

Company Registration No. 05311363 (England and Wales)

INFOSCREEN NETWORKS LTD

REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018



INFOSCREEN NETWORKS LTD

DIRECTORS AND ADVISERS

Directors	Patrick Chew Wai Yen John Simon Hugh Crane Lee Milton Montgomery	(Non-executive) (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 2018

Review of the business

The Company embarked on a cost cutting exercise to mitigate the financial effects of more competitive conditions in the marketplace and has embarked on a network re-planting and a network expansion programme of its key digital media assets 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.

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 Malaysian 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, 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 increase in revenue of 1% (FY2017: 30%), mainly due to increase in digital media solutions and related services revenue recorded by YTL Info Screen Sdn. Bhd. ("YTL Info Screen").

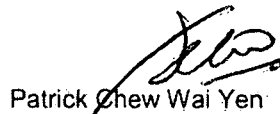
Gross profit margin

Gross margin is the ratio of gross profit to revenue expressed as a percentage. The Group's gross profit margin increase marginally from 60% in FY2017 to 63% in FY2018.

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 increase in pre-tax profit of 49% (FY2017: decrease of 2%) due to increase in gross profit margin and lower admiration expenses.

Signed on behalf of the Board by



Patrick Chew Wai Yen
Executive Director
25 September 2018

INFOSCREEN NETWORKS LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018

The Directors present their report and audited financial statements of the Group and Company for the year ended 30 June 2018 ("FY2018").

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 2018.

Directors

The following Directors have held office since 1 July 2017:

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 28 days (2017: 58 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 2018 (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

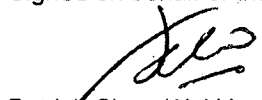
There were no events after the reporting date that require to be disclosed.

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
25 September 2018

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 2018 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 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 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.

INFOSCREEN NETWORKS LTD

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.

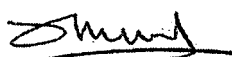
INFOSCREEN NETWORKS LTD

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF INFOSCREEN NETWORKS LTD (CONTINUED)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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: 25 September 2018

INFOSCREEN NETWORKS LTD

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	Note	Year ended 30 June 2018 £	Year ended 30 June 2017 £
Continuing operations			
Revenue	3	1,225,575	1,211,563
Cost of sales		(452,040)	(484,687)
Gross profit		773,535	726,876
Administrative expenses		(616,107)	(646,089)
Operating profit	4	157,428	80,787
Finance income and other income		97,372	90,434
Profit before income tax		254,800	171,221
Income tax expense	5	(68,776)	(53,651)
Profit for the year		186,024	117,570
Other comprehensive income/(loss):			
Currency translation differences		169,145	(106,297)
Other comprehensive income/(loss) for the year, net of tax		169,145	(106,297)
Total comprehensive income for the year, net of tax		355,169	11,273
Profit for the year attributable to owners of the parent		186,024	117,570
Total comprehensive income for the year attributable to owners of the parent		355,169	11,273

The accompanying accounting policies and explanatory notes on pages 15 to 44 form an integral part of the financial statements.

INFOSCREEN NETWORKS LTD

CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Note	30 June 2018 £	Group 30 June 2017 £	30 June 2018 £	Company 30 June 2017 £
ASSETS					
Non-current assets					
Property, plant and equipment	7	378,322	378,518	-	-
Intangible assets	8	147	387	-	-
Investment in a subsidiary	9	-	-	57,181	57,181
		<u>378,469</u>	<u>378,905</u>	<u>57,181</u>	<u>57,181</u>
Current assets					
Trade and other receivables	10	188,743	243,305	1,509	723
Income tax assets		37,343	53,853	-	-
Cash and cash equivalents	11	5,495,862	5,187,631	2,689,136	2,701,425
		<u>5,721,948</u>	<u>5,484,789</u>	<u>2,690,645</u>	<u>2,702,148</u>
Total assets		<u><u>6,100,417</u></u>	<u><u>5,863,694</u></u>	<u><u>2,747,826</u></u>	<u><u>2,759,329</u></u>
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	12	3,000,000	3,000,000	3,000,000	3,000,000
Other reserves	13	324,062	154,917	-	-
Retained earnings/(Accumulated losses)	13	2,635,666	2,449,642	(268,132)	(256,439)
Total equity		<u><u>5,959,728</u></u>	<u><u>5,604,559</u></u>	<u><u>2,731,868</u></u>	<u><u>2,743,561</u></u>

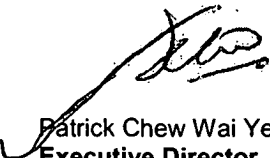
The accompanying accounting policies and explanatory notes on pages 15 to 44 form an integral part of the financial statements.

INFOSCREEN NETWORKS LTD

CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2018 (CONTINUED)

	Note	30 June 2018 £	Group 30 June 2017 £	30 June 2018 £	Company 30 June 2017 £
LIABILITIES					
Non-current liabilities					
Deferred tax liabilities	14	19,432	13,135	-	-
		<u>19,432</u>	<u>13,135</u>	<u>-</u>	<u>-</u>
Current liabilities					
Trade and other payables	15	121,257	246,000	15,958	15,768
		<u>121,257</u>	<u>246,000</u>	<u>15,958</u>	<u>15,768</u>
		<u>140,689</u>	<u>259,135</u>	<u>15,958</u>	<u>15,768</u>
Total equity and liabilities		<u><u>6,100,417</u></u>	<u><u>5,863,694</u></u>	<u><u>2,747,826</u></u>	<u><u>2,759,329</u></u>

The financial statements were approved and authorised for issue by the Board on 25 September 2018 and signed on its behalf by:


Patrick Chew Wai Yen
Executive Director
Company No: 05311363
25 September 2018

The accompanying accounting policies and explanatory notes on pages 15 to 44 form an integral part of the financial statements.

INFOSCREEN NETWORKS LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	Attributable to owners of the parent				
	Share Capital £	Capital Reserve £	Translation Reserve £	Retained Earnings £	Total Equity £
Balance as at 1 July 2016	3,000,000	15,136	246,078	2,332,072	5,593,286
Profit for the year	-	-	-	117,570	117,570
Other comprehensive loss	-	-	(106,297)	-	(106,297)
Total comprehensive income for the year	-	-	(106,297)	117,570	11,273
Balance as at 30 June 2017	3,000,000	15,136	139,781	2,449,642	5,604,559
Balance as at 1 July 2017	3,000,000	15,136	139,781	2,449,642	5,604,559
Profit for the year	-	-	-	186,024	186,024
Other comprehensive income	-	-	169,145	-	169,145
Total comprehensive income for the year	-	-	169,145	186,024	355,169
Balance as at 30 June 2018	3,000,000	15,136	308,926	2,635,666	5,959,728

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 2018

	Non-distributable	Distributable	
	Share Capital £	Accumulated Losses £	Total Equity £
Balance as at 1 July 2016	3,000,000	(242,013)	2,757,987
Loss for the year	-	(14,426)	(14,426)
Total comprehensive loss for the year	-	(14,426)	(14,426)
Balance as at 30 June 2017	3,000,000	(256,439)	2,743,561
Balance as at 1 July 2017	3,000,000	(256,439)	2,743,561
Loss for the year	-	(11,693)	(11,693)
Total comprehensive loss for the year	-	(11,693)	(11,693)
Balance as at 30 June 2018	3,000,000	(268,132)	2,731,868

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.

INFOSCREEN NETWORKS LTD

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

	Cash Flows Note	Year ended 30 June 2018 £	Year ended 30 June 2017 £
Cash flows from operating activities			
Cash generated from operations	1	194,618	232,757
Finance income received		93,188	84,571
Income tax paid		(92,694)	(84,412)
Income tax refund		48,112	59,345
Net cash generated from operating activities		243,224	292,261
Cash flows from investing activities			
Purchase of property, plant and equipment		(79,378)	(274,321)
Net cash used in investing activities		(79,378)	(274,321)
Net increase in cash and cash equivalents		163,846	17,940
Cash and cash equivalents at the beginning of the year		5,187,631	5,261,139
Exchange gains/(losses) on cash and cash equivalents		144,385	(91,448)
Cash and cash equivalents at the end of the year	2	5,495,862	5,187,631

The accompanying accounting policies and explanatory notes on pages 15 to 44 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 2018

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

	2018 £	2017 £
Profit before income tax	254,800	171,221
Adjustments for:		
Finance income	(95,577)	(83,797)
Amortisation of intangible assets	252	308
Bad debts written off	-	757
Depreciation of property, plant and equipment	99,800	80,518
Property, plant and equipment written off	46	584
Share option expenses	1,665	-
Decrease/(Increase) in receivables	68,014	(13,623)
(Increase)/(Decrease) in payables	(134,384)	76,790
Unrealised foreign exchange loss/(gain)	2	(1)
Cash generated from operations	194,618	232,757

2 Cash and cash equivalents

	2018 £	2017 £
Net cash:		
Cash at banks and on hand	122,066	55,650
Liquid resources:		
Deposits with banks	5,373,796	5,131,981
	5,495,862	5,187,631

INFOSCREEN NETWORKS LTD

COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

	Cash Flows Note	Year ended 30 June 2018 £	Year ended 30 June 2017 £
Cash flows from operating activities			
Cash absorbed by operations	3	(19,161)	(21,569)
Finance income received		6,872	6,195
Net cash used in operating activities		<u>(12,289)</u>	<u>(15,374)</u>
Net decrease in cash and cash equivalents		(12,289)	(15,374)
Cash and cash equivalents at the beginning of the year		2,701,425	2,716,799
Cash and cash equivalents at the end of the year	4	<u>2,689,136</u>	<u>2,701,425</u>

NOTES TO THE COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

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

	2018 £	2017 £
Loss before income tax	(11,693)	(14,426)
Adjustments for:		
Finance income	(8,221)	(5,611)
Decrease in receivables	563	-
Increase/(Decrease) in payables	188	(1,531)
Unrealised foreign exchange loss/(gain)	2	(1)
Cash absorbed by operations	<u>(19,161)</u>	<u>(21,569)</u>

4 Cash and cash equivalents

	2018 £	2017 £
Net cash:		
Cash at banks	7,501	6,662
Liquid resources:		
Deposits with bank	2,688,61,635	2,694,764
	<u>2,689,136</u>	<u>2,701,425</u>

The accompanying accounting policies and explanatory notes on pages 15 to 44 form an integral part of the financial statements.

INFOSCREEN NETWORKS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1 General information

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

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 2017 have been reviewed by the Group. These standards and amendments principally relate to clarifications and presentation and there has been no material impact on the financial statements as a result. The new standards include:

Disclosure Initiative (Amendments to IAS 7)	Statement of Cash Flows
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to IFRS 12	Annual Improvements to IFRS Standards 2014–2016 Cycle

INFOSCREEN NETWORKS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 (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 at 30 June 2018 but were not effective at 30 June 2018 and have not been early adopted for these Financial Statements. The Directors have assessed the impact of these accounting changes on the Company.

The new standards include:

IFRS 9	Financial Instruments ¹
IFRS 15	Revenue from Contracts with Customers ¹
IFRS 16	Leases ²
Amendments to IFRS 1 and IAS 28	Transfers of Investment Property (Amendments to IAS 40)
Amendments to IAS 40	Transfers of Investment Property ¹
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions ¹
Clarifications to IFRS 15	Revenue from Contracts with Customers ¹
IFRIC 22	Foreign Currency Transactions and Advance Consideration ¹
IFRIC 23	Uncertainty over Income Tax Treatments ²
2015-2017 annual improvements cycle	Annual Improvements to IFRS Standards 2015–2017 Cycle ²
Updated references to the Conceptual Framework	Amendments to References to the Conceptual Framework in IFRS Standards ³

¹ Effective for annual periods beginning on or after 1 January 2018

² Effective for annual periods beginning on or after 1 January 2019

³ Effective for annual periods beginning on or after 1 January 2020

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.

INFOSCREEN NETWORKS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)

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

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 Statements of Comprehensive Income 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 profit or loss;
- reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss 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.

INFOSCREEN NETWORKS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)

2.3 Basis of consolidation (continued)

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 profit or loss 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.

2.4 Revenue recognition and finance income

All revenue relates to rendering of services. Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax (or overseas equivalents) and trade discounts.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below:

(a) Digital narrowcasting

The Group sells advertising services to customers. These services are provided on a fixed-price contract, and the terms 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.

(b) Development of digital media content

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.

(c) Digital media solutions

The Group provides digital media solutions to customers. These services are provided on a fixed-price contract, and the terms generally ranging from 1 to 10 years. Revenue is generally recognised over the period the services are provided, using a straight-line basis over the term of the contract.

(d) Digital media solutions

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

Finance income represent interest income recognised as it accrues, taking into account the effective yield on deposits held at call with banks.

INFOSCREEN NETWORKS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)

2.5 Deferred credit

Deferred credit, which included in trade and other payables, comprises deferred revenue future advertising services and other services to be rendered to customers and is recognized over the period of the relevant contracts.

2.6 Intangible assets and amortisation

(a) 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 assets.

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 (3 to 5 years).

(b) Investment in programmes for future sale

Investment in programmes for future sale is stated at cost, after writing off the costs of programmes that are considered irrecoverable, less accumulated amortisation and accumulated impairment losses. Amortisation of investment in programmes for future sale is charged to profit or loss over the estimated average marketable life of the programme genre which is generally between 5 and 10 years.

The cost and accumulated amortisation of investment in programmes for future sale are reduced by programmes which are fully written off.

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost of an item includes expenditure that is directly attributable to the acquisition of the item.

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 cost of the item can be measured reliably. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of the replaced part is then derecognised. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the asset as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are recognised in profit or loss as incurred.

Depreciation on 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.

INFOSCREEN NETWORKS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)

2.7 Property, plant and equipment (continued)

The principal annual rates used are as follows :-

Computer equipment	20% - 33%
Fixtures, fittings & equipment	10% - 20%
Motor vehicles	12.5%
Office renovation	10%

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful lives and depreciation method are reviewed at each reporting date, and adjusted prospectively, if appropriate, to ensure that the amount, method and period of depreciation are consistent with the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing net disposal proceeds with net carrying amount and are recognised in profit or loss.

2.8 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability to the present value of the expenditure expected to be required to settle the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balances and deposits held at call with licensed banks which are subject to an insignificant risk of changes in value.

2.10 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.

Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

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.

INFOSCREEN NETWORKS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)

2.10 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 recognised as expenses to profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(c) Share-based compensation

The 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 profit or loss with a corresponding increase in amount due to penultimate holding company over the vesting period.

The total amount to be recognised over the vesting period is determined by reference to the fair value of the 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 become exercisable on the vesting date and recognises the impact of the revision of the estimates in the profit or loss, with a corresponding adjustment to amount due to penultimate holding company over the remaining vesting period.

2.11 Impairment of non-financial assets

The carrying amounts of assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the 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 to sell 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 (CGU). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

An impairment loss is recognised to profit or loss 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 profit or loss 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 profit or loss, a reversal of that impairment loss is recognised as income in profit or loss.

INFOSCREEN NETWORKS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)

2.12 Income tax and deferred tax

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in comprehensive income or directly in equity.

(b) Deferred tax

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 other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are off-set, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.13 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 profit or loss.

INFOSCREEN NETWORKS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)

2.13 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 profit or loss as part of the gain or loss on sale.

2.14 Financial instruments

(a) Financial assets

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

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. As at the reporting date, the Group and the Company only have financial assets classified as loans and receivables.

Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current assets.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

INFOSCREEN NETWORKS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)

2.14 Financial instruments (continued)

(a) Financial assets (continued)

Regular way purchases or sales are purchases or sales of financial assets that require the delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e. the date that the asset is delivered to or by the Company.

The Group and the Company designate trade and other receivables and cash and cash equivalents as loans and receivables.

(b) Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the receivables and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, receivables that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(c) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangement entered into and the definitions of a financial liability.

Financial liabilities are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities. As at the reporting date, the Group and the Company only have other financial liabilities which are carried at amortised cost.

INFOSCREEN NETWORKS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)

2.14 Financial instruments (continued)

(c) Financial liabilities (continued)

Other financial liabilities

The Group's and the Company's other financial liabilities include trade and other payables. Other financial liabilities are non-derivative financial liabilities.

Other financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another instrument the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.15 Significant accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on past experience, reasonable expectations of future events and other factors.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting date are discussed below:

(a) Useful lives of property, plant and equipment and intangible assets

The cost of property, plant and equipment and intangible assets are depreciated on a straight-line basis over the assets' estimated economic useful lives. The useful lives and annual depreciation rates of these assets are disclosed in Note 2.7. Changes in the expected level of usage and technological developments could potentially impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amounts of the Group's and of the Company's property, plant and equipment and intangible assets at the reporting date are disclosed in Note 7 and Note 8 respectively.

(b) Impairment of loans and receivables

The Group and the Company assess at each reporting date whether there is objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant reduction in collection rates.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts of the Group's and of the Company's loans and receivables at the reporting date are disclosed in Note 10.

INFOSCREEN NETWORKS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)

2.15 Significant accounting estimates and judgements (continued)

(c) Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise liabilities for tax matters based on estimates of whether additional taxes will be due. If the final outcome of these tax matters result in a difference in the amounts initially recognised, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

(d) Impairment of property, plant and equipment and intangible assets

The Group reviews its property, plant and equipment and intangible assets at each reporting date to determine if there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss. The Company carries out the impairment test based on variety of estimation including the value-in-use of the cash-generating units ("CGU") to which the property, plant and equipment and intangible assets are allocated to. Estimating the value-in-use requires the Company to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(e) Deferred tax assets

Deferred tax assets are recognised for all unabsorbed tax losses, unutilised capital allowances and other deductible temporary differences to the extent that it is probable that future taxable profit will be available against which losses, capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax asset that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying amount of the Group's deferred tax assets at the reporting date is disclosed in Note 14.

INFOSCREEN NETWORKS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)

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:

	2018 £	2017 £
Digital narrowcasting	746,473	597,026
Digital media solutions and related services	479,102	614,537
	<u>1,225,575</u>	<u>1,211,563</u>

Revenue of approximately £432,630 (2017: £458,192) is derived from transactions with customers located in Malaysia, whose turnover with the Group exceeds 10 per cent or more of total revenue.

4 Operating profit

	2018 £	2017 £
Operating profit is derived after charging/(crediting):		
Auditors' remuneration		
- Current (Company 2018: £15,700, 2017: £15,700)	16,976	16,966
Amortisation of intangible assets	252	308
Depreciation of property, plant and equipment	99,800	80,519
Bad debts written off	-	757
Directors' fees (Note 18 and 21(b))	20,774	20,912
Loss/(Gain) on foreign exchange transactions		
- realised	2	941
- unrealised	2	-
Property, plant and equipment written off	46	584
Rental of premises	50,300	48,055
	<u></u>	<u></u>

INFOSCREEN NETWORKS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)

4. Operating profit (continued)

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

	2018 £	2017 £
Employment costs	395,332	434,383
Depreciation and amortisation	100,052	80,827
Professional fees	7,234	3,614
Rental of premises	50,300	48,055
Travelling and entertaining	5,043	7,506
Other expenses	58,146	71,704
	<u>616,107</u>	<u>646,089</u>

5 Income tax expense

	2018 £	2017 £
Foreign current year tax		
Foreign corporation tax		
- Income tax on profit for the year (2018: 24%; 2017: 24%)	45,751	47,167
- Under-provision in prior year	17,651	5,113
	<u>63,402</u>	<u>52,280</u>
Deferred tax (Note 14)		
- Origination and reversal of temporary differences	21,902	2,888
- Over-provision in prior year	(16,528)	(1,517)
	<u>68,776</u>	<u>53,651</u>
Factors affecting the tax charge for the year		
Profit before income tax	<u>254,800</u>	<u>171,221</u>
Profit before income tax multiplied by standard rate of UK corporation tax of 19.00% (2017: 19.75%)	<u>48,412</u>	<u>33,816</u>
Tax effects of:		
Expenses not deductible for tax purposes	4,126	5,028
Foreign tax adjustments	13,325	7,890
Relating to reduction in Malaysian income tax rate	(432)	472
Under/(Over)-provision in prior year (net)	1,123	3,596
Deferred tax assets not recognised in respect of current year's tax losses	2,222	2,849
	<u>20,364</u>	<u>19,835</u>
	<u>68,776</u>	<u>53,651</u>

INFOSCREEN NETWORKS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)

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:

	2018 £	2017 £
Company's loss for the year	<u>(11,693)</u>	<u>(14,426)</u>

INFOSCREEN NETWORKS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)

7 Property, plant and equipment Group

	Computer equipment £	Fixtures fittings and equipment £	Motor vehicles £	Office renovation £	Assets under construction £	Total £
Cost						
At 1 July 2017	484,993	74,024	24,108	1,121	170,134	754,380
Additions	7,792	528	-	-	71,058	79,378
Written off	(164)	(9,239)	-	-	-	(9,403)
Transfer	244,370	-	-	-	(244,370)	-
Exchange differences	36,035	3,794	1,338	62	3,178	44,407
At 30 June 2018	773,026	69,107	25,446	1,183	-	868,762
Accumulated depreciation						
At 1 July 2017	319,512	50,532	5,113	705	-	375,862
Charge for the year	89,407	8,721	1,566	106	-	99,800
Written off	(164)	(9,193)	-	-	-	(9,357)
Exchange difference	20,964	2,788	340	43	-	24,135
At 30 June 2018	429,719	52,848	7,019	854	-	490,440
Net carrying amount						
At 30 June 2018	343,307	16,259	18,427	329	-	378,322
Cost						
At 1 July 2016	404,081	76,665	24,998	1,163	-	506,907
Additions	99,762	92	-	-	174,466	274,320
Written off	(2,032)	-	-	-	-	(2,032)
Exchange differences	(16,818)	(2,733)	(890)	(42)	(4,332)	(24,815)
At 30 June 2017	484,993	74,024	24,108	1,121	170,134	754,380
Accumulated depreciation						
At 1 July 2016	262,140	43,398	3,635	616	-	309,789
Charge for the year	69,855	8,902	1,648	114	-	80,519
Written off	(1,448)	-	-	-	-	(1,448)
Exchange difference	(11,035)	(1,768)	(170)	(25)	-	(12,998)
At 30 June 2017	319,512	50,532	5,113	705	-	375,862
Net carrying amount						
At 30 June 2017	165,481	23,492	18,995	416	170,134	378,518

These tangible assets are all located in Malaysia.

INFOSCREEN NETWORKS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)

8 Intangible assets Group

	Computer software £	Total £
Cost		
At 1 July 2017	16,993	16,993
Exchange differences	943	943
At 30 June 2018	17,936	17,936
Accumulated amortisation		
At 1 July 2017	16,606	16,606
Charge for the year	252	252
Exchange differences	931	931
At 30 June 2018	17,789	17,789
Net carrying amount		
At 30 June 2018	147	147

INFOSCREEN NETWORKS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)

8 Intangible assets (continued) Group

	Computer software £	Investment in programmes for future sale £	Total £
Cost			
At 1 July 2016	17,620	92,450	110,070
Written off	-	(92,450)	(92,450)
Exchange differences	(627)	-	(627)
At 30 June 2017	16,993	-	16,993
Accumulated amortisation and impairment losses			
At 1 July 2016	16,908	92,450	109,358
Charge for the year	308	-	308
Written off	-	(92,450)	(92,450)
Exchange differences	(610)	-	(610)
At 30 June 2017	16,606	-	16,606
Net carrying amount			
At 30 June 2017	387	-	387

These intangible assets are all located in Malaysia with the exception of investment in programmes for future sale.

INFOSCREEN NETWORKS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)

8 Intangible assets (continued) Company

	Investment in programmes for future sale £	Total £
Cost		
At 1 July 2016	92,450	92,450
Written off	(92,450)	(92,450)
At 30 June 2017	-	-
Accumulated amortisation and impairment losses		
At 1 July 2016	92,450	92,450
Written off	(92,450)	(92,450)
At 30 June 2017	-	-
Net carrying amount		
At 30 June 2017	-	-

There were no intangible assets held by the Company in the current year.

9 Investment in a subsidiary

	Shares in Group Undertaking £
Company	
Cost	
At 1 July 2017 and 30 June 2018	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 2018 the aggregate capital and reserves of YTL Info Screen Sdn. Bhd. were £3,285,041 (2017: £2,918,179) and its profit for the year was £197,718 (2017: £131,996).

INFOSCREEN NETWORKS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)

10 Trade and other receivables

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Trade receivables				
Third parties	78,869	68,249	-	-
Amount due from penultimate holding company	-	65,892	-	-
Amount due from related companies	98,964	75,010	-	-
Trade receivables, net	177,833	209,151	-	-
Other receivables				
Prepayments and accrued income	10,910	34,154	1,509	723
Total loans and receivables	<u>188,743</u>	<u>243,305</u>	<u>1,509</u>	<u>723</u>

Ageing analysis of net trade receivables

The ageing analysis of the Group's net trade receivables is as follows:

	Group	
	2018 £	2017 £
Neither past due nor impaired	109,253	196,566
1 to 30 days past due not impaired	14,068	474
31 to 60 days past due not impaired	11,750	6,752
Above 61 days past due not impaired	42,762	5,359
	<u>177,833</u>	<u>209,151</u>

- (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.

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

Movement in allowance accounts:

	Group	
	2018 £	2017 £
At 1 July	-	21,158
Bad debts written off	-	(20,924)
Exchange differences	-	(234)
At 30 June	<u>-</u>	<u>-</u>

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

INFOSCREEN NETWORKS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)

11 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	
	2018 £	2017 £	2018 £	2017 £
Cash on hand and bank balances	122,066	55,650	7,501	6,662
Deposits with banks	5,373,796	5,131,981	2,681,635	2,694,763
	<u>5,495,862</u>	<u>5,187,631</u>	<u>2,689,136</u>	<u>2,701,425</u>

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

	Group		Company	
	2018 %	2017 %	2018 %	2017 %
Interest rate	0.12 – 3.80	0.12 – 3.80	0.12 – 0.52	0.12 – 0.42

Deposited of the Group and of the Company have maturities ranging from 2 days to 70 days (2017: 2 days to 70 days).

The carrying amount of cash and cash equivalents approximates to its fair value.

12 Share capital

	2018 £	2017 £
Authorised		
1,000,000,000 Ordinary shares of 1p each	<u>10,000,000</u>	<u>10,000,000</u>
Allotted, called up and fully paid		
300,000,000 Ordinary shares of 1p each	<u>3,000,000</u>	<u>3,000,000</u>

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.

INFOSCREEN NETWORKS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)

13 Statement of movements in reserves Group

	Capital reserve £	Translation reserve £	Retained earnings £
At 1 July 2017	15,136	139,781	2,449,642
Profit for the year	-	-	186,024
Currency translation differences	-	169,145	-
At 30 June 2018	<u>15,136</u>	<u>308,926</u>	<u>2,635,666</u>

	Accumulated losses £
At 1 July 2017	(256,439)
Loss for the year	(11,693)
At 30 June 2018	<u>(268,132)</u>

14 Deferred tax liabilities

Group

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

	2018 £	2017 £
At 1 July	13,135	12,233
Charged to profit or loss (Note 5)	5,374	1,371
- property, plant and equipment	(15,068)	8,912
- interest receivables	242	(46)
- deferred credit	20,188	(7,763)
- others	12	268
Exchange differences	923	(469)
At 30 June	<u>19,432</u>	<u>13,135</u>

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 as follows:

INFOSCREEN NETWORKS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)

14 Deferred tax liabilities (continued)

Deferred tax provided are in respect of:

Deferred tax assets before offsetting

	2018 £	2017 £
Deferred credit	(747)	(20,525)
Others	(62)	(70)
	(809)	(20,595)
Offsetting	809	20,595
Deferred tax assets after offsetting	-	-

Deferred tax liabilities before offsetting

Property, plant and equipment	19,963	33,704
Interest receivables	278	26
	20,241	33,730
Offsetting	(809)	(20,595)
Deferred tax liabilities after offsetting	19,432	13,135

The Group did not recognise deferred tax assets of £43,647 (2017: £43,061) in respect of losses amounting to £229,721 (2017: £218,028) 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.

15 Trade and other payables

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Trade payables	34,702	77,324	-	-
Amount due to holding company	11,522	9,936	71	68
Amount due to penultimate holding company	4,330	-	-	-
Amount due to related companies	21	20	-	-
Other payables	9,932	46,824	-	-
Accruals and deferred credit	60,750	111,896	15,887	15,700
	121,257	246,000	15,958	15,768

Included in the Group's other payables are post-employment defined contribution pension plan obligations of £5,784 (2017: £10,287).

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.

INFOSCREEN NETWORKS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)

16 Provision

	2018 £	2017 £
At 1 July	-	1,432
Utilised during the financial year	-	(1,416)
Exchange differences	-	(16)
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

Onerous Contract

Provision for onerous contract is made in respect of management's best estimate on the costs necessary to be incurred in meeting the obligations under an agreement. The estimated amount is determined after taking into consideration of the expected timing to fulfill the obligations, and the amount to be incurred.

17 Employees

Number of employees

The average monthly number of employees during the year was:

	Group		Company	
	2018 Number	2017 Number	2018 Number	2017 Number
Management	3	3	3	3
Sales personnel	1	2	-	-
Web, multimedia and other operations personnel	25	25	-	-
	<u>29</u>	<u>30</u>	<u>3</u>	<u>3</u>

Group employment costs for the year (excluding Directors)

	2018 £	2017 £
Wages, salaries and bonuses	345,033	383,536
Social security costs	3,072	3,135
Defined contribution plan expenses	42,034	44,803
Others	5,174	2,909
	<u>395,313</u>	<u>434,383</u>

INFOSCREEN NETWORKS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)

18 Directors' fees

The fees of Directors during the year were as follows:

	2018		2017	
	Directors' Fees £	Consultancy Fees £	Directors' Fees £	Consultancy Fees £
Executive Director				
- Patrick Chew Wai Yen	-	20,774	-	20,912
Non-executive Directors				
- John Simon Hugh Crane	-	-	-	-
- Lee Milton Montgomery	-	-	-	-
	<u>-</u>	<u>20,774</u>	<u>-</u>	<u>20,912</u>

19 Financial risk and Capital management

Financial risk management

The Group's and the Company's operations are subject to a variety of financial risks, including 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 is the risk that the fair value or future cash flows of the Group's and of the Company's 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 placed with 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 banks is disclosed in Note 11.

Sensitivity analysis for interest rate risk

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

INFOSCREEN NETWORKS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)

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 risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents) the Group and the Company minimise credit risk by dealing with high credit rating counterparties.

The Group's and the Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group and the Company trade only with recognised and creditworthy third parties. It is the Group's and Company's policy that all customers who wish to trade on credit terms is subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's and the Company's exposure to bad debts is not significant.

Exposure of credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

INFOSCREEN NETWORKS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)

19 Financial risk and Capital management (continued)

Financial risk management (continued)

(c) Credit risk (continued)

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

	Group			
	2018		2017	
	£	% of total	£	% of total
<u>By country:</u>				
Malaysia	177,833	100	209,151	100
<u>By industry sectors:</u>				
Advertising agency	56,562	32	63,470	30
Hotel	72,231	41	42,006	20
Multi-industry conglomerates	-	-	65,892	32
Retail	12,479	7	3,641	2
Telecommunication	-	-	2,752	1
Others	36,561	20	31,390	15
	<u>177,833</u>		<u>209,151</u>	

At the reporting date, approximately:

- 41% (2017: 30%) of the Group's trade receivables were due from 4 major customers who are in the advertising agency sector in Malaysia.
- 56% (2017: 67%) of the Group's trade receivables were due from related parties.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are credit worthy debtors with good payment record with the Group. Cash and cash equivalents that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 10.

(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.

INFOSCREEN NETWORKS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)

19 Financial risk and Capital management (continued)

Financial risk management (continued)

(d) Liquidity risk (continued)

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 £121,257 (2017: £246,000) and £15,958 (2017: £15,768) of total financial liabilities (based on contractual undiscounted repayment obligations) respectively and the maturity period is within one year or upon demand.

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 were no changes in the Group's and the Company'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	
	2018 %	2017 %
Return on equity (ROE)	3.12	2.10

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 11th Floor, Yeoh Tiong Lay Plaza, 55 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 11th Floor, Yeoh Tiong Lay Plaza, 55 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia or its website www.ytl.com.my.

INFOSCREEN NETWORKS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)

21 Related party transactions

The immediate parent and 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:

(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 advertising and/ or other services		Amount due from related parties	
	2018 £	2017 £	2018 £	2017 £
YTL Corporation Berhad	123,885	294,725	-	65,982
Subsidiaries of YTL Corporation Berhad	352,527	387,129	98,964	75,008
	<u>476,412</u>	<u>681,854</u>	<u>98,964</u>	<u>140,990</u>
	Purchase of services		Amount due to related parties	
	2018 £	2017 £	2018 £	2017 £
Subsidiaries of YTL Corporation Berhad	46,417	56,003	21	20
	<u>46,417</u>	<u>56,003</u>	<u>21</u>	<u>20</u>
	Rental of premises		Amount due to related parties	
	2018 £	2017 £	2018 £	2017 £
YTL e-Solutions Berhad	50,300	48,055	11,522	9,936
	<u>50,300</u>	<u>48,055</u>	<u>11,522</u>	<u>9,936</u>

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.

INFOSCREEN NETWORKS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)

21 Related party transactions (continued)

(b) Directors' transactions

During the year, YTL Info Screen Sdn. Bhd. paid/payable Mr. Patrick Wai Yen Chew £20,774 (2017: £20,912) 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.

22 Contingent liabilities

The Group and the Company have no contingent liabilities in respect of legal claims arising from the ordinary course of business.

23 Capital commitments

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

24 Events after the reporting date

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