Company Registration No. 05311363 (England and Wales)

INFOSCREEN NETWORKS LTD

REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

INFOSCREEN NETWORKS LTD

DIRECTORS AND ADVISERS

Directors	Patrick Chew Wai Yen	
	John Simon Hugh Crane	(Non-executive)
	Lee Milton Montgomery	(Non-executive)
Secretary	MH Secretaries Limited	
Registered number	05311363	
Registered office	Staple Court 11 Staple Inn Buildings London WC1V 7QH	
Auditors	Jeffreys Henry LLP 5-7 Cranwood Street London EC1V 9EE	
Solicitors to the Company	Marriott Harrison Staple Court 11 Staple Inn Buildings London WC1V 7QH	
Principal Banker	Barclays Bank PLC 38 Hans Crescent London SW1X 0LZ	

INFOSCREEN NETWORKS LTD

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INFOSCREEN NETWORKS LTD

STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2020

Review of the business
The Company embarked on a cost cutting exercise to mitigate the financial effects on the COVID-19 pandemic. To be more competitive in the marketplace, a network expansion programme of its key digital media assets was carried out to enhance its competitiveness, diversify its revenue base and differentiate itself from the competition to help ensure that it continues to create value for shareholders. The impact of the COVID-19 pandemic in the long term cannot be accurately estimated as there are still significant uncertainties on how and when the pandemic can be contained and full business activities resume.

Key risks and uncertainties
The Group's operating subsidiary, YTL Info Screen, operates in the advertising industry in Malaysia. By virtue of this, the Group's performance is significantly tied-in with the overall state of the global economy, and more specifically, advertising expenditure in Malaysia, which is very sensitive to the country's economic health.

In addition, the Group's financial results are also subject to currency translation risk arising from its earnings in Malaysia which are denominated in Malaysian Ringgit (RM).

The third major risk and uncertainty relates to the direction of UK and Malaysian interest rates going forward especially during the COVID-19 pandemic, which will have a direct impact on the finance income the Group will earn on its substantial fixed deposits. Should the Bank of England feel it necessary to adjust interest rates upwards or downwards to manage UK economic activity, the Group's finance income will be directly impacted.

Key performance indicators
The most significant Key Performance Indicators ("KPIs") employed by the Group to monitor its performance are discussed below:

Growth in revenue
Growth in revenue is computed on a year-on-year basis and is expressed as a percentage. The Group recorded a decrease in revenue of 14% (FY2019: decrease 1%), mainly due to decrease in digital narrowcasting recorded by YTL Info Screen Sdn. Bhd. ("YTL Info Screen") as client's spending scaled down during the COVID-19 pandemic in Malaysia.

Gross profit margin
Gross margin is the ratio of gross profit to revenue expressed as a percentage. The Group's gross profit margin decrease marginally from 58% in FY2019 to 55% in FY2020.

Growth in pre-tax profit
Growth in pre-tax profit is computed on a year-on-year basis and is expressed as a percentage. The Group recorded a decrease in pre-tax profit of 51% (FY2019: decrease of 6%) due to decrease in gross profit margin.

Signed on behalf of the Board by

Patrick Chew Wai Yen
Executive Director
30 September 2020

INFOSCREEN NETWORKS LTD

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2020

The Directors present their report and audited financial statements of the Group and Company for the year ended 30 June 2020 ("FY2020").

Principal activities
The principal activities of the Group are digital narrowcasting and development of digital media content and delivery solutions. There have been no significant changes in the nature of these principle activities during the year.

Results and dividends
The Consolidated Statement of Comprehensive Income for the year is set out on page 7.

No dividends have been paid or declared for the year ended 30 June 2020.

Directors
The following Directors have held office since 1 July 2019:

P W Y Chew
J S H Crane (Non-executive)
L M Montgomery (Non-executive)

Directors' remuneration
The Executive Directors are not entitled to any other forms of remuneration from the Company. This is broken down in detail at Note 18 to the Financial Statements.

Directors' interests
The Directors who held office at the reporting date did not have any interests in the shares of the Company.

Payment policy
It is the Company's policy to:
- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment; and
- to abide by the terms of payment.

On average, creditors at the end of the reporting date represented 1 day (2019: 28 days) of purchases.

Auditors
In accordance with section 485 of the Companies Act 2006 a resolution proposing that Jeffreys Henry LLP be re-appointed as auditors to the Company will be put to the Annual General Meeting.

INFOSCREEN NETWORKS LTD

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

Going concern
After making appropriate enquiries, the Directors consider that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Directors' responsibilities
The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each year. Under that law the Directors have elected to prepare the Group and parent financial statements in accordance with International Financial Reporting Standards as adopted for use in the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and Group and of the Consolidated Statement of Comprehensive Income of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether the Group and parent company financial statements have been prepared in accordance with IFRSs as adopted by the European Union subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and Group 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 Company and of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Indemnity of officers
The Group currently does not maintain insurance to cover against legal action brought against its Directors and officers. However, the Group may purchase and maintain, for any Director or officer, insurance against any liability in the future.

Financial risk management
The Directors constantly monitor the financial risks and uncertainties facing the Group with particular reference to the exposure of interest rate, foreign currency, credit, liquidity and cash flow risk. They are confident that suitable policies are in place and that all material financial risks have been considered. More detail is given in Note 19 to the financial statements.

Events after the end of the reporting date
There were no events after the reporting date that require to be disclosed.

Statement as to disclosure to auditors
Each person who is a Director at the date of approval of this Report and Audited Financial Statements confirms that:
- so far as the Directors are aware, there is no relevant audit information of which the Group's auditors are unaware; and
- each Director has taken all the steps that he ought to have taken as Director in order to make himself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Signed on behalf of the Board by

Patrick Chew Wai Yen
Executive Director
30 September 2020

INFOSCREEN NETWORKS LTD

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF INFOSCREEN NETWORKS LTD

Opinion

We have audited the financial statements of Infoscreen Networks Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2020 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Company Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 30 June 2020 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 IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the 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.

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF INFOSCREEN NETWORKS LTD (CONTINUED)

Opinion 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 year for which the financial statements are prepared are 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 its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters where 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 set out on page 3, 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: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's report.

INFOSCREEN NETWORKS LTD

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF INFOSCREEN NETWORKS LTD (CONTINUED)

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.

Sachin Ramaiya (Senior statutory auditor)
For and on behalf of Jeffreys Henry LLP Chartered Accountants, Statutory Auditor

Finsgate
5-7 Cranwood Street
London,
EC1V 9EE
Date: 30 September 2020

INFOSCREEN NETWORKS LTD

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Note	Year ended 30 June 2020 £	Year ended 30 June 2019 £
Continuing operations			
Revenue	3	1,043,032	1,212,708
Cost of sales		(472,970)	(507,418)
Gross profit		570,062	705,290
Administrative expenses		(562,474)	(583,590)
Operating profit	4	7,588	121,700
Finance income and other income		109,108	116,709
Profit before income tax		116,696	238,409
Income tax expense	5	(32,899)	(60,302)
Profit for the year		83,797	178,107
Other comprehensive income:			
Currency translation differences		(10,478)	32,603
Other comprehensive (loss)/income for the year, net of tax		(10,478)	32,603
Total comprehensive income for the year, net of tax		73,319	210,710
Profit for the year attributable to owners of the parent		83,797	178,107
Total comprehensive income for the year attributable to owners of the parent		73,319	210,710

The accompanying accounting policies and explanatory notes on pages 15 to 43 form an integral part of the financial statements.

INFOSCREEN NETWORKS LTD

CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	Group 30 June 2020 £	Group 30 June 2019 £	Company 30 June 2020 £	Company 30 June 2019 £
ASSETS					
Non-current assets					
Property, plant and equipment	7	207,166	303,590	-	-
Intangible assets	8	237	449	-	-
Investment in a subsidiary	9	-	-	57,181	57,181
Deferred tax assets	10	1,827	-	-	-
		209,230	304,039	57,181	57,181
Current assets					
Trade and other receivables	11	201,722	251,929	752	1,530
Income tax assets		-	12,745	-	-
Cash and cash equivalents	12	5,903,639	5,723,489	2,681,675	2,685,839
		6,105,361	5,988,163	2,682,427	2,687,369
Total assets		6,314,591	6,292,202	2,739,608	2,744,550
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	13	3,000,000	3,000,000	3,000,000	3,000,000
Other reserves	14	346,187	356,665	-	-
Retained earnings/(Accumulated losses)	14	2,897,570	2,813,773	(277,104)	(271,337)
Total equity		6,243,757	6,170,438	2,722,896	2,728,663

The accompanying accounting policies and explanatory notes on pages 15 to 43 form an integral part of the financial statements.

INFOSCREEN NETWORKS LTD

CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2020 (CONTINUED)

	Note	Group 30 June 2020 £	Group 30 June 2019 £	Company 30 June 2020 £	Company 30 June 2019 £
LIABILITIES					
Non-current liabilities					
Deferred tax liabilities	10	-	1,764	-	-
		-	1,764	-	-
Current liabilities					
Trade and other payables	15	65,362	120,000	16,712	15,887
Income tax liabilities		5,472	-	-	-
		70,834	120,000	16,712	15,887
		70,834	121,764	16,712	15,887
Total equity and liabilities		6,314,591	6,292,202	2,739,608	2,744,550

The financial statements were approved and authorised for issue by the Board on 30 September 2020 and signed on its behalf by:

Patrick Chew Wai Yen
Executive Director
Company No: 05311363
30 September 2020

INFOSCREEN NETWORKS LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Attributable to owners of the parent				
	Share Capital £	Capital Reserve £	Translation Reserve £	Retained Earnings £	Total Equity £
Balance as at 1 July 2018	3,000,000	15,136	308,926	2,635,666	5,959,728
Profit for the year	-	-	-	178,107	178,107
Other comprehensive income	-	-	32,603	-	32,603
Total comprehensive income for the year	-	-	32,603	178,107	210,710
Balance as at 30 June 2019	3,000,000	15,136	341,529	2,813,773	6,170,438
Balance as at 1 July 2019	3,000,000	15,136	341,529	2,813,773	6,170,438
Profit for the year	-	-	-	83,797	83,797
Other comprehensive loss	-	-	(10,478)	-	(10,478)
Total comprehensive income for the year	-	-	(10,478)	83,797	73,319
Balance as at 30 June 2020	3,000,000	15,136	331,051	2,897,570	6,243,757

Notes:

Share capital
The amount subscribed for shares at nominal value.

Capital reserve
The capital reserve comprises the equity portion of ordinary shares issued.

Translation reserve
The effect of changes in exchange rates arising from translating the financial statements of subsidiary undertakings into the Company's reporting currency.

Retained earnings
Cumulative realised profits less losses and distributions attributable to owners of the parent.

INFOSCREEN NETWORKS LTD

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Non-distributable	Distributable	
	Share Capital £	Accumulated Losses £	Total Equity £
Balance as at 1 July 2018	3,000,000	(268,132)	2,731,868
Loss for the year	-	(3,205)	(3,205)
Total comprehensive loss for the year	-	(3,205)	(3,205)
Balance as at 30 June 2019	3,000,000	(271,337)	2,728,663
Balance as at 1 July 2019	3,000,000	(271,337)	2,728,663
Loss for the year	-	(5,767)	(5,767)
Total comprehensive loss for the year	-	(5,767)	(5,767)
Balance as at 30 June 2020	3,000,000	(277,104)	2,722,896

Notes:

Share capital
The amount subscribed for shares at nominal value.

Accumulated losses
Cumulative realised profits less losses and distributions attributable to owners of the parent.

The accompanying accounting policies and explanatory notes on pages 15 to 43 form an integral part of the financial statements.

INFOSCREEN NETWORKS LTD

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Cash Flows Note	Year ended 30 June 2020 £	£	Year ended 30 June 2019 £	£
Cash flows from operating activities					
Cash generated from operations	1		102,310		164,248
Finance income received			107,379		116,193
Income tax paid			(40,834)		(98,887)
Income tax refund			22,437		45,560
Net cash flow from operating activities			191,292		227,114
Cash flows from investing activities					
Purchase of property, plant and equipment		(2,756)		(27,520)	
Purchase of intangible asset		-		(624)	
Net cash flow used in investing activities			(2,756)		(28,144)
Net increase in cash and cash equivalents			188,536		198,970
Cash and cash equivalents at the beginning of the year			5,723,489		5,495,862
Exchange gains on cash and cash equivalents			(8,386)		28,657
Cash and cash equivalents at the end of the year	2		5,903,639		5,723,489

The accompanying accounting policies and explanatory notes on pages 15 to 43 form an integral part of the financial statements.

INFOSCREEN NETWORKS LTD

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

1 Reconciliation of profit before income tax to cash generated from operations

	2020 £	2019 £
Profit before income tax	116,696	238,409
Adjustments for:		
Finance income	(105,462)	(116,676)
Amortisation of intangible asset	209	328
Depreciation of property, plant and equipment	97,609	103,584
Impairment loss on trade receivables	4,002	-
Property, plant and equipment written off	28	772
Share option expenses	5,033	8,025
Decrease/(Increase) in receivables	43,202	(69,132)
Decrease in payables	(59,009)	(1,061)
Unrealised foreign exchange loss/(gain)	2	(1)
Cash flow generated from operations	102,310	164,248

2 Cash and cash equivalents

	2020 £	2019 £
Net cash:		
Cash at banks and on hand	79,917	79,015
Liquid resources:		
Deposits with banks	5,823,722	5,644,474
	5,903,639	5,723,489

The accompanying accounting policies and explanatory notes on pages 15 to 43 form an integral part of the financial statements.

INFOSCREEN NETWORKS LTD

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Cash Flows Note	Year ended 30 June 2020 £	Year ended 30 June 2019 £
Cash flows from operating activities			
Cash absorbed by operations	3	(19,984)	(20,523)
Finance income received		15,820	17,226
Net cash flow used in operating activities		(4,164)	(3,297)
Net decrease in cash and cash equivalents		(4,164)	(3,297)
Cash and cash equivalents at the beginning of the year		2,685,839	2,689,136
Cash and cash equivalents at the end of the year	4	2,681,675	2,685,839

NOTES TO THE COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

3 Reconciliation of loss before income tax to cash absorbed by operations

	2020 £	2019 £
Loss before income tax	(5,767)	(3,205)
Adjustments for:		
Finance income	(14,479)	(17,247)
Increase in receivables	(563)	-
Increase/(Decrease) in payables	823	(70)
Unrealised foreign exchange loss/(gain)	2	(1)
Cash flow absorbed by operations	(19,984)	(20,523)

4 Cash and cash equivalents

	2020 £	2019 £
Net cash:		
Cash at bank	6,994	6,978
Liquid resources:		
Deposits with bank	2,674,681	2,678,861
	2,681,675	2,685,839

The accompanying accounting policies and explanatory notes on pages 15 to 43 form an integral part of the financial statements.

1 General information

Infoscreen Networks LTD is a private limited company incorporated in England and Wales.

The principal activities of the Group are digital narrowcasting and development of digital media content and delivery solutions.

The address of the registered office of the Company is as follows:-

Staple Court
11 Staple Inn Buildings
London
WC1V 7QH

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 30 September 2020.

2 Summary of significant accounting policies

2.1 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 to all the years presented, unless otherwise stated.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. IFRS comprises of standards issued by the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the European Union (EU).

Preparation of financial statements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 2.15

New and amended standards adopted by the Group

The accounting policies adopted are consistent with those of the previous financial period. New standards and amendments to IFRS effective as of 1 July 2019 have been reviewed by the Group. The new standards include:

IFRS 16	Leases
IFRIC 23	Uncertainty over Income Tax Treatments
Amendments to IFRS 9	Prepayment Features with Negatives Compensation
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement
Amendments to IAS 28	Long-term interest in Associates and Joint Ventures
Amendments to IFRS 15	Clarification to IFRS 15
Annual Improvements to IFRSs 2015 – 2017 Cycle	Amendments to IFRS 3, Amendments to IFRS 11, Amendments to IAS 12, Amendments to IAS 23

These standards and amendments have not had a material impact on the financial statements of the Company and Group.

INFOSCREEN NETWORKS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

New standards, amendments and interpretations issued but not effective

There were a number of standards and interpretations which were in issue but not effective as at 30 June 2020 and have not been early adopted for these Financial Statements.

The new standards include:

Updated references to the Conceptual Framework	Amendments to References to the Conceptual Framework in IFRS Standards [1]
Amendments to IFRS3	Business Combination[1]
Amendments to IAS 1 and IAS 8	Definition of Material [1]
Amendments to IFRS9, IAS 39 and IFRS7	Interest Rate Benchmark Reform[1]
Amendment to IAS 1 Classification of liabilities	Classification of liabilities[1]
Amendment to IFRS 16	Covid-19 related rent concessions[2]
Amendments to IAS 37	Costs of fulfilling onerous contracts[1]
Annual Improvements to IFRS Standards 2018 – 2020	Amendments to IFRS 1[1] Amendments to IFRS 9[1] Amendments to IFRS 16[1] Amendments to IAS 41[1]

[1] Applicable for accounting periods starting on or after 1 January 2022
[2] Applicable for accounting periods starting on or after 1 June 2020

The Directors have assessed the impact of these accounting changes on the Company and Group and in their opinion they are not expected to have a significant impact to the financial statements upon their initial application.

2.2 Compliance with accounting standards

The consolidated financial statements have been prepared in accordance with IFRS as adopted by the EU, IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS.

2.3 *Significant accounting estimates and judgements*

Estimates and judgments are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group and Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Estimated useful lives of property, plant and equipment

The Group and the Company reviews the useful lives of its property, plant and equipment at each reporting date and any adjustments are made on a prospective basis as changes in accounting estimates. The useful lives of the property, plant and equipment are assessed periodically based on the conditions of the property, plant and equipment, market conditions and other regulatory requirements.

(b) Impairment receivables

The Group and Company uses a provision matrix to calculate expected credit losses ("ECLs") for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's and the Company's historical observed default rates. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's and the Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's and the Company's trade receivables is disclosed in Note 11.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Group controls an investee if and only if the Group has all the following:-

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its investment with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting rights of an investee, the Group considers the following in assessing whether or not the Group's voting rights in an investee are sufficient to give it power over the investee: -

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

2.4 Basis of consolidation (continued)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary;
- derecognises the carrying amount of any non-controlling interests;
- derecognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in statement of comprehensive income;
- reclassifies the parent's share of components previously recognised in other comprehensive income to statement of comprehensive income or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

Acquisitions of subsidiaries are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in other comprehensive income.

The cost of a business combination is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the business combination.

Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill in the statements of financial position. Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in statement of comprehensive income on the date of acquisition. When the Group acquires a business, embedded derivatives separated from the host contract by the acquire are reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

2.5 Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial year in which they are incurred.

2.5 Property, plant and equipment and depreciation (continued)

Depreciation on all property, plant and equipment is calculated on the straight line basis at rates required to write off the cost of the property, plant and equipment over their estimated useful lives.

The principal annual rates of depreciation used are as follows:-

Computer equipment	20% - 33.3%
Fixtures, fittings & equipment	10% - 20%
Motor vehicles	10%
Office renovation	10%

Residual values, useful life and depreciation method of assets are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Gains and losses on disposals are determined by comparing net disposal proceeds with net carrying amount and are recognised in statement of comprehensive income.

2.6 Intangible asset and amortisation

Computer software

Computer software is initially measured at cost. Following initial recognition, computer software is measured at cost less accumulated amortisation and accumulated impairment losses. Computer software which forms an integral part of the related hardware is capitalised with that hardware and included within property, plant and equipment. Computer software which is not an integral part of the related hardware is capitalised as intangible asset.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives.

2.7 Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, an asset's recoverable amount is estimated to determine the amount of impairment loss.

An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

An impairment loss is charged in statement of comprehensive income immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset.

Any subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in statement of comprehensive income immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in statement of comprehensive income, a reversal of that impairment loss is recognised as income in statement of comprehensive income.

2.8 Financial assets

(a) Initial recognition and measurement

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the instrument.

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income ("OCI"), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred as the SPPI test and is performed at an instrument level.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commit to purchase or sell the asset.

(b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:-

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss.

<u>Financial assets at amortised cost (debt instruments)</u>

This category is the most relevant to the Group and the Company. The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in statement of comprehensive income when the asset is derecognised, modified or impaired.

2.8 Financial assets (continued)

(b) Subsequent measurement (continued)

Financial assets at amortised cost (debt instruments) (continued)

The Group's and the Company's financial assets at amortised cost include cash and cash equivalents and trade and other receivebles.

(c) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the statements of financial position) when:-

- The rights to receive cash flows from the asset have expired: or
- The Group and the Company have transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group and the Company have transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

2.9 Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

For trade receivables and contract assets, the Group and Company applies a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.9 Impairment of financial assets (continued)

The Group and the Company consider a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Further disclosure relating to impairment of financial assets are also provided in the following notes:-

Trade and other receivables	Note 11
Financial risk and capital management	Note 19

2.10 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and at bank and deposits held at call with licensed banks which have an insignificant risk of changes in value.

2.11 Financial liabilities

(a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at amortised cost.

The Group's and the Company's financial liabilities include trade and other payables.

(b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:-

Financial liabilities at amortised cost

This is the category most relevant to the Group and the Company. After initial recognition, all financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of comprehensive income when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of comprehensive income.

(c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

(d) Offsetting of financial instruments

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

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2.12 Contracts with customers

(a) Contract assets

Contract asset is the right to consideration in exchange for services that the Group has transferred to a customer. If the Group transfers services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment based on the ECL model. Contract assets are presented within "Trade and other receivables" of the statement of financial position.

(b) Contract liabilities

Contract liability is the unsatisfied obligation by the Group to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs the services under the contract.

Contract liabilities are presented within "Trade and other payables" of the statement of financial position.

2.13 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company and the revenue can be reliably measured. The specific recognition criteria for revenue are as follows:-

(a) Revenue from contracts with customers

Revenue which represents income arising in the course of the Group's ordinary activities is recognised by reference to each distinct performance obligation promised in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of goods and services tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative stand–alone selling prices of each distinct good or services promised in the contract. Depending on the substances of the respective contract with the customer, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

(i) Digital narrowcasting

The Group sells advertising services to customers. These services are provided on a fixed-price contract, and the term generally ranging from 1 to 12 months. Revenue is recognised in the period the services are provided, using a straight-line basis over the term of the contract.

On occasions, revenue for advertising services is invoiced in advance. In such cases revenue is deferred and subsequently recognised in accordance with the criteria set above.

(ii) Digital media solutions and related services

The Group produces and creates media content for customers. For small scale projects, contract terms generally ranging from 1 to 30 days. For larger scale projects, contract terms can range from 1 to 12 months. Revenue is recognised when the services are provided by reference to the stage of completion at the reporting date. The stage of completion of services and revenue recognition are determined by validating the production tracking reports generated in-house or third parties tracking tools against purchase orders or agreements signed.

2.13 Revenue recognition (continued)

(a) Revenue from contracts with customers (continued)

(ii) Digital media solutions and related services (continued)

The Group also provides other services to customers like event management, provision of manpower/ technical support and rental of audio and visual equipments. The jobs are generally short term in nature and revenue is recognised in the period the services are provided.

(b) Other revenue

Finance income

Finance income is recognised as the interest income accrues, taking into account the effective yield on the asset.

2.14 Income tax and deferred tax

Income tax on the statement of comprehensive income for the financial year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributable to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences or unused tax losses can be utilised.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

2.15 Employees' benefits

(a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the financial year when employees have rendered their services to the Group.

Bonuses are recognised when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

2.15 Employees' benefits (continued)

(b) Defined contribution plan

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (the Employees Provident Fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all the employee benefits relating to employee service in the current and prior periods.

The Group's contributions to the defined contribution plan are charged to the statement of comprehensive income in the period to which they relate.

(c) Share-based compensation

The pre-penultimate holding company, YTL Corporation Berhad, operates an equity-settled, share-based compensation plan for the employees of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense in the statement of comprehensive income with a corresponding increase in amount due to pre-penultimate holding company over the vesting period.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At each reporting date, the Group revises its estimates of the number of shares under options that are expected to vest. It recognises the impact of the revision original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to amount due to pre-penultimate holding company over the vesting periods of the grant.

2.16 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (the functional currency), which is mainly Malaysian Ringgit (RM). The financial statements are presented in Pounds Sterling (£), which is the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions (or at the average rate for the period when this is a reasonable approximation). Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of comprehensive income.

2.16 Foreign currency translation (continued)

(c) Group companies

The results and financial position of all Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing rate at the date of that Statement of Financial Position;

(ii) income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations and of borrowings, are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in statement of comprehensive income as part of the gain or loss on sale.

2.17 Short term and low value leases

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to statement of comprehensive income on a straight-line basis over the lease term.

3 Revenue

In the opinion of the Directors, the Group's core activities comprise two material revenue streams.

These are as follows:

- Provision of digital narrowcasting
- Provision of digital media solutions and related services

The profiles of the risks, rewards and internal reporting structures within the Group are such that these revenue streams are not distinct operating segments and the Group's core activities represent one business segment.

All activities were conducted within Malaysia and it is the opinion of the Directors that this represents one geographical segment.

Income for the two revenue streams is as follows:

	2020 £	2019 £
Revenue from contracts with customer		
Digital narrowcasting	330,255	586,074
Digital media solutions and related services	712,777	626,634
	1,043,032	1,212,708
Timing of revenue recognition		
At a point in time	330,255	586,074
Over time	712,777	626,634
	1,043,032	1,212,708

Revenue of approximately £358,185 (2019: £468,912) is derived from transactions with customers located in Malaysia, whose turnover with the Group exceeds 10 per cent or more of total revenue.

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NOTES TO THE FINANCIAL STATEMENTS
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4 Operating profit

	2020 £	2019 £
Operating profit is derived after charging/(crediting):		
Auditors' remuneration		
- Current (Company 2020: £15,700, 2019: £15,700)	17,059	17,049
Amortisation of intangible asset	209	328
Depreciation of property, plant and equipment	97,609	103,584
Directors' fees (Note 18 and 21(b))	21,518	21,358
(Gain)/Loss on foreign exchange transactions		
- realised	(22)	(32)
- unrealised	2	(1)
Impairment loss on trade receivables	4,002	-
Lease expenses not capitalised in lease liabilities		
- leases expenses – short term leases	42,103	-
Property, plant and equipment written off	28	772
Rental of premises	-	44,555

The analysis of administrative expenses in the Consolidated Statement of Comprehensive Income by nature of expense:

	2020 £	2019 £
Employment costs	343,679	363,433
Depreciation and amortisation	97,818	103,912
Lease expenses not capitalised in lease liabilities		
- leases expenses – short term leases	42,103	-
Professional fees	472	360
Rental of premises	-	44,555
Travelling and entertaining	4,475	4,755
Other expenses	73,927	66,575
	562,474	583,590

5 Income tax expense

	2020 £	2019 £
Foreign current year tax		
Foreign corporation tax		
- Income tax on profit for the year of 24%	34,317	76,771
- Under-provision in prior year	2,145	1,078
	36,462	77,849
Deferred tax (Note 10)		
- Origination and reversal of temporary differences	(3,159)	(17,619)
- (Over)/Under-provision in prior year	(404)	72
	32,899	60,302

5 Income tax expenses (continued)

	2020 £	2019 £
Factors affecting the tax charge for the year		
Profit before income tax	116,696	238,409
Profit before income tax multiplied by standard rate of UK corporation tax of 19.00%	22,172	45,298
Tax effects of:		
Expenses not deductible for tax purposes	2,636	1,165
Income not subject to tax	(870)	-
Foreign tax adjustments	6,124	12,080
Under-provision in prior year (net)	1,741	1,150
Deferred tax assets not recognised in respect of current year's tax losses	1,096	609
	10,727	15,004
	32,899	60,302

6 Loss for the year

As permitted by section 408 of the Companies Act 2006, the Statement of Comprehensive Loss of the Company is not presented as part of these financial statements. The loss for the year is made up as follows:

	2020 £	2019 £
Company's loss for the year	(5,767)	(3,205)

7 Property, plant and equipment
Group

	Computer equipment £	Fixtures fittings and equipment £	Motor vehicles £	Office renovation £	Total £
Cost					
At 1 July 2019	780,939	77,548	25,675	1,194	885,356
Additions	2,756	-	-	-	2,756
Written off	(498)	-	-	-	(498)
Exchange differences	(2,448)	(244)	(81)	(4)	(2,777)
At 30 June 2020	780,749	77,304	25,594	1,190	884,837
Accumulated depreciation					
At 1 July 2019	510,430	61,567	8,796	973	581,766
Charge for the year	86,739	8,857	1,904	109	97,609
Written off	(470)	-	-	-	(470)
Exchange difference	(1,077)	(139)	(16)	(2)	(1,234)
At 30 June 2020	595,622	70,285	10,684	1,080	677,671
Net carrying amount					
At 30 June 2020	185,127	7,019	14,910	110	207,166
Cost					
At 1 July 2018	773,026	69,107	25,446	1,183	868,762
Additions	18,612	8,908	-	-	27,520
Written off	(17,667)	(1,218)	-	-	(18,885)
Exchange differences	6,968	751	229	11	7,959
At 30 June 2019	780,939	77,548	25,675	1,194	885,356
Accumulated depreciation					
At 1 July 2018	429,719	52,848	7,019	854	490,440
Charge for the year	92,465	9,325	1,685	109	103,584
Written off	(16,895)	(1,218)	-	-	(18,113)
Exchange difference	5,141	612	92	10	5,855
At 30 June 2019	510,430	61,567	8,796	973	581,766
Net carrying amount					
At 30 June 2019	270,509	15,981	16,879	221	303,590

These tangible assets are all located in Malaysia.

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NOTES TO THE FINANCIAL STATEMENTS
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8 Intangible asset

Group

	Computer software £	Total £
Cost		
At 1 July 2019	18,731	18,731
Exchange differences	(59)	(59)
At 30 June 2020	18,672	18,672
Accumulated amortisation		
At 1 July 2019	18,282	18,282
Charge for the year	209	209
Exchange differences	(56)	(56)
At 30 June 2020	18,435	18,435
Net carrying amount		
At 30 June 2020	237	237
Cost		
At 1 July 2018	17,936	17,936
Additions	624	624
Exchange differences	171	171
At 30 June 2019	18,731	18,731
Accumulated amortisation		
At 1 July 2018	17,789	17,789
Charge for the year	328	328
Exchange differences	165	165
At 30 June 2019	18,282	18,282
Net carrying amount		
At 30 June 2019	449	449

This intangible asset is located in Malaysia. There was no intangible asset held by the Company in the current year.

9 Investment in a subsidiary

	Shares in Group Undertaking £
Company	
Cost	
At 1 July 2019 and 30 June 2020	57,181

In the opinion of the Directors, the aggregate value of the Company's investment in its subsidiary undertaking is not less than the amount included in the Statement of Financial Position.

Holding of more than 20%
The Company holds more than 20% of the share capital of the following company:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertaking			
YTL Info Screen Sdn. Bhd.	Malaysia	Ordinary	100

The principal activity of this undertaking for the last relevant year was as follows:

	Principal activity
YTL Info Screen Sdn. Bhd.	Digital narrowcasting and digital media content development and delivery solutions

As at 30 June 2020 the aggregate capital and reserves of YTL Info Screen Sdn. Bhd. were £3,588,520 (2019: £3,498,956) and its profit for the year was £89,564 (2019: £181,312).

10 Deferred tax asset/(liabilities)

Group

The analysis of deferred tax assets and liabilities is as follows:

	2020 £	2019 £
At 1 July	(1,764)	(19,433)
Charged to statement of comprehensive income (Note 5)	3,563	17,547
- property, plant and equipment	11,126	10,279
- interest receivables	138	(119)
- contract liabilities	(7,681)	7,356
- others	(20)	31
Exchange differences	28	122
At 30 June	1,827	(1,764)

10 Deferred tax assets/(liabilities) (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes related to the same tax authority. The following amounts, determined after appropriate offsetting are shown in the Consolidated Statement of *Financial Position:*

Deferred tax provided are in respect of:

Deferred tax assets before offsetting

	2020 £	2019 £
Contract liabilities	(479)	(8,233)
Others	(74)	(94)
	(553)	(8,327)
Offsetting	553	8,327
Deferred tax assets after offsetting	-	-

Deferred tax liabilities before offsetting

	2020 £	2019 £
Property, plant and equipment	(1,535)	9,690
Interest receivables	261	401
	(1,274)	10,091
Offsetting	(553)	(8,327)
Deferred tax liabilities after offsetting	(1,827)	1,764

The Group did not recognise deferred tax assets of £45,352 (2019: £44,256) in respect of losses amounting to £238,693 (2019: £232,926) that can be carried forward against future taxable income.

At the reporting date, there are no aggregate temporary differences associated with undistributed earnings of subsidiary as UK tax legislation largely exempts dividends from UK tax. The Directors believe that all dividends to be paid by the Company's subsidiary will meet the criteria for exemption from UK tax.

11 Trade and other receivables

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade receivables				
Third parties	94,321	68,677		-
Amount due from pre-penultimate holding company	61,436	60,800	-	-
Amount due from related companies	44,680	61,768	-	-
	200,437	191,245	-	-
Less: Allowance for impairment	(4,026)	-	-	-
Trade receivables, net	196,411	191,245	-	-
Other receivables				
Prepayments and contract assets (Note 16)	5,311	60,684	752	1,530
Total financial assets carried at amortised costs	201,722	251,929	752	1,530

(a) Trade receivables that were neither past due nor impaired are creditworthy customers with good payment records with the Group.

(b) Trade receivables that were past due but not impaired mainly to customers who have never defaulted on payments but are slow paymasters hence, are periodically monitored.

Expected credit losses ("ECL")

The movement in allowance for ECL of trade receivable computes based on lifetime ECL are as follows:-

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
At 1 July	-	-	-	-
Charge for the year	4,002	-	-	-
Exchange differences	24	-	-	-
At 30 June	4,026	-	-	-

For detailed analysis of credit risks refer to Note 19(c).

The carrying amount of trade and other receivables approximates to its fair value.

12 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances and deposits held at call with banks. Cash and cash equivalents at the reporting date as shown in the Statement of Cash Flows can be reconciled to the related items in the Statement of Financial Position as follows:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Cash on hand and bank balances	79,917	79,015	6,994	6,978
Deposits with licensed banks	5,823,722	5,644,474	2,674,681	2,678,861
	5,903,639	5,723,489	2,681,675	2,685,839

The range of interest rate of deposits with licensed bank that were effective at the reporting date are as follows:

	Group		Company	
	2020	2019	2020	2019
	%	%	%	%
Interest rate	0.11 – 2.15	0.45 – 3.80	0.11 – 0.13	0.45 – 0.71

Deposited of the Group and of the Company have maturities ranging from 5 days to 63 days (2019: 5 days to 63 days).

13 Share capital

	2020	2019
	£	£
Authorised		
1,000,000,000 Ordinary shares of 1p each	10,000,000	10,000,000
Allotted, called up and fully paid		
300,000,000 Ordinary shares of 1p each	3,000,000	3,000,000

The ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

14 Statement of movements in reserves

Group

	Capital reserve	Translation reserve	Retained earnings
	£	£	£
At 1 July 2019	15,136	341,529	2,813,773
Profit for the year	-	-	83,797
Currency translation differences	-	(10,478)	-
At 30 June 2020	15,136	331,051	2,897,570

14 Statement of movements in reserves (continued)

Company

	Accumulated losses £
At 1 July 2019	(271,337)
Loss for the year	(5,767)
At 30 June 2020	(277,104)

15 Trade and other payables

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade payables	652	38,295	-	-
Amount due to intermediate holding company	6,001	5,954	82	-
Amount due to related companies	40	20	-	-
Other payables	14,007	15,071	930	-
Accruals and contract liabilities (Note 16)	44,662	60,660	15,700	15,887
Total other financial liabilities carried at amortised cost	65,362	120,000	16,712	15,887

Included in the Group's other payables are post-employment defined contribution pension plan obligations of £5,366 (2019: £5,189).

Trade payables and accruals principally comprise amounts outstanding for trade purchases and on-going expenses. The carrying amount of trade and other payables approximates to its fair value.

16 Contract assets/(liabilities)

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Contract assets (Note 11)	-	46,546	-	-
Contract liabilities (Note 15)	(22,315)	(34,305)	-	-
	(22,315)	12,241	-	-

The Group recognise contract liabilities when a customer pays consideration, or is contractually required to pay consideration, before and the Group recognise the related revenue. The contract liabilities are expected to be recognised as revenue within a year.

16 Contract assets/(liabilities)

The Group's contract assets and contract liabilities relating to digital narrowcasting as of each reporting period can be summarised as follows:-

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
At 1 July	(34,197)	(3,138)	-	-
Revenue recognised during the financial year	33,988	3,086	-	-
Progress billings/advances received during the financial year	(22,179)	(33,735)	-	-
Exchange difference	73	(518)	-	-
At 30 June	(22,315)	(34,305)	-	-

17 Employees

Number of employees

The average monthly number of employees during the year was:

	Group		Company	
	2020	2019	2020	2019
	Number	Number	Number	Number
Management	3	3	3	3
Sales personnel	1	1	-	-
Web, multimedia and other operations personnel	19	21	-	-
	23	25	3	3

Group employment costs for the year (excluding Directors)

	2020	2019
	£	£
Wages, salaries and bonuses	293,673	311,330
Social security costs	2,911	3,037
Defined contribution plan expenses	36,563	38,433
Others	10,532	10,633
	343,679	363,433

18 Directors' fees

The fees of Directors during the year were as follows:

	2020		2019	
	Directors' Fees	Consultancy Fees	Directors' Fees	Consultancy Fees
	£	£	£	£
Executive Director				
- Patrick Chew Wai Yen	-	21,518	-	21,358
Non-executive Directors				
- John Simon Hugh Crane	-	-	-	-
- Lee Milton Montgomery	-	-	-	-
	-	21,518	-	21,358

19 Financial risk and capital management

Financial risk management

The Group's and the Company's operations are subject to interest rate risk, foreign currency exchange risk, credit risk and liquidity risk.

The Group's and the Company's financial risk management policy seeks to ensure that adequate resources are available to manage the above risks and to create value for its shareholders. It is not the Group's and the Company's policy to engage in speculative transactions.

The Board of Directors reviews and agrees policies and procedures for managing each of these risks and they are summarised below:

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises mainly from their deposits with licensed banks. These deposits are mainly short term in nature and they are not held for speculative purposes but have been mostly placed in fixed deposits which yield better returns than cash at bank.

The Group's and the Company's policy is to obtain the most favourable interest rate available.

The information on maturity dates and effective interest rates of deposits with licensed banks is disclosed in Note 12.

As the influence of interest rate changes on statements of comprehensive income is insignificant, no sensitivity analysis has been conducted.

19 Financial risk and capital management (continued)

Financial risk management (continued)

(b) *Foreign currency exchange risk*

Foreign currency exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group and the Company have minimal transactional currency exposures in respect of its sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily in £ and RM. The Group and the Company do not consider it necessary to enter into foreign exchange contracts in managing its foreign exchange risk given the nature of the business for the time being.

The Group is also exposed to currency translation risk arising from its net investment in Malaysia which is denominated in RM. This net investment is not hedged as the currency position in RM is considered to be long-term in nature.

Sensitivity analysis for foreign currency risk

As the influence of foreign exchange rates changes on profit or loss is insignificant, no sensitivity analysis has been conducted in the reporting year.

(c) Credit risk

Credit risk is the potential financial loss resulting from the failure of a counterparty to settle their obligations to the Group. The Group adopts the policy of dealing only with:

- Customers of appropriate credit standing and history, and obtaining sufficient collateral where appropriate to mitigate credit risk; and
- High credit quality counterparties of at least an 'A' rating by external credit rating companies.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the Head of Credit Control based on ongoing credit evaluation. The counterparty's payment pattern and credit exposure are continuously monitored at the entity level by the respective management and at the Group level by the Head of Credit Control.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

As the Group do not hold collateral, the maximum exposure to credit risk to each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

Cash and cash equivalents and trade and other receivables are subject to immaterial credit loss.

(i) Trade receivables

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables.

In measuring the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and days past due.

19 Financial risk and capital management (continued)

Financial risk management (continued)

(c) *Credit risk (continue)*

(i) Trade receivables (continue)

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the gross domestic product (GDP) in which it sells goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group considers a financial asset as in default if the counterparty fails to make contractual payments within 30 days when they fall due, and writes off the financial asset when a debtor fails to make contractual payments greater than 120 days past due. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in statement of comprehensive income.

The Group's credit risk exposure in relation to trade receivables are set out in the provision matrix as follows:

30 June 2020	Current £	1 to 30 days past due £	31 to 60 days past due £	Above 61 days past due £	Total £
Gross carrying amount	74,856	8,642	66,426	50,513	200,437
Impairment losses	-	-	-	(4,026)	(4,026)

30 June 2019	Current £	1 to 30 days past due £	31 to 60 days past due £	Above 61 days past due £	Total £
Gross carrying amount	137,733	20,312	10,215	22,985	191,245
Loss allowance provision	-	-	-	-	-

(d) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The total financial liabilities of the Group and of the Company are represented by the Group's and the Company's total trade and other payables as disclosed in the Note 15. At the reporting date, the Group and the Company has £65,362 (2019: £129,287) and £16,712 (2019: £15,887) of total financial liabilities (based on contractual undiscounted repayment obligations) respectively and the maturity period is within one year or upon demand.

19 Financial risk and capital management (continued)

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise its shareholders value.

The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. There we no changes in the Group's approach to capital management during the financial year.

The Group monitors capital using return on equity, which is profit for the year as percentage of equity.

At the reporting date, the ratios were as follows:

	Group	
	2020	2019
	%	%
Return on equity (ROE)	1.34	2.89

20 Parent undertakings

The parent undertaking of the smallest group for which group accounts are drawn up and of which the company is a member is YTL e-Solutions Berhad, a company incorporated and registered in Malaysia. Group accounts are available at its registered office at 33rd Floor, Menara YTL, 205 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia or its website www.ytlesolutions.com.

The parent undertaking of the largest group for which group accounts are drawn up and of which the company is a member is YTL Corporation Berhad, a company incorporated and registered in Malaysia. Group accounts are available at its registered office at 33rd Floor, Menara YTL, 205 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia or its website www.ytl.com.my.

21 Related party transactions

The immediate parent and pre-penultimate controlling party respectively of the Group are YTL e-Solutions Berhad and YTL Corporation Berhad.

Transactions between the Company and its subsidiary, which is a related party of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below:

21 Related party transactions (continued)

(a) Significant trading transactions

The significant related party transactions described below and disclosed elsewhere in the financial statements have been entered into in the normal course of business:

	Sales of digital narrowcasting and/ or digital media solutions		Amount due from related parties	
	2020	2019	2020	2019
	£	£	£	£
YTL Corporation Berhad	96,119	130,924	61,436	60,800
Subsidiaries of YTL Corporation Berhad	326,097	434,000	44,680	71,056

	Purchase of services		Amount due to related parties	
	2020	2019	2020	2019
	£	£	£	£
Subsidiaries of YTL Corporation Berhad	40,987	256,803	40	9,308

	Rental of premises		Amount due to related parties	
	2020	2019	2020	2019
	£	£	£	£
YTL e-Solutions Berhad	42,103	44,555	5,919	5,954

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expenses have been recognized in the period for bad or doubtful debts in respect of the amounts due to related parties.

(b) Directors' transactions

During the year, YTL Info Screen Sdn. Bhd. paid/payable Mr. Patrick Wai Yen Chew £21,518 (2019: £21,358) for his creative and consultancy services rendered to YTL Info Screen Sdn. Bhd.

The Executive Directors are not entitled to any other forms of remuneration from the Company, other than as disclosed above.

The above transactions with related parties were conducted at arm's length.

(c) Key management personnel compensation

The key management personnel compensation during the year was in respect of the Directors' fees of the Group and the Company as stated in Note 18.

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22 Capital commitments

There was no capital expenditure contracted for at the reporting date but not yet incurred.

23 Significant events during and after the reporting date

The COVID-19 pandemic has impacted economic activities worldwide. Since its outbreak, governments worldwide have set up measures to contain the pandemic. Many countries have required entities to limit or suspend business operations, and have also implemented travel restrictions and quarantine measures.

The Group is taking steps to proactively manage the businesses and take the necessary actions to ensure that the Group's long-term business prospects remain stable.