bonus equal to 10 percent of completion guarantee fees of the Group's customers. Total bonus expense under this agreement totalled $284,449 for the year ended 31 March 2018 (2017: $178,946).

For the year ended 31 March 2018, the Group paid consulting fees to a director as part of a pre-IPO arrangement totalling $369,275 (2017: $nil), which has been included in the exceptional costs line item in the statement of comprehensive income.

	2018 USD	2017 USD
Compensation of the five key management personnel		
Short-term employee benefits	2,511,146	1,421,759
	2,511,146	**1,421,759**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

32. Financial Instruments

The Group's principal financial instruments comprise bank loans, overdrafts, loan notes, deferred consideration for acquisitions under IFRS 3, trade receivables, investments, trade payables and cash. The main purpose of these financial instruments is to provide finance for the Group operations. The Group has other financial assets and liabilities, which arise directly from operations.

The following table provides an analysis of the Group's non-derivative financial assets and liabilities at 31 March 2018 and 2017:

	2018 USD	2017 USD
Financial assets:		
Classified as loans and receivables:		
Cash and cash equivalents	23,552,491	13,146,871
Restricted cash	68,382,153	40,397,215
Accounts receivable	18,512,663	12,164,786
Total financial assets	**110,447,307**	**65,708,872**
Financial liabilities:		
Classified as financial liabilities at amortised cost:		
Accounts and other payables	28,004,345	21,737,427
Non-current other payables	15,208,995	1,709,000
Payables to production	56,119,649	36,265,379
Borrowings – current	3,783,419	5,371,633
Borrowings – non-current	379,415	590,163
Total financial liabilities	**103,495,823**	**65,673,602**

All non-derivative financial assets are categorised as loans and receivables and all non-derivative financial liabilities are categorised as other financial liabilities at amortised cost.

Risk Management objectives and policies

The main risks arising from the Group's financial instruments are insurance contract risk, interest rate risk, liquidity risk, credit risk and foreign exchange risk.

Insurance Contracts

The Group works primarily with clients that have a longstanding relationship with the Group. These clients typically have vast experience in film production and work with producers, directors and line-producers who the Group's employees are familiar with. With each project, legal and production staff will need to evaluate, among other things, the reasonableness of the budget, the key individuals and parties involved and other risks based on, but not limited to, the genre, location and the need for any special visual or audio effects.

Interest rate risk

The Group's exposure to interest rate risk arises from the Group's long-term debt obligations with floating and fixed interest rates. Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument. Interest on financial instruments classified as floating rate is re-priced at intervals of less than one year. Floating rate financial instruments comprise of the Group's cash and equivalents and borrowings. Fixed rate financial instruments comprise of borrowings. The other financial instruments of the Group are non-interest bearing and are therefore not subject to interest-rate risk.

Based on current levels of net debt, interest rate risk is not considered to be material.

Foreign exchange risk

The Group operates in a number of markets across the world and is exposed to foreign exchange risk arising from various currency exposures in respect of revenues, assets, liabilities, and cash flows. The Group minimises foreign currency risk by requiring overseas customer to adhere to strict payment terms. The risk is also mitigated by paying insurance premiums in USD based on the transaction rate of foreign currencies.

The Group has foreign subsidiaries located in Europe, Asia, Australia, and Canada. Differences that arise from the translation of these assets from foreign currency to USD are recognised in other comprehensive income in the year and the cumulative effect as a separate component in equity. The Group does not hedge this translation exposure to its equity.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Liabilities		Assets	
	2018 USD	2017 USD	2018 USD	2017 USD
Currency of United Kingdom	143,136	280,216	3,068,460	2,649,918
Currency of Canada	8,974,053	4,102,732	8,932,281	4,098,523
Currency of China	7,201,915	309,919	6,572,941	447,650
Others	827,845	86,729	7,950,360	500,897

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

The Group is mainly exposed to the currency of the United Kingdom (GBP), China (CNY) and Canada (CAD).

The following table details the Group's sensitivity to a 10% increase and decrease in the USD to the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjust their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender of the borrower. A positive number below indicates an increase in profit or equity where the USD strengthens 10% against the relevant currency. For a 10% weakening of the USD against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

	Increase/(decrease)			
	2018 USD Profit/(loss)	**2018 USD Equity**	**2017 USD Profit/(loss)**	**2017 USD Equity**
Currency of United Kingdom	23,946	719,633	20,880	236,321
Currency of Canada	(326)	(4,159)	(1,198)	(420)
Currency of China	4,745	(62,244)	(58,073)	13,729

Liquidity Risk

The Group aims to mitigate its liquidity risk by managing its cash resources and continuously monitoring forecast and actual cash flows. The Group has an $804,497 promissory note due to an employee outstanding with a related party that matures on 25 January 2020. Monthly payments of $20,000 began January 2017. The note was entered into on 28 February 2017 and is due in full on 25 January 2020. The note bears interest at 6% per annum and has monthly payments of $20,000. The outstanding balance at 31 March 2018 was $662,834 (2017: $787,842).

The Group took out a new production loan during the year to fund production of a film. The loan was entered into on 7 July 2017 and was due on the earlier of the abandonment of the film or 6 July 2018. The loan bears interest equal to LIBOR and the average interest rate on the loan for the year ended 31 March 2018 was 0.36%. The film was completed subsequent to year end. A significant portion of the costs are to be recovered from third party investors.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities at 31 March 2018 and 2017 based on contractual undiscounted payments, including estimated interest payments where applicable.

As at 31 March 2018	**Within 1 year USD**	**1-2 years USD**	**2-3 years USD**	**3+ years USD**	**Total USD**
Obligation under loan facilities	3,783,419	379,415	-	-	4,162,834
Trade payables	28,004,345	-	-	-	28,004,345
Payable to production	56,119,649	-	-	-	56,119,649
Non-current other payables	-	4,036,596	4,344,664	6,827,735	15,208,995
Total	**87,907,413**	**4,416,011**	**4,344,664**	**6,827,735**	**103,495,823**

As at 31 March 2017	**Within 1 year USD**	**1-2 years USD**	**2-3 years USD**	**3+ years USD**	**Total USD**
Obligation under loan facilities	5,371,633	209,975	380,188	-	5,961,796
Trade payables	21,737,427	-	-	-	21,737,427
Payable to production	36,265,379	-	-	-	36,265,379
Non-current other payables	-	496,283	525,287	687,430	1,709,000
Total	**63,374,439**	**706,258**	**905,475**	**687,430**	**65,673,602**

Credit risk

The credit risk on liquid funds is limited because funds are deposited over a number of counterparties who are banks with a mix of high quality balance sheets, high credit ratings assigned by international credit rating agencies or strong governmental support. The Group maintains cash balances in financial institutions in excess of insured limits. The Group has not experienced any losses on such accounts and does not believe it is exposed to significant credit risk.

Fair values of financial assets and financial liabilities

The Group's financial instruments are principally compromised of cash, investments, and bank loans. Fair value items, when calculated by discounting the expected future cash flows at prevailing interest rates, result in no differences between the carrying amount and fair value. The carrying amounts of all other financial instruments of the Group, i.e. short-term trade receivables and payables are a reasonable approximation of fair value. The carrying amount recorded in the balance sheet of each financial asset represents the Group's maximum exposure to credit risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Capital management

The primary objective of the Group's capital management is to ensure that it maintains access to sufficient capital to continue to grow its business. The Group's capital comprise share capital, share premium, retained earnings and other reserves.

33. Business Combinations

Subsidiaries acquired

	Principal Activity	Date of acquisition	Proportion of voting equity interest acquired	Consideration transferred USD
2018				
EPS-Cineworks, Inc.	Editing equipment rental	10 November 2017	100%	9,541,000
Buff Dubs Pty. Ltd.	Technical services	1 December 2017	100%	2,018,769
Reel Media, LLC	Insurance agency	20 December 2017	100%	24,054,000
Motorsports business from All Risks, Ltd.	Insurance agency	10 January 2018	100%	1,825,000
				37,438,769
2017				
Rainbow Production Services, LLC and Subsidiaries (RPS)	Editing equipment rental	28 February 2017	100%	6,200,000
				6,200,000

EPS-Cineworks, Inc. was acquired to expand the Group's editing equipment rentals segment. EPS-Cineworks, Inc. has more of a television focus, which allows the Group to expand its services from film to television.

Buff Dubs Pty. Ltd. was acquired to expand the Group's activities within the film industry, specifically in streaming content.

Reel Media, LLC is an insurance agency acquired to further expand the services provided by the Group within the film industry. The Group also acquired Motorsports business from All Risks, Ltd. a motorsports entertainment insurance book of business from All Risks, Ltd. to expand the Group's activities within the insurance agency services industry.

Rainbow Production Services, LLC and Subsidiaries was acquired to expand the Group's activities within the film industry.

Consideration transferred

2018	EPS-Cineworks, Inc. USD	Buff Dubs Pty. Ltd. USD	Reel Media, LLC USD	Motorsports business from All Risks, Ltd. USD	Total USD
Cash	8,341,000	1,057,263	7,444,000	1,825,000	18,667,263
Contingent consideration (i)	-	961,506	16,610,000	-	17,571,506
Deferred payment (ii)	1,200,000	-	-	-	1,200,000
Total	**9,541,000**	**2,018,769**	**24,054,000**	**1,825,000**	**37,438,769**

2017	Rainbow Production Services, LLC and Subsidiaries USD	Total USD
Cash	4,000,000	4,000,000
Contingent consideration (iii)	2,200,000	2,200,000
Total	**6,200,000**	**6,200,000**

(i) Under the contingent consideration arrangement, the Group is required to pay Reel Media, LLC an additional 8.6% of trailing EBITDA at 6 times multiple over the next 5 years. Reel Media, LLC has generated an EBITDA of $2 million for the trailing twelve months. The fair value of the contingent consideration arrangement was estimated by applying the income approach. A range of $11,724,000 to $19,682,000 was calculated for the potential liability using the Monte Carlo simulation. The Group recorded $16,610,000 as the contingent liability. This fair value estimate is based on an assumed discount rate between 2.1 - 3.2 per cent and assumed EBITDA in Reel Media, LLC of $6,800,000 - $11,700,000 for each of the next five years. The liability will be adjusted within the measurement period if any new information is obtained about facts or circumstances that may affect these calculations. At 31 March 2018, $3,457,000 is recorded as a short term liability in trade and other payables and $13,153,000 is recorded as a long term liability in other payables on the balance sheet.

Under the contingent consideration arrangement, the Group is required to pay Buff Dubs Pty., Ltd. ('Buff Dubs') 12.5% of EBITDA at 4 times multiple for each of the next 5 years. Buff Dubs' EBITDA for the last year has been approximately $400,000. The fair value of the contingent consideration arrangement was estimated by applying the income approach. A range of $893,000 to $1,495,000 was calculated for the potential liability using the Monte Carlo simulation. The Group recorded $961,506 as the contingent liability. This fair value estimate is based

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

on an assumed discount rate of 2 – 3.1 per cent and assumed EBITDA in Buff Dubs of $200,000 - $900,000 for each of the next five years. The liability will be adjusted within the measurement period if any new information is obtained about facts or circumstances that may affect these calculations. At 31 March 2018, $83,941 is recorded as a short term liability in trade and other payables and $877,565 is recorded as a long term liability in other payables on the balance sheet.

(ii) Under the purchase agreement with EPS-Cineworks, Inc., a portion of the purchase price was deferred over the following two years. Two equal payments of $600,000 are to be paid in late 2018 and early 2019. At 31 March 2018 $1,200,000 is recorded as a short term liability in trade and other payables on the balance sheet.

(iii) Under the contingent consideration arrangement, the Group is required to pay the former owner of Rainbow Production Services, LLC ('RPS') an additional $400,000 plus 30% of the EBITDA in excess of the specified EBITDA target (which excess amount shall not exceed $2,000,000 per year) in each of the years 2017, 2018, 2019 and 2020, provided RPS reaches the fiscal year EBITDA target for the applicable year. The target EBITDA for each of the following four years is as follows; 2017: $2,500,000, 2018: $2,600,000, 2019: $2,700,000, and 2020: $2,800,000. RPS's EBITDA for the past two years has been approximately $600,000 on average. The potential undiscounted amount of all future payments that the Group could be required to make under the contingent consideration arrangement is between $nil and $4,000,000. A range of $1,807,000 to $2,741,000 was calculated for the potential liability using the Monte Carlo simulation. The Group recorded $2,200,000 as the contingent liability. This fair value estimate is based on an assumed discount rate range of 1.4 – 2.7 per cent and assumed probability-adjusted EBITDA in RPS of $2,500,000 - $3,300,000 for each of the next four years. At 31 March 2018, $587,877 (2017: $1,709,000) is recorded as a short term liability in trade and other payables and $1,178,430 (2017: $491,000) is recorded as a long term liability in other payables on the balance sheet.

Acquisition related costs amounting to $1,191,470 (2017: $19,236) have been recognised as an expense in the statement of comprehensive income, within the exceptional costs line item.

Recognised amounts of identifiable assets acquired and liabilities assumed

2018	EPS-Cineworks, Inc. USD	Buff Dubs Pty. Ltd. USD	Reel Media, LLC USD	Motorsports business from All Risks, Ltd. USD	Total USD
Current assets					
Cash and cash equivalents	-	74,017	370,019	-	444,035
Restricted cash	-	-	1,278,970	-	1,278,970
Trade and other receivables	646,522	489,334	3,452,422	-	4,588,278
Other current assets	-	102,204	74,415	-	176,619
	646,522	665,554	5,175,826	-	6,487,902
Non-current assets					
Plant and equipment	1,825,272	78,088	-	-	1,903,360
Investment in joint venture	-	-	385,000	-	385,000
Identifiable intangible assets	3,430,000	961,506	5,920,000	1,825,000	12,136,506
	5,255,272	1,039,594	6,305,000	1,825,000	14,424,866
Current liabilities					
Trade and other payables	(247,667)	(200,774)	(3,545,446)	-	(3,993,887)
Accrued liabilities	(2,333)	(302,590)	(137,325)	-	(442,248)
Taxes payable	-	(55,477)	(155,815)	-	(211,292)
Notes payable	-	(471,103)	-	-	(471,103)
	(250,000)	(1,029,944)	(3,838,586)	-	(5,118,530)
Net balance acquired	**5,651,794**	**675,204**	**7,642,240**	**1,825,000**	**15,794,238**

The receivables acquired (which principally comprise trade receivables) in these transactions have a fair value equal to the contractual amount. There are no contractual cash flows that are not expected to be collected as of the acquisition date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Goodwill arising on acquisition

2018	EPS-Cineworks, Inc. USD	Buff Dubs Pty. Ltd. USD	Reel Media, LLC USD	Motorsports business from All Risks, Ltd. USD	Total USD
Consideration transferred	9,541,000	2,018,769	24,054,000	1,825,000	37,438,769
Less: fair value of identifiable net assets	(5,651,794)	(675,204)	(7,642,240)	(1,825,000)	(15,794,238)
Goodwill arising on acquisition	**3,889,206**	**1,343,565**	**16,411,760**	**-**	**21,644,531**

The goodwill of $21,644,531 arising from the acquisition of EPS-Cineworks, Inc., Buff Dubs Pty. and Reel Media, LLC consists largely of the expected synergies, revenue growth, future market development and the assembled workforce of each of these entities.

The goodwill of $1,330,489 arising from the acquisition of RPS consists largely of the expected synergies, revenue growth, future market development and the assembled workforce of RPS.

These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Net cash outflow on acquisitions of subsidiaries

2018	EPS-Cineworks, Inc. USD	Buff Dubs Pty. Ltd. USD	Reel Media, LLC USD	Motorsports business from All Risks, Ltd. USD	Total USD
Consideration paid in cash	8,341,000	1,057,263	7,444,000	1,825,000	18,667,263
Less: cash and cash equivalent balances acquired	-	(74,016)	(370,019)	-	(444,035)
Total	**8,341,000**	**983,247**	**7,073,981**	**1,825,000**	**18,223,228**

Impact of acquisitions on the results of the Group

Included in profit for the year is $546,139 attributable to the additional business generated by EPS-Cineworks, Inc., ($167,358) attributable to Buff Dubs Pty., and ($969,836) attributable to Reel Media, LLC. Revenue for the year includes $3,680,534 in respect of EPS-Cineworks, Inc., $1,073,939 in respect of Buff Dubs, Pty., and $2,191,835 in respect of Reel Media, LLC.

Had these business combinations been effected as 1 April 2017, the revenue of the Group from continuing operations would have been $74,474,483, and the profit for the year from continuing operations would have been $8,491,898. The directors consider these 'pro-forma' numbers to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison in future periods.

In determining the 'pro-forma' revenue and profit of the Group had EPS-Cineworks, Inc., Buff Dubs, Pty., Reel Media, LLC, and Motorsports business from All Risks, Ltd., been acquired at the beginning of the current year, the directors have:

- Calculated depreciation of plant and equipment acquired on the basis of the fair values arising in the initial accounting for the business combination rather than the carrying amounts recognised in the pre-acquisition financial statements
- Removed certain exceptional costs that are not part of the ongoing business post-acquisition

Included in the profit for the year ended 31 March 2017 was $272,548 attributable to the additional business generated by RPS and revenue for the year includes $931,397. Had this business combination been effected as 1 April 2016, the revenue of the Group from continuing operations would have been $49,362,504, and the profit for the year ended 31 March 2017 from continuing operations would have been $7,273,634. The directors consider these 'pro-forma' numbers to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison in future periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

34. Disposal of subsidiaries

On 16 May 2017, the Group disposed of Film Finances Scandinavia APS, which was a fully owned subsidiary. There was no consideration transferred for the disposal. On 26 October 2017, the Group disposed of Nordic Capital Media, a 60% owned subsidiary, for no consideration.

Analysis of assets and liabilities over which control was lost

2018	Film Finances Scandinavia APS USD	Nordic Capital Media USD	Total USD
Current assets			
Cash and cash equivalents	5,744	15,812	21,556
Other assets	8,267	1,128	9,395
	14,011	16,940	30,951
Current liabilities			
Accounts payable	(487)	(12,115)	(12,602)
Other liabilities	-	-	-
	(487)	(12,115)	(12,602)
Net assets disposed of	**13,524**	**4,825**	**18,349**

Loss on disposal of subsidiary

2018	Film Finances Scandinavia APS USD	Nordic Capital Media USD	Total USD
Consideration	-	-	-
Net assets disposed of	(13,524)	(4,825)	(18,349)
Non-controlling interests	-	1,930	1,930
Total loss on disposal	**(13,524)**	**(2,895)**	**(16,419)**

The loss on disposal is included in the (loss)/profit for the year from discontinued operations (see note 35).

Net cash outflow on disposal of subsidiary

2018	Film Finances Scandinavia APS USD	Nordic Capital Media USD	Total USD
Consideration received	-	-	-
Less: cash and cash equivalents disposed of	(5,744)	(15,812)	(21,556)
Total	**(5,744)**	**(15,812)**	**(21,556)**

35. Discontinued operations

In the prior year, on 11 November 2016, the Group disposed of Realta Production Group, Inc., which owned 50% of Cashet Card, LLC, facilitates the issuance of credit cards sponsored by MasterCard. Cashet Card is able to offer bulk purchasing discounts and earns fees on the transactions. The transaction was carried out with one of the Directors of the Group. The consideration was a transfer of the Director's shares, 542 shares of common stock, in the Group for the 1,500 shares, 100% of the then-issues and outstanding shares of common stock, of Realta Production Group, Inc. The fair value of the 542 shares received was $2,810,569 which has been recognised in the statement of comprehensive income as part of the profit from discontinued operations. These shares were subsequently cancelled.

Simultaneously with the agreement, the Director sold his remaining shares, 3,274 shares of common stock, to unrelated third parties.

Costs in relation to this transaction total $1,579,306 and have been disclosed in the statement of comprehensive income separately as exceptional costs.

	Total USD
Consideration	2,810,569
Net assets disposed of	(105,373)
Total profit on disposal	**2,705,196**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Analysis of profit for the year from discontinued operations

The combined results of the discontinued operations included in the profit for the year are set out below. The comparative profit and cash flows from discontinued operations have been re-presented to include those operations classified as discontinued in the current year.

	2018 USD	2017 USD
(Loss)/profit for the year from discontinued operations		
Revenue	-	2,627,622
Expenses	(838)	(2,467,733)
Profit before tax	(838)	159,889
Attributable income tax expense	6,385	(59,798)
Profit after tax	5,547	100,091
Profit on disposal of operations	-	2,705,196
Attributable income tax expense	-	39,410
	-	2,744,606
Loss on disposal of subsidiary (see note 34)	(16,419)	-
(Loss)/profit for the year from discontinued operations (attributable to owners of the Company)	(10,872)	2,844,697
Cash flows from discontinued operations		
Net cash inflows from operating activities	-	(127,372)

Analysis of assets and liabilities over which control was lost:

	Realta Production Group, Inc. USD	Cashet Card, LLC USD	Cashet Services Holdings, LLC USD	Total USD
Current assets				
Cash and cash equivalents	-	501,266	57,369	558,635
Accounts receivable	-	-	76,185	76,185
	-	501,266	133,554	634,820
Non-current assets				
Other assets	-	500,822	-	500,822
	-	500,822	-	500,822
Current liabilities				
Accounts payable	-	(1,139,482)	109,213	(1,030,269)
	-	(1,139,482)	109,213	(1,030,269)
Net balance	**-**	**(137,394)**	**242,767**	**105,373**

36. Post balance sheet events

On 25 April 2018, the Group completed its acquisition of Signature Entertainment Limited ('Signature') for an initial cash payment of $5m followed by four annual payments of 13.75% of future EBIT at a five times multiple. Signature is a film distributor in the United Kingdom and acts as an aggregator for streaming companies. The Group expects the acquisition to greatly enhance the Group's reach in the entertainment industry.

On 15 June 2018, two directors and one employee exercised a combined 1,663,137 in options over ordinary shares of £0.01 each in the Group at a price of $0.40 per ordinary share. These options were issued at the time of the IPO to replace pre-IPO arrangements and expire on 15 June 2018. The Group has agreed to satisfy the exercise of options on a cashless basis and is thereby issuing 778,995 new ordinary shares bringing the total number of outstanding ordinary shares to 157,820,243.

On 21 June 2018, the Group entered into a co-financing and distribution agreement for a documentary film. The Group paid an initial funding of $2,000,000 and has the first and exclusive right to continue to participate in the additional funding of the picture during the production process.

On 3 July 2018, the Group, through its subsidiary, Buff Dubs, acquired an Australian company specializing in audio-visual digitisation for a total cash consideration of $2.0m AUD.

COMPANY STATEMENT OF FINANCIAL POSITION

as at 31 March 2018

		31 March 2018 USD
Fixed assets		
Investments	3	23,194,476
		23,194,476
Current assets		
Trade receivables	4	15,808,331
Other receivables		78,881
Cash and cash equivalents		9,867,792
		25,755,004
Creditors: amounts falling due within one year	5	111,120
		111,120
Net current assets		25,643,884
Total assets less current liabilities		48,838,360
Equity		
Share capital	6	2,035,570
Share premium		38,539,508
Share based payment reserve		3,807,511
Other reserve		14,731,074
Foreign exchange		571
Retained earnings		(10,275,874)
Total equity		48,838,360

As permitted by Section 408(3) of the Companies Act 2006, no profit and loss account of the Company is presented. The Company's total comprehensive loss for the period was $10,275,874.

The Financial Statements of FFI Holdings Plc (registered number 10793426) were approved by the Board of Directors and authorized for issue on 31 August 2018. They were signed on its behalf by:

Timothy J. Trankina Director

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year period 31 March 2018

	Equity attributable to owners of the parent						
	Share capital USD	Share premium USD	Share based payment reserve USD	Other reserve USD	Foreign exchange USD	Retained earnings USD	Total equity USD
At 30 May 2017	-	-	-	-	-	-	-
Profit for the financial year	-	-	-	-	571	(10,275,874)	(10,275,303)
Total comprehensive income for the year	-	-	-	-	571	(10,275,874)	(10,275,303)
Issue of shares during the year	2,035,570	40,553,072	-	14,731,074	-	-	57,319,716
Issuance costs	-	(2,013,564)	-	-	-	-	(2,013,564)
Equity settled share based payments	-	-	3,807,511	-	-	-	3,807,511
At 31 March 2018	2,035,570	38,539,508	3,807,511	14,731,074	571	(10,275,874)	48,838,360

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1. Basis of preparation

The separate financial statement of the Company are presented and have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). These financial statements present information for the Company, not about the Group.

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules modified to include certain items as fair value in accordance with FRS 101. The financial statements have been prepared using the going concern basis.

There were no significant judgements or estimates in preparing the financial statements of the Company.

The following exemptions form the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraph 45(b) and 46 to 52 of IFRS 2, 'Share-based payments' (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined).
- IFRS 7, 'Financial instruments: Disclosures.'
- Paragraphs 91 to 99 of IFRS 3, 'Fair value measurements' (disclosures of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- IAS 7, 'Statement of cash flows.'
- Paragraph 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements of IAS 24,'Related party disclosures', to disclose related party transactions entered into between two or more members of the group.

2. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements. The functional currency of the company is US Dollars, with the parent company accounts presented in US Dollars.

2.1 Trade receivables

Amounts owed to the Company from subsidiary undertakings are initially recorded at fair value, and subsequently measured at amortised cost using the effective interest method.

2.2 Other receivables

Other receivables consist of expenses that have been prepaid which have been incurred in the ordinary course of business.

2.3 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are recognised initially at fair value and subsequently measured at amortised costs using the effective interest method.

2.4 Share-based payments

The Group issues equity settled share-based payments to certain employees. Equity settled share-based payments are measured at fair value at the date of grant. The fair value, determined at the grant date, of equity settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. The fair value of employee share option grants is calculated using the Black Scholes model, taking into account the terms and conditions upon which the options were granted. The value of the charge is adjusted to reflect expected and actual levels of options vesting. Further detail is set out in Note 13 to the group consolidated financial statements.

2.5 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into know amounts of cash and which are subject to an insignificant risk of changes in value.

2.6 Foreign currencies

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rate ruling at that date with any exchange differences arising on retranslation being recognised in the income statement. The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated into US Dollars at exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated into US Dollars at average annual exchange rates. Foreign exchange differences arising on retranslation are charged or credited to other comprehensive income and are recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

3. Employees

The seven directors of the FFI Holdings Plc were the only employees of the Company during the year.

4. Investments

	Subsidiaries USD
Cost	
At 1 April 2017	-
Additions	23,194,476
At 31 March 2018	**23,194,476**

The Company's principal trading subsidiaries are listed in note 19 to the consolidated financial statements.

The Directors believe that the carrying value of the investments is supported by their underlying assets.

5. Group Undertakings

Name of subsidiary	Country of incorporation	% Holding	Principal Activity
15 Conduit Street, London, W1S 2XJ			
FFI Holdings Plc	United Kingdom	100%	Holding company
Film Finances Limited (formerly Film Finances Services Limited)	United Kingdom	100%	Completion contracts
9000 W Sunset Blvd. Ste 1400, Los Angeles, CA 90069, USA			
Film Finances, Inc.	USA	100%	Completion contracts
Film Finances GmbH-Munich	Germany	100%	Dormant
Realta Production Group, Inc.	USA	Nil	Disposed of
DaDa Productions, Inc.	USA	n/a	Dissolved
KSD Holdings LLC	USA	70%	Tax credit financing
PBL Finance	USA	100%	Completion contracts
FF Network	USA	100%	Completion contracts
FF Asia	USA	100%	Completion contracts
DSK Productions Inc.	USA	n/a	Dissolved
FF Sales, Inc.	USA	n/a	Dissolved
Film Finances New Mexico, LLC	USA	100%	Completion contracts
Film Finances Louisiana, LLC	USA	100%	Completion contracts
FF of Carolina, LLC	USA	n/a	Dissolved
Film Finances Pennsylvania, LLC	USA	100%	Completion contracts
Film Finances Alabama, LLC	USA	100%	Completion contracts
Panda Productions LLC	USA	Nil	Content distribution
FFI Media Holdings Inc.	USA	100%	Holding company
250 The Esplanade, Ste 204, Toronto, M5A 1J2, Canada			
Film Finances Canada Ltd.	Canada	100%	Completion contracts
Floragatan 4a. 114 31 Stockholm. Sweden			
Film Finances Scandinavia AB	Sweden	60%	Completion contracts
Nordic Capital Media AB	Sweden	n/a	Disposed of
Bonner Wall 45. D-50677 Koin / Cologne, Germany			
Film Finances GmbH-Germany	Germany	100%	Completion contracts
14 Robinson Road, 10-02 Far East Finance Building, 048545, Singapore			
Film Finances Singapore PTE LTD	Singapore	100%	Completion contracts

FINANCIAL STATEMENTS

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

Name of subsidiary	Country of incorporation	% Holding	Principal Activity
1061 Budapest, Andrassy ut 10, Hungary			
Film Finances Hungary	Hungary	100%	Completion contracts
Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Put 59200 KU, Malaysia			
Great Outlook	Malaysia	100%	Completion contracts
Room 4001, Building 2, Grand Gateway Plaza, 3 HongQiao Road, XuHui District, Shanghai, 200030, China			
Film Finances China Cultural Services Ltd.	China	100%	Completion contracts
The Business Centre, Design Quarter, 128 Leslie Avenue, Sandton, South Africa			
Film Finances SA PTY LTD	South Africa	100%	Completion contracts
Muchova 240/6, Praha 6, 16000, Czech Republic			
Film Finances S.R.O.	Czech Republic	100%	Completion contracts
Lett Advokatpartnerselskab, Radhuspladsen 4, 1550 Kobenhavn, Denmark			
Film Finances Scandinavia APS	Denmark	n/a	Disposed of
99 Kenton Road, Harrow, Middlesex, HA3 0AN, United Kingdom			
DSK Ventures Limited	United Kingdom	Nil	Tax credit financing
8981 Sunset Blvd. Suite 311, Los Angeles, CA 90069, USA			
Cashet Card, LLC	USA	Nil	Disposed of
Cashet Card Holdings, LLC (formerly Film Travel Holdings)	USA	Nil	Disposed of
110 Leroy Street, 7th Floor, New York, NY 10014, USA			
Rainbow Production Services, LLC	USA	100%	Editing equipment rental
2901 W Alameda, 4th Floor, Burbank, CA 91505, USA			
Rainbow Digital Services LLC	USA	100%	Editing equipment rental
75 Dean Street, London, W1D3PU, United Kingdom			
Pivotal Post Limited	United Kingdom	100%	Editing equipment rental
834 av Sainte-Croix, Montreal, QC, H4L3Y4, Canada			
Post Production Pivotal (Quebec) Inc.	Canada	100%	Editing equipment rental
30 Booth Avenue, Suite 204, Toronto, ON, M4M 2M2, Canada			
Pivotal Post Corporation	Canada	100%	Editing equipment rental
Winterbotham Place, Marlborough & Queen Streets, PO Box N-3026, Nassau, Bahamas			
Film Finances, Inc. (Bahamas)	Bahamas	100%	Completion contracts

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

Name of subsidiary	Country of incorporation	% Holding	Principal Activity
Claredon House, 2 Church Street, Hamilton, HM 11, Bermuda			
FFI Insurance Limited	Bermuda	100%	Captive insurance
10 Addison Road, Marrickville NSW 2204, Australia			
Buff Dubs Pty. Ltd.	Australia	100%	Technical services
3330 Cahuenga Blvd West, Ste 200, Los Angeles, CA 90068, USA			
EPS-Cineworks, Inc.	USA	100%	Editing equipment rental
160 Gould Street, Suite 121, Needham, MA 02494, USA			
Reel Media, LLC	USA	100%	Insurance agency

6. Trade receivables

	2018 USD
Amounts owed by group undertakings	15,808,331
	15,808,331

Amounts owed by group undertakings are unsecured, interest-free, have no fixed date of repayment and are repayable on demand.

7. Creditors: amounts falling due within one year

	2018 USD
Creditors	111,120
	111,120

The details behind the contingent earn out and deferred payment are set out in note 33 of the consolidated financial statements.

8. Share capital

Details of called up share capital and treasury stock are set out in note 12 of the consolidated financial statements.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF ANNUAL GENERAL MEETING

FFI HOLDINGS PLC
(Incorporated in England with registered number 10793426)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION
If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice from your stockbroker, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom, or another appropriately authorised independent adviser if you are in a territory outside the United Kingdom.

If you have sold or otherwise transferred all of your ordinary shares in FFI Holdings PLC, you should forward this document, together with the accompanying documents, as soon as possible either to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("AGM") of FFI Holdings PLC (the "Company") will be held at 11 am (PDT time) on Wednesday 26 September 2018 at 9000 Sunset Boulevard, Suite 1400, Los Angeles, California 90069, USA to consider and, if thought fit, pass the following resolutions of which Resolutions 1 to 12 will be proposed as ordinary resolutions and Resolutions 13 to 15 will be proposed as special resolutions.

ORDINARY RESOLUTIONS

1. ANNUAL REPORT AND ACCOUNTS
To receive and adopt the annual accounts of the Company for the financial year ended 31 March 2018 together with the directors' report and auditors' report on those accounts.

2. RE-APPOINTMENT OF DIRECTOR
To re-appoint Julian Bartlett as a director of the Company.

3. RE-APPOINTMENT OF DIRECTOR
To re-appoint Stephen Argent as a director of the Company.

4. RE-APPOINTMENT OF DIRECTOR
To re-appoint Simon Ingram as a director of the Company.

5. RE-APPOINTMENT OF DIRECTOR
To re-appoint James Terlizzi as a director of the Company.

6. RE-APPOINTMENT OF DIRECTOR
To re-appoint Timothy Trankina as a director of the Company.

7. RE-ELECTION OF DIRECTOR
To re-elect Antony Mitchell as a director of the Company.

8. RE-ELECTION OF DIRECTOR
To re-elect Steven Ransohoff as a director of the Company.

9. RE-APPOINTMENT OF AUDITORS
To re-appoint RSM UK Audit LLP as auditors of the Company to hold office from the conclusion of the AGM until the conclusion of the next general meeting at which accounts are laid before the Company.

10. REMUNERATION OF AUDITORS
To authorise the Audit Committee to determine the remuneration of the auditors.

11. DIRECTORS' AUTHORITY TO ALLOT SHARES
To authorise the directors generally and unconditionally pursuant to section 551 of the Companies Act 2006 (the "Act") and in substitution for all subsisting authorities, to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company up to an aggregate nominal amount of £1,052,134 comprising:

(a) up to an aggregate nominal amount of £526,067 (whether in connection with the same offer or issue as under (b) below or otherwise); and

(b) up to an aggregate nominal amount of £526,067 in the form of equity securities (within the meaning of section 560(1) of the Act) in connection with an offer or issue by way of rights, open for acceptance for a period fixed by the directors to holders of ordinary shares (other than the Company) on the register on any record date fixed by the directors in proportion (as nearly as may be) to the respective number of ordinary shares deemed to be held by them, subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements, legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever.

This authority shall expire (unless previously varied, revoked or renewed by the Company in general meeting) 15 months after the date of the passing of this Resolution or, if earlier, at the conclusion of the annual general meeting ("AGM") of the Company in 2019, except that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred by this Resolution had not expired.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

12. POLITICAL DONATIONS AND EXPENDITURE

For the purposes of section 366 of the Act, to authorise the Company and all companies that are its subsidiaries at any time during the period for which this Resolution has effect to:

(a) make political donations to political parties and/or independent election candidates not exceeding £10,000 in aggregate;

(b) make political donations to political organisations other than political parties not exceeding £50,000 in aggregate; and

(c) incur political expenditure not exceeding £100,000 in aggregate,

provided that the aggregate amount of any such donations and expenditure shall not exceed £100,000, during the period beginning with the date of the passing of this Resolution and ending 15 months after the date of the passing of this Resolution or, if earlier, at the conclusion of the AGM of the Company in 2019.

For the purposes of Resolution 12, the terms 'political donation', 'political parties', 'independent election candidates', 'political organisation' and 'political expenditure' shall have the meanings given by sections 363 to 365 of the Act.

SPECIAL RESOLUTIONS

13. DISAPPLICATION OF PRE-EMPTION RIGHTS

Subject to the passing of Resolution 11 above, to empower the directors pursuant to section 570 of the Act to allot equity securities (as defined in section 560(1) of the Act) for cash pursuant to the general authority conferred on them by Resolution 11 above and/or to sell equity securities held as treasury shares for cash pursuant to section 727 of the Act, in each case as if section 560(1) of the Act did not apply to any such allotment or sale, provided that this power shall be limited to:

(a) any such allotment and/or sale of equity securities in connection with an offer or issue by way of rights or other pre-emptive offer or issue, open for acceptance for a period fixed by the directors, to holders of ordinary shares (other than the Company) on the register on any record date fixed by the directors in proportion (as nearly as may be) to the respective number of ordinary shares deemed to be held by them, subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements, legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever; and

(b) any such allotment and/or sale, otherwise than pursuant to sub-paragraph (a) above, of equity securities having, in the case of ordinary shares, an aggregate nominal amount or, in the case of other equity securities, giving the right to subscribe or convert into ordinary shares having an aggregate nominal amount, not exceeding the sum of £78,910.

This authority shall expire, unless previously revoked or renewed by the Company in general meeting, at such time as the general authority conferred on the directors by Resolution 11 above expires, except that the Company may at any time before such expiry make any offer or agreement which would or might require equity securities to be allotted or equity securities held as treasury shares to be sold after such expiry and the directors may allot equity securities and/or sell equity securities held as treasury shares in pursuance of such an offer or agreement as if the power conferred by this Resolution had not expired.

14. DISAPPLICATION OF PRE-EMPTION RIGHTS FOR ACQUISITIONS AND OTHER CAPITAL INVESTMENT

In addition to any authority granted under Resolution 13 and subject to the passing of Resolution 11, to empower the directors pursuant to section 570 of the Act to allot equity securities (as defined in section 560(1) of the Act) for cash pursuant to the general authority conferred on them by Resolution 11 above and/or to sell equity securities held as treasury shares for cash pursuant to section 727 of the Act, in each case as if section 560(1) of the Act did not apply to any such allotment or sale, provided that this power shall be:

(a) limited to any such allotment and/or sale of equity securities having, in the case of ordinary shares, an aggregate nominal amount or, in the case of other equity securities, giving the right to subscribe or convert into ordinary shares having an aggregate nominal amount, not exceeding the sum of £78,910; and

(b) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights published by the Pre-Emption Group prior to the date of this notice.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

This authority shall expire, unless previously revoked or renewed by the Company in general meeting, at such time as the general authority conferred on the directors by Resolution 11 above expires, except that the Company may at any time before such expiry make any offer or agreement which would or might require equity securities to be allotted or equity securities held as treasury shares to be sold after such expiry and the directors may allot equity securities and/or sell equity securities held as treasury shares in pursuance of such an offer or agreement as if the power conferred by this Resolution had not expired.

15. AUTHORITY TO PURCHASE ITS OWN SHARES

That the Company be and is generally and unconditionally authorised to make market purchases (as defined in section 693(4) of the Act) of its ordinary shares of £0.01 each provided that in doing so it:

(a) purchases no more than 15,782,024 ordinary shares of £0.01 each;

(b) pays not less than £0.01 per ordinary share of £0.01 each (exclusive of expenses); and

(c) pays no more than an amount equal to 105% of the average of the closing mid-market quotations for ordinary shares of £0.01 each (as derived from the AIM Appendix of the Daily Official List of the London Stock Exchange plc) for the five business days immediately preceding the date of purchase (exclusive of expenses).

This authority shall expire 15 months after the date of the passing of this resolution or, if earlier, at the conclusion of the AGM of the Company to be held in 2019, except that the Company may, if it agrees to purchase ordinary shares under this authority before it expires, complete the purchase wholly or partly after this authority expires.

The directors believe that the proposals in Resolutions 1 to 15 are in the best interests of shareholders as a whole. The directors will be voting in favour of them and unanimously recommend that shareholders do as well.

By order of the Board
Jordan Company Secretaries Limited

Company Secretary
31 August 2018

Registered office:
15 Conduit Street
London, W1S 2XJ
United Kingdom

Registered in England and Wales: 10793426

EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

Resolution 1 – Approval of the annual report and accounts

The directors are required by the Companies Act 2006 (the 'Act') to present to the shareholders of the Company at a general meeting the reports of the directors and auditor, and the audited financial statement of the Company for the financial year ended 31 March 2018. The Annual Report including the audited financial statements has been approved by the directors, and the report of the auditor has been prepared by the auditor, RSM UK Audit LLP.

Resolutions 2 to 8 – Re-appointment and Re-election of Directors

The Articles of Association of the Company require that a director appointed by the directors to either fill a casual vacancy or as an addition to the existing directors shall hold office until the next following AGM and shall then be eligible for re-appointment. Each of Stephen Argent, Simon Ingram, James Terlizzi and Timothy Trankina were appointed as directors by the directors of the Company prior to the Company's initial public offering and admission to the London Stock Exchange's AIM market in June 2017 (the "IPO"), while Julian Bartlett was appointed as a director of the Company following the IPO. Accordingly, each of Stephen Argent, Simon Ingram, James Terlizzi, Timothy Trankina and Julian Bartlett retires and offers himself for re-appointment by shareholders at the AGM.

Steven Ransohoff and Antony Mitchell, who were appointed as directors on incorporation of the Company in May 2017, are retiring by rotation and offering themselves for re-election at the AGM in accordance with the Articles of Association.

Resolutions 9 and 10 – Re-appointment and remuneration of auditors

The Act requires that an auditor be appointed at each general meeting at which accounts are laid, to hold office until the next such meeting. These Resolutions seek shareholder approval for the re-appointment of RSM UK Audit LLP, in accordance with the recommendation of the directors, and permit the audit committee to determine the auditor's remuneration for the audit work to be carried out them in the next financial year.

Resolution 11 – Authority to allot shares

The Act provides that the directors may only allot shares if authorised by shareholders to do so. Resolution 11 will, if passed authorise the directors to allot shares up to an aggregate nominal amount of £1,052,134 which represents an amount which is approximately equal to two-thirds of the issued ordinary share capital of the Company as at 29 August 2018, being the latest practicable date prior to publication of this Notice. As at 29 August 2018, the Company did not hold any treasury shares.

As provided in paragraph (a) of the Resolution, up to half of this authority (equal to one-third of the issued share capital of the Company as at 29 August 2018) will enable the directors to allot and issue new shares in whatever manner (subject to pre-emption rights) they see fit. Paragraph (b) of the Resolution provides that the remainder of the authority (equal to a further one-third) may only be used in connection with a rights issue in favour of ordinary shareholders. As paragraph (a) imposes no restriction on the way the authority may be exercised, it could be used in conjunction with paragraph (b) so as to enable the whole two-thirds authority to be used in connection with a rights issue. This reflects the best practice guidance issued by The Investment Association. The authority will expire at the earlier of the date that is 15 months after the date of the passing of the Resolution and the conclusion of the next AGM of the Company.

Passing Resolution 11 will ensure that the directors continue to have the flexibility to act in the best interests of shareholders, when opportunities arise, by issuing new shares.

Resolution 12 – Political donations and expenditure

Part 14 of the Act provides that political donations or political expenditure made or incurred by a company must be authorised in advance by the company's shareholders. It is not the policy of the Company to make political donations or incur political expenditure, and the Company has no intention of using the authority granted by this Resolution for this purpose, but, because the definitions in the Act are broadly framed, normal business activities of the Company, which might not be thought to be political expenditure or political donations in the usual sense, could be caught such as membership of industry and trade bodies. This Resolution is a precautionary measure to ensure that the Company and its subsidiaries do not inadvertently breach the Act. If passed, this Resolution will authorise the Company and its subsidiaries to make political donations and to incur political expenditure up to an aggregate limit of £100,000 in the period beginning with the date of the passing of this Resolution and ending 15 months after the passing of this Resolution or, if earlier, the conclusion of the next AGM of the Company. The directors intend to seek annual renewal of this authority in accordance with best practice.

EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING CONTINUED

Resolutions 13 and 14 – Disapplication of pre-emption rights

The Act prescribes certain pre-emption rights under which, if the Company issues new shares, or grants rights to subscribe for or to convert any security into shares, for cash or sells any treasury shares, it must first offer them to existing shareholders in proportion to their current holdings.

Under Resolution 13, it is proposed that the directors be authorised to issue shares for cash and/or sell shares from treasury (if any are held) without offering them first to existing shareholders in proportion to their current holdings:

(a) Up to an aggregate nominal amount of £78,910 (up to 7,891,000 new ordinary shares of £0.01 each). This amount represents approximately 5% of the Company's issued share capital as at 29 August 2018, being the latest practicable date. This part of the authority is designed to provide the board with flexibility to raise further equity funding and to pursue acquisition opportunities as and when they may arise; or

(b) In respect of a rights issue, open offer or other offer that generally provides existing shareholders with the opportunity to subscribe for new shares pro rata to their existing holdings. This part of the authority is designed to give the directors flexibility to exclude certain shareholders from such an offer where the directors consider it necessary or desirable to do so in order to avoid legal, regulatory or practical problems that would otherwise arise.

Under Resolution 14, it is proposed that the directors be authorised to disapply statutory pre-emption rights in respect of an additional 5% of the Company's issued share capital (as at 29 August 2018, being the latest practicable date). In accordance with the Pre-Emption Group's Statement of Principles, the directors confirm that this authority will be used only in connection with an acquisition or specified capital investment that is announced contemporaneously with the issue, or that has taken place in the preceding six-month period and is disclosed in the announcement of the issue.

If passed, the authorities in Resolution 13 and Resolution 14 will expire at the same time as the authority to allot shares given pursuant to Resolution 11.

Resolution 15 – Authority to purchase own shares

This Resolution seeks to renew the Company's authority to purchase its own shares. It specifies the maximum number of shares which may be acquired as 10% of the Company's issued ordinary share capital as at 29 August 2018, being the latest practicable date, and specifies the minimum and maximum prices at which shares may be bought.

The directors will only use this authority if, in the light of market conditions prevailing at the time, they believe that the effect of such purchases will be (where such shares are to be purchased for cancellation) to increase earnings per share, and that taking into account other investment opportunities, purchases will be in the best interests of the shareholders generally. Any shares purchased in accordance with this authority will be cancelled or held in treasury. The directors have no present intention of exercising this authority, which will expire at the earlier of the date that is 15 months after the date of the passing of the Resolution and the conclusion of the next AGM of the Company.

NOTES TO NOTICE OF ANNUAL GENERAL MEETING

The following notes explain your general rights as a shareholder and your right to attend and vote at this Meeting or to appoint someone else to vote on your behalf.

1. To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), shareholders must be registered in the Register of Members of the Company at close of trading on 24 September 2018. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Meeting.
2. Shareholders, or their proxies, intending to attend the Meeting in person are requested, if possible, to arrive at the Meeting venue at least 20 minutes prior to the commencement of the Meeting at 11am (PST time) on 26 September 2018 so that their shareholding may be checked against the Company's Register of Members and attendances recorded.
3. Shareholders are entitled to appoint another person as a proxy to exercise all or part of their rights to attend and to speak and vote on their behalf at the Meeting. A shareholder may appoint more than one proxy in relation to the Meeting provided that each proxy is appointed to exercise the rights attached to a different ordinary share or ordinary shares held by that shareholder. A proxy need not be a shareholder of the Company.
4. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).
5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.
6. You can vote either:
   - by logging on to www.signalshares.com and following the instructions;
   - you may request a hard copy form of proxy directly from the registrars, Link Asset Services (previously called Capita), on Tel: 0371 664 0300. Calls cost 12p per minute plus your phone company's access charge. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales; and
   - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

   In order for a proxy appointment to be valid a form of proxy must be completed. In each case the form of proxy must be received by Link Asset Services at 34 Beckenham Road, Beckenham, Kent, BR3 4ZF by 7pm (UK time) on 24 September 2018.
7. If you return more than one proxy appointment, either by paper or electronic communication, the appointment received last by the Registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.
8. The return of a completed form of proxy, electronic filing or any CREST Proxy Instruction (as described in note 11 below) will not prevent a shareholder from attending the Meeting and voting in person if he/she wishes to do so.
9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting (and any adjournment of the Meeting) by using the procedures described in the CREST Manual (available from www.euroclear.com/site/public/EUI). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
10. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by 7pm (UK time) on 24 September 2018. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

NOTES TO NOTICE OF ANNUAL GENERAL MEETING CONTINUED

11 CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

12 Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that no more than one corporate representative exercises powers in relation to the same shares.

13 As at 29 August 2018 (being the latest practicable business day prior to the publication of this Notice), the Company's ordinary issued share capital consists of 157,820,243 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 29 August 2018 are 157,820,243.

14 Under Section 527 of the Companies Act 2006, shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's financial statements (including the Auditor's Report and the conduct of the audit) that are to be laid before the Meeting; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual financial statements and reports were laid in accordance with Section 437 of the Companies Act 2006 (in each case) that the shareholders propose to raise at the relevant meeting. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Meeting for the relevant financial year includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.

15. Any shareholder attending the Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the Meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.

16. The following documents are available for inspection during normal business hours at the registered office of the Company on any business day from the date of this Notice until the time of the Meeting and may also be inspected at the Meeting venue, as specified in this Notice, on the day of the Meeting, 15 minutes prior and until the conclusion of the Meeting: copies of the Directors' letters of appointment or service contracts.

17. You may not use any electronic address (within the meaning of Section 333(4) of the Companies Act 2006) provided in either this Notice or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.

A copy of this Notice can be found on the Company's website at www.filmfinances.com

COMPANY INFORMATION

Directors

Steven Ransohoff (Chief Executive Officer)
Timothy Trankina (Chief Financial Officer)
Antony Mitchell (Chief Operating Officer)
James Terlizzi (Non-Executive Chairman)
Simon Ingram (Non-Executive Director)
Stephen Argent (Non-Executive Director)
Julian Bartlett (Non-Executive Director)

Company Secretary

Jordan Company Secretaries Limited

Corporate Headquarters

9000 Sunset Boulevard
Suite 1400
Los Angeles, California 90069

Registered Office

15 Conduit Street
London W1S 2XJ

Website

www.filmfinances.com

Nominated Adviser and Corporate Broker

Liberum Capital Limited
Ropemaker Place, Level 12
25 Ropemaker Street
London EC2Y 9LY

Auditor

RSM UK Audit LLP
25 Farringdon Street
London EC4A 4AB

Public Relations Advisor

Hawthorn Advisors
7 Howick Place
London
SW1P 1BB