



**UAL Ventures (China) Limited**

**Director's Report and Financial Statements**

**31 July 2017**

**英國倫藝(中國)有限公司**

## Director's report

The director submits herewith his annual report together with the audited financial statements for the year ended 31 July 2017.

### PRINCIPAL PLACE OF BUSINESS

UAL Ventures (China) Limited ("the company") is a company incorporated and domiciled in Hong Kong and has its registered office and principal place of business at Suite 1701-02, 17/F, FWD Financial Centre, 308 Des Voeux Road Central, Hong Kong.

### PRINCIPAL ACTIVITIES

The company has remained inactive during the year:

### SHARE CAPITAL

Details of the share capital of the company are set out in note 5 to the financial statements. There were no movements during the year ended 31 July 2017.

### DIRECTOR

The director during the financial year and up to the date of this report was:

Kan Mun Kiu Justin

At no time during the year was the company, or any of its holding companies or fellow subsidiaries a party to any arrangement to enable the director of the company to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate.

### DIRECTOR'S INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No contracts of significance to which the company, any of its holding companies or fellow subsidiaries was a party, and in which a director of the company had a material interest, subsisted at the end of the year or at any time during the year.

## Director's report (continued)

### AUDITORS

KPMG retire, and being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board



Kan Mun Kiu Justin

Director

Hong Kong  
27 SEP 2018



## UAL Ventures (China) Limited

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### **Independent auditor's report to the sole member of UAL Ventures (China) Limited**

*(Incorporated in Hong Kong with limited liability)*

#### **OPINION**

We have audited the financial statements of UAL Ventures (China) Limited ("the company") set out on pages 6 to 11, which comprise the statement of financial position as at 31 July 2017 and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the company as at 31 July 2017 and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

#### **BASIS FOR OPINION**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. 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 HKICPA's Code of Ethics for Professional Accountants ("the Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON**

The sole director is responsible for the other information. The other information comprises all 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 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, 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.



## UAL Ventures (China) Limited

# Independent auditor's report to the sole member of UAL Ventures (China) Limited (continued)

*(Incorporated in Hong Kong with limited liability)*

### RESPONSIBILITIES OF THE SOLE DIRECTOR FOR THE FINANCIAL STATEMENTS

The sole director is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance and for such internal control as the sole director determines 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 sole director is 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 director either intends to liquidate the company or to cease operations, or has 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. This report is made solely to you, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSAAs 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 HKSAAs, we exercise professional judgement 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the sole director.



UAL Ventures (China) Limited

**Independent auditor's report to the sole member of  
UAL Ventures (China) Limited (continued)**

*(Incorporated in Hong Kong with limited liability)*

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS  
(CONTINUED)**

- Conclude on the appropriateness of the sole director's 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 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 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.

We communicate with the sole director 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.

KPMG

Certified Public Accountants  
8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

27 SEP 2018

## Statement of Financial Position

At 31 July 2017

(Expressed in Hong Kong dollars)

	<i>Notes</i>	<b>2017</b> \$	<b>2016</b> \$
<b><i>Current liabilities</i></b>			
Amounts due to a holding company	3	32,267	32,267
		<u>(32,267)</u>	<u>(32,267)</u>
<b><i>Capital and reserve</i></b>			
Share capital	5	1	1
Accumulated losses		(32,268)	(32,268)
		<u>(32,267)</u>	<u>(32,267)</u>
<b><i>Total deficit</i></b>		<u>(32,267)</u>	<u>(32,267)</u>

Approved and authorised for issue by the sole director on 27 SEP 2018



Kan Mun Kiu Justin

Director

The notes on pages 7 to 11 form part of these financial statements.

## Notes to the financial statements

(Expressed in Hong Kong dollars unless otherwise indicated)

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### (a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRS"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. Significant accounting policies adopted by the company are disclosed below.

The HKICPA has issued certain new and revised HKFRS that are first effective or available for early adoption for the current accounting period of the company. The adoption of the new and revised HKFRSs has no significant impact on the financial statements of the company for the year ended 31 July 2017.

The company has not applied any new standard that is not yet effective for the current accounting period (see note 8).

#### (b) Basis of preparation of the financial statements

The measurement basis used in the preparation of the financial statements is the historical cost basis.

Notwithstanding that the company had net current liabilities and net liabilities of \$32,267 at 31 July 2017, these financial statements have been prepared on a going concern basis as the company's ultimate parent, University of the Arts London confirmed that it will not call upon the company to repay the amounts due to the parent within the next twelve months from the date of these financial statements.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.



**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(c) Statement of profit or loss and other comprehensive income**

During the years ended 31 July 2017 and 2016, the company earned no income and all of its expenses, including audit fee of \$53,500 (2016: \$52,000) have been borne by the company's ultimate holding company which has waived its right of recovery thereof. Accordingly, no statement of profit or loss and other comprehensive income has been prepared.

**(d) Statement of changes in equity and cash flow statement**

There have been no change in equity and no cash and cash equivalents for the years ended 31 July 2017 and 2016. Accordingly, no statement of changes in equity and cash flow statement have been prepared.

**(e) Payables**

Payables are initially recognised at fair value and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

**(f) Income tax**

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits. Apart from differences which arise on initial recognition of assets and liabilities, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised.

**(g) Provisions and contingent liabilities**

Provisions are recognised for liabilities of uncertain timing or amount when the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(h) Related parties**

(a) A person, or a close member of that person's family, is related to the company if that person:

- (i) has control or joint control over the company;
- (ii) has significant influence over the company; or
- (iii) is a member of the key management personnel of the company or the company's parent.

(b) An entity is related to the company if any of the following conditions applies:

- (i) The entity and the company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the company or to the company's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

**2. STATUS OF THE COMPANY AND INCOME TAX**

- (a) The company has remained inactive during the year.
- (b) No provision for Hong Kong Profits Tax has been made for the year ended 31 July 2017 (2016: nil) as the company had no assessable profits for the current year and prior year.

**3. AMOUNTS DUE TO A HOLDING COMPANY**

The amounts due to a holding company are unsecured, interest-free and have no fixed terms of repayment.

**4. DIRECTOR'S EMOLUMENTS**

No emoluments of any kind were paid to the sole director during the year ended 31 July 2017 (2016: nil) and therefore no director's emoluments are disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation.

**5. SHARE CAPITAL**

- (a) Issued share capital

	<i>2017</i>		<i>2016</i>	
	<i>No. of share</i>	<i>Amount \$</i>	<i>No. of share</i>	<i>Amount \$</i>
<b>Ordinary share, issued and fully paid</b>				
At 1 August and 31 July	1	1	1	1

In accordance with Section 135 of the Hong Kong Companies Ordinance, the ordinary share of the company does not have a par value.

The holder of ordinary share is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the company. All ordinary shares rank equally with regard to the company's residual assets.

- (b) Capital management

The company manages its capital to ensure that the company will meet its working capital requirements when considering required returns to shareholder and options available in relation to the balance of debt and deficit. The management reviews the capital structure and considers the cost of capital and risk associated with each. In view of this, where required, the company will balance its overall capital structure through the payment of dividends and issue of new shares as it sees fit and appropriate.

## **6. FINANCIAL RISK MANAGEMENT AND FAIR VALUES**

Exposure to liquidity risk arises in the normal course of the company's business. The company's exposure to the risk and the financial risk management policies and practices used by the company to manage the risk are described below.

### **(a) Liquidity risk**

The company's policy is to regularly monitor its liquidity requirements and to ensure that it maintains sufficient reserves of cash and/or adequate funding from other group companies to meet its liquidity requirements in the short term. All of the company's expenses, including audit fee have been borne by the company's ultimate holding company which has waived its right of recovery thereof.

All financial liabilities are carried at amounts and not materially different from their contractual undiscounted cash flows. All financial liabilities have no fixed terms of repayment.

### **(b) Fair value measurement**

The carrying amounts of the company's financial liabilities are not materially different from their fair values as at 31 July 2017 and 2016.

## **7. IMMEDIATE AND ULTIMATE CONTROLLING PARTY**

At 31 July 2017, the sole director considers the immediate parent and ultimate controlling party of the company to be UAL Ventures Limited (formerly known as Artscom Ventures Limited) and University of the Arts London respectively, both of which are incorporated in the United Kingdom. Financial statements for both organisations can be obtained from University of the Arts London, 272 High Holborn, London, WC1N 3LA.

## **8. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 JULY 2017**

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and new standards which are not yet effective for the year ended 31 July 2017 and which have not been adopted in these financial statements.

Given that the company has no operations, so far it has concluded that the adoption of them is unlikely to have a significant impact of the company's financial statements.