

Company Number: 08323649

**ARTS ALLIANCE MEDIA (DIGITAL) LIMITED
DIRECTORS' REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**



ARTS ALLIANCE MEDIA (DIGITAL) LIMITED
CONTENTS

	Page
Company information	1
Directors' report	2
Auditors' report	3 - 5
Statement of comprehensive income	6
Statement of financial position	7
Notes to the financial statements	8 - 10

ARTS ALLIANCE MEDIA (DIGITAL) LIMITED
COMPANY INFORMATION

CHAIRMAN

Pan Zhou

REGISTERED NUMBER

08323649

DIRECTORS

Rui Ning
Zhou Pan
Howard Gilbert Kiedaisch

COMPANY SECRETARY

Alan Henry Bowen (Appointed 01/03/2020)

REGISTERED OFFICE

The WestWorks, White City Place
195 Wood Lane
London
W12 7FQ

AUDITORS

Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

ARTS ALLIANCE MEDIA (DIGITAL) LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report together with the audited financial statements for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The principal activity of the company is to act as agent in respect of financing the digital projection equipment used by exhibitors in Africa through its VPF agreements held with distributors.

DIRECTORS

The directors who served during the period were:

Rui Ning
Zhou Pan
Howard Gilbert Kiedaisch

No director had any interest in the ordinary or preference share capital of the company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

DISCLOSURE OF INFORMATION TO THE AUDITORS

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

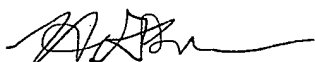
AUDITORS

Crowe U.K. LLP, who were appointed as first auditors of the company by the directors, have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

The report of the directors has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The report was approved by the Board on _____ and signed on its behalf.

Director



9/28/2021

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARTS ALLIANCE MEDIA
(DIGITAL) LIMITED**

Opinion

We have audited the financial statements of Arts Alliance Media (Digital) Limited for the year ended 31 December 2020, which comprise the Statement of Comprehensive Income, the Statement of Financial Position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Emphasis of matter

We draw attention to Note 2.1 to the financial statements which explains that the company has ceased trading since the balance sheet date and therefore the directors do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in Note 2.1. Our opinion is not modified in this respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 this gives rise to material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARTS ALLIANCE MEDIA
(DIGITAL) LIMITED**

Opinion on other matter 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006

requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been
- received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to

continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit is capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We design our procedures so as to obtain sufficient appropriate audit evidence that the financial statements are not materially misstated due to non-compliance with laws and regulations or due to fraud or error.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARTS ALLIANCE MEDIA
(DIGITAL) LIMITED**

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations – this responsibility lies with management with the oversight of the Directors.

Based on our understanding of the Company and industry, discussions with management and directors we identified financial reporting standards and Companies Act 2006 as having a direct effect on the amounts and disclosures in the financial statements.

As part of the engagement team discussion about how and where the Company's financial statements may be materially misstated due to fraud, we did not identify any areas with an increased risk of fraud.

Our audit procedures included:

- completing a risk-assessment process during our planning for this audit that specifically considered the risk of fraud;
- enquiry of management about the Company's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- review, where applicable, of the Board of Directors' minutes;
- enquiry of management, about litigations and claims and inspection of relevant correspondence;
- analytical procedures to identify any unusual or unexpected relationships;
- specific audit testing on and review of areas that could be subject to management override of controls and potential bias, most notably around the key judgments and estimates, including the carrying value of accruals and recoverability of trade debtors.;
- considering management override of controls outside of the normal operating cycles including testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements including evaluating the business rationale of significant transactions, outside the normal course of business.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

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. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

M Stallabrass

Matthew Stallabrass
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

29 September 2021

ARTS ALLIANCE MEDIA (DIGITAL) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Year ended 31 Dec 20 \$	Year ended 31 Dec 19 \$
TURNOVER		-	3,966,568
Cost of sales		<u>-</u>	<u>-</u>
GROSS PROFIT		-	3,966,568
Administrative expenses		<u>(176,895)</u>	<u>(4,066,683)</u>
OPERATING PROFIT/ (LOSS)	3	(176,895)	(100,115)
Interest payable and similar charges			-
Interest receivable		<u>(32,373)</u>	<u>38,186</u>
PROFIT/ (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		(209,268)	(61,929)
Taxation on profit on ordinary activities		<u>-</u>	<u>-</u>
PROFIT/ (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		<u>(209,268)</u>	<u>(61,929)</u>

The profit and loss account contains all the gains and losses recognised in the period.

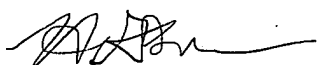
The loss for the period, which was derived from continuing activities, is the only movement in shareholders' funds.

ARTS ALLIANCE MEDIA (DIGITAL) LIMITED
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	As at 31 December 2020 \$	As at 31 December 2020 \$	As at 31 December 2019 \$	As at 31 December 2019 \$
CURRENT ASSETS					
Debtors	5	963,116		2,496,747	
Cash at bank and in hand		<u>780,523</u>		<u>536,049</u>	
		1,743,639		3,032,796	
CREDITORS: amounts falling due within one year	6	<u>(2,074,790)</u>		<u>(3,154,679)</u>	
NET ASSETS/ (LIABILITIES)			(331,151)		(121,883)
CAPITAL AND RESERVES					
Share capital			¹		¹
Profit and loss account			<u>(331,152)</u>		<u>(121,884)</u>
SHAREHOLDERS' DEFICIT			<u>(331,151)</u>		<u>(121,883)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A – small entities.

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 28 September 2021.



Director

9/28/2021

ARTS ALLIANCE MEDIA (DIGITAL) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. GENERAL INFORMATION

The company is a private company, limited by shares, incorporated in England and Wales with registration number 08323649. The address of the registered office is The WestWorks, White City Place, 195 Wood Lane, London W12 7FQ.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The company has ceased trading since the balance sheet date. The directors have prepared the financial statements on the basis that the company is no longer a going concern.

Non-current liabilities have been reclassified to current liabilities. No material adjustments arose as a result of ceasing to apply the going concern basis. Assets and liabilities are expected to be settled at their carrying value following the termination of the business.

2.2 Going concern

As explained above, the company has ceased trading since the balance sheet date.

2.3 Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under FRS 102 Section 1A – small entities.

2.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales taxes. All turnover arose within the rest of the world.

Turnover is generated through Virtual Print Fees which are due from customers for the facilitation of regional cinema digitisation and triggered following the screening of a film using digital projection equipment deployed by the Company. Additionally turnover arises from usage fees due from customers based on the availability of equipment provided by the Company, and from administration fees collected for the management of the Virtual Print Fee scheme.

Usage fees are deferred over the contracted period to which the equipment is to be made available to the customer. Deferred revenue is matched to the principal attributable costs of the equipment and are spread over the life of the contracts.

2.5 Foreign currency translation

The financial statements are presented in US Dollars, which is the functional and presentation currency of Arts Alliance Media (Digital) Limited.

Monetary assets and liabilities denominated in foreign currencies are translated into US Dollars at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

ARTS ALLIANCE MEDIA (DIGITAL) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

3. OPERATING PROFIT

The operating profit is stated after charging:

	Year ended 31 Dec 20 \$	Year ended 31 Dec 19 \$
Foreign currency loss / (gain)	(9,811)	(7,509)
Depreciation of tangible fixed assets	-	3,470,617
Loss / (Profit) on disposal of fixed assets	-	142,347
Auditors' remuneration	8,189	7,662

4. DIRECTORS' REMUNERATION

During the period Director's remuneration was \$Nil (2019: \$Nil).

5. DEBTORS

	As at 31 December 2020 \$	As at 31 December 2019 \$
Amounts falling due within one year		
Trade debtors	447,530	561,614
Accrued income and prepayments	644	1,175,434
Amounts owed by related parties	514,942	639,028
Other taxes and social security costs	-	120,671
	<u>963,116</u>	<u>2,496,747</u>

The balance owed by related parties consists of a loan to Arts Alliance Media Limited.

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	As at 31 December 2020 \$	As at 31 December 2019 \$
Amounts falling due within one year		
Trade creditors	2,062,574	3,142,938
Accruals and deferred income	12,216	11,741
	<u>2,074,790</u>	<u>3,154,679</u>

7. AVERAGE NUMBER OF EMPLOYEES

The average number of employees during the period reported was nil.

ARTS ALLIANCE MEDIA (DIGITAL) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

8. CONTROLLING PARTY

The immediate parent company is Arts Alliance Media Investments Limited, a company incorporated in the British Virgin Islands and domiciled in BVI. The ultimate controlling party is Shandong Luxin-Rio Visual Technology Co., Ltd. ("Luxin-Rio").