

Quadriga Worldwide Limited
Strategic Report, Directors' Report and
Financial Statements for the Year Ended 31 March 2015

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Quadriga Worldwide Limited

Contents of the Financial Statements
for the Year Ended 31 March 2015

	Page
Company Information	1
Strategic Report	2
Directors' Report	4
Profit and Loss Account	5
Statement of Total Recognised Gains and Losses	6
Balance Sheet	7
Notes to the Financial Statements	9

Quadriga Worldwide Limited

Company Information
for the Year Ended 31 March 2015

DIRECTORS:

S A Moorer Jr
J G Naro
P A Wilson

REGISTERED OFFICE:

Forum 1
Station Road
Theale
Berkshire
RG7 4RA

REGISTERED NUMBER:

00827164 (England and Wales)

Quadriga Worldwide Limited

Strategic Report for the Year Ended 31 March 2015

The directors present their strategic report for the year ended 31 March 2015

REVIEW OF BUSINESS

Turnover for the year ended 31 March 2015 amounted to £12.5 million (2014 £13.0 million) and the company incurred an operating loss for the year of £14.1 million (2014 loss £6.2 million)

Strategy and future development

In July 2015 Exceptional Innovation B.V. completed the acquisition of Quadriga Holdings Limited and its subsidiaries, a leading international provider of managed guest services for the hospitality industry and The SmarTV Company, an innovative developer of interactive entertainment solutions for commercial and consumer markets

The combined companies will form a global technology service provider that maximises guest engagement and satisfaction, enhances the entertainment experience, and increases revenue while delivering operational efficiencies for hotels. The group will have its headquarters in the Netherlands and significant operating subsidiaries located in England and the United States, as well as regional offices in Europe and the Middle East

Exceptional Innovation's goal is to continue to expand the company's reach and offerings to give hoteliers one global vendor for all of their hospitality technology needs

Key performance indicators

The company's key performance indicators are Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) and the number of hotel rooms in which the company's systems are installed

Reconciliation of operating loss to EBITDA

	2015 £'000	2014 £'000
Operating loss	(14,122)	(6,221)
Depreciation of rental assets	1,411	2,853
Other amounts written off rental assets	91	231
Amortisation of intangible assets	2,682	2,862
Impairment of intangible assets	8,063	-
Depreciation of tangible fixed assets	614	554
EBITDA	(1,261)	279

The number of hotel rooms in which the company's systems were installed fell by 17% in the financial year. This follows a 13% fall in the previous financial year.

Research and development

During the year, the company incurred and capitalised costs of £1.4 million (2014 £2.4 million) and expensed £3.2 million (2014 £3.3 million), which included an amortisation charge of £2.7 million (2014 £2.9 million), on the development of a proprietary digital technology platform for the hotel industry. At 31 March 2015, the directors concluded it was necessary to fully impair the capitalised development costs, which had a net book value of £8.1 million.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors rely on the risk management of the group, the business and strategy of which are subject to a number of risks. The directors of the company are of the opinion that the group has adopted a thorough risk management process that involves the formal review of all the risks identified below. Where possible, processes are in place to monitor and mitigate such risks.

The principal risks facing the group's business are

Competitor action

The management seeks to compete effectively and maintain market share by continuously developing and updating its product portfolio and its relationships with key customers. Management also regularly reviews competitor activity and market developments.

Loss of key personnel

Regular operational reviews ensure that knowledge and key customer and supplier relationships are retained by the management of the group so that the impact of the loss of any employee or agent would be reduced.

Financial Risk Management

The group's operations expose it to a variety of financial risks, which include economic uncertainty, credit risk, liquidity and cash flow risks, interest rate risk, and foreign exchange risk. The group has established a financial management framework that seeks to limit the adverse effects on financial performance by monitoring levels of debt finance and the related finance costs.

The group's assets primarily consist of rental and other fixed assets, trade debtors, installation of equipment in progress and cash. The group's liabilities primarily consist of trade creditors, accruals and 10% notes payable to a related party.

Economic environment uncertainty

The management aims to mitigate the effects of uncertainty in the economic environment by

- regularly reviewing the company's exposure to customer and supplier payment default risk,
- minimising the company's exposure to fluctuations in hotel occupancy by engaging in fixed fee contracts.

Credit risk

The management actively mitigates the risk of payment default by seeking favourable payment methods and credit arrangements with its customers and by regularly reviewing outstanding payments and provisions for payment default.

Liquidity and cash flow risks

Liquidity risk is monitored on an ongoing basis by undertaking cash flow forecasting procedures. In order to ensure continuity of funding, the management seeks to maintain sufficient cash reserves and un-drawn committed borrowing facilities.

Interest rate risk

The exposure of the group to interest rate fluctuations is managed by maintaining funding flexibility through a combination of cash pooling, shareholder funding and borrowings, while obtaining a large degree of certainty in its commitments by borrowing extensively under fixed rates.

Foreign exchange risk

The majority of the group's transactions originate in Sterling and the Euro, or in the domestic currency of the overseas undertaking involved, with a minimal exposure to foreign exchange fluctuations. The group seeks to further reduce this risk by, where possible, matching foreign currency receipts with payments. The overseas undertakings have a minimal exposure to currency risk, as their monetary assets and liabilities are held in their functional currencies, which are mainly Euros.

ON BEHALF OF THE BOARD:

PAWILSON

P A Wilson - Director

14 August 2015

Quadriga Worldwide Limited

Directors' Report
for the Year Ended 31 March 2015

The directors present their annual report and the financial statements of Quadriga Worldwide Limited ("the company") for the year ended 31 March 2015

The company is a member of the Quadriga group of companies ("the group"), the parent company of which is Quadriga Holdings Limited ("QHL")

PRINCIPAL ACTIVITY

The principal activity of the company is creating on-property value via accessible guest facing technologies and services for the hospitality industry in the United Kingdom and Europe. The company has overseas branches in Portugal and Dubai. The deployed systems and services provide functionality in the areas of internet and network connectivity, guest entertainment, hotel services, and communications.

DIVIDENDS

The directors do not recommend the payment of a dividend (2014 £nil)

DIRECTORS

P A Wilson has held office during the whole of the period from 1 April 2014 to the date of this report.

Other changes in directors holding office are as follows:

G N Marsh - resigned 19 September 2014

S A Moorer Jr and J G Naro were appointed as directors after 31 March 2015 but prior to the date of this report.

D G E Naylor-Leyland and R D Taylor ceased to be directors after 31 March 2015 but prior to the date of this report.

The group provided qualifying third party indemnity provisions to one or more of the directors during the financial year and at the date of this report.

ON BEHALF OF THE BOARD



P A Wilson - Director

14 August 2015

Quadriga Worldwide Limited

Profit and Loss Account
for the Year Ended 31 March 2015

	Notes	2015 £'000	2014 £'000
TURNOVER	2	12,514	13,029
Cost of sales		<u>(19,643)</u>	<u>(11,164)</u>
GROSS (LOSS)/PROFIT		(7,129)	1,865
Administrative expenses		<u>(6,993)</u>	<u>(8,086)</u>
OPERATING LOSS	5	(14,122)	(6,221)
Interest receivable and similar income	7	2	4
Interest payable and similar charges	8	<u>(148)</u>	<u>(53)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(14,268)	(6,270)
Tax on loss on ordinary activities	9	<u>36</u>	<u>486</u>
LOSS FOR THE FINANCIAL YEAR		<u>(14,232)</u>	<u>(5,784)</u>

CONTINUING OPERATIONS

All results derive from continuing operations

Quadriga Worldwide Limited

Statement of Total Recognised Gains and Losses
for the Year Ended 31 March 2015

	2015 £'000	2014 £'000
LOSS FOR THE FINANCIAL YEAR	(14,232)	(5,784)
Foreign exchange movements	<u>50</u>	<u>4</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>(14,182)</u>	<u>(5,780)</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

There are no material differences between the results stated above and their historical cost equivalents

Quadriga Worldwide Limited (Registered number 00827164)

Balance Sheet
31 March 2015

	Notes	2015 £'000	2014 £'000
FIXED ASSETS			
Intangible assets	10	-	9,375
Tangible assets	11	2,872	4,391
Investments	12	<u>11,285</u>	<u>11,285</u>
		<u>14,157</u>	<u>25,051</u>
CURRENT ASSETS			
Stocks	13	1,663	2,734
Debtors	14	8,594	11,149
Cash at bank		<u>340</u>	<u>429</u>
		10,597	14,312
CREDITORS			
Amounts falling due within one year	15	<u>(30,493)</u>	<u>(30,816)</u>
NET CURRENT LIABILITIES		<u>(19,896)</u>	<u>(16,504)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(5,739)	8,547
PROVISIONS FOR LIABILITIES	17	<u>(210)</u>	<u>(314)</u>
NET (LIABILITIES)/ASSETS		<u>(5,949)</u>	<u>8,233</u>
CAPITAL AND RESERVES			
Called up share capital	18	57,577	57,577
Share premium	19	1,032	1,032
Profit and loss account	19	<u>(64,558)</u>	<u>(50,376)</u>
SHAREHOLDERS' FUNDS	23	<u>(5,949)</u>	<u>8,233</u>

The notes form part of these financial statements

Quadriga Worldwide Limited (Registered number 00827164)

Balance Sheet - continued
31 March 2015

The company is entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies for the year ended 31 March 2015

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2015 in accordance with Section 476 of the Companies Act 2006

The directors acknowledge their responsibilities for

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company

The financial statements were approved by the Board of Directors on 14 August 2015 and were signed on its behalf by



P A Wilson - Director

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) and under the historical cost accounting rules

The company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Under FRS 1 Cash Flow Statements, the company is exempt from the requirement to prepare a cash flow statement because Quadriga Holdings Limited ("QHL") includes the company in its own published consolidated financial statements.

As the company was a wholly owned subsidiary of QHL during the financial year, the company has taken advantage of the exemption contained in FRS 8, Related Party Disclosures, and has not disclosed transactions or balances with wholly owned subsidiary undertakings that form part of the QHL group.

Going Concern

The company had net current liabilities of £19.9 million at the balance sheet date. This is primarily due to amounts owing to other group undertakings.

The Board has received appropriate assurances from its immediate parent company, Quadriga Holdings Limited, that it will continue to provide financial and other support to the company for the foreseeable future to enable it to meet its liabilities as they fall due. Quadriga Holdings Limited has confirmed that it will not seek repayment of the outstanding intercompany creditor balance within 12 months from the date of approval of these financial statements. Consequently, these financial statements are prepared on a going concern basis.

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover consists principally of amounts (excluding value added tax) derived from the rental of in-room equipment (including software) to hotels and is recognised on a straight line basis over the contract life. Income from hotel guests viewing of Pay-TV and other in-room technology based services is recognised as turnover as the service is provided. Turnover also includes amounts derived from the maintenance of this equipment, recognised rateably over the maintenance term, and amounts derived from the outright sale of in-room equipment, which is recognised on acceptance of the goods by the customer.

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over these estimated useful economic lives.

Rental assets	3 to 7 years
Office equipment	5 years
Computer equipment	3 years
Fixtures and fittings	5 to 10 years

Stock

Stock is stated at the lower of cost and net realisable value.

Taxation

The charge for taxation is based on the result for the financial year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised in respect of all timing differences between the treatment of certain items for taxation and accounting purposes that have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 Deferred Tax.

1 ACCOUNTING POLICIES - continued

Research and development

Research expenditure is charged to the profit and loss account as incurred. Development expenditure is capitalised only where there is a clearly defined project, the expenditure is separately identifiable, the technical feasibility of the related project is considered reasonably certain and where it is anticipated with sufficient certainty that further development costs to be incurred on the same project, together with related production, selling and administrative costs, will be more than covered by a future revenue stream.

Capitalised development expenditure is amortised over the period economic benefits are expected to be derived, which is between 3 and 7 years depending on the nature of the project and the timing of the future revenue stream.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date. Gains or losses on translation are included in the profit and loss account.

The assets and liabilities of overseas branches are translated at the closing exchange rates. Profit and loss accounts of the branches are consolidated at the average rates of exchange during the period. Gains and losses arising on these translations are taken to reserves, net of exchange differences arising on related foreign currency borrowings.

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Post-retirement benefits

The company operates a defined contribution scheme.

The amount charged against profits represents the contributions payable to the company defined contribution scheme in respect of the accounting period.

Investments

Investments in subsidiary undertakings are stated at cost less any provision for impairment.

Intangible fixed assets and amortisation

Intangible fixed assets purchased separately from a business are capitalised at their cost.

Intangible assets acquired as part of an acquisition are capitalised at their fair value, where this can be measured reliably. These are amortised to nil by equal annual instalments over the estimated useful life.

2 TURNOVER

The directors consider that the company has substantially one class of business: the supply of equipment and software enabling the provision of in-room technology based services to hotels and similar services.

The geographical analysis of turnover was

	2015 £'000	2014 £'000
UK	11,978	12,136
Rest of Europe	536	893
	<u>12,514</u>	<u>13,029</u>

3 STAFF COSTS

The average number of persons, including directors, employed by the company during the financial year, analysed by category, was

	2015 Number	2014 Number
Sales	9	9
Operations and administration	72	79
Research and development	9	6
	<u>90</u>	<u>94</u>

The aggregate payroll costs of these persons were

	2015 £'000	2014 £'000
Wages and salaries	4,598	4,879
Redundancy costs	198	299
Social security costs	544	575
Other pension costs	208	198
	<u>5,548</u>	<u>5,951</u>

4 DIRECTORS' EMOLUMENTS

The remuneration of directors in respect of qualifying services was

	2015 £'000	2014 £'000
Directors' emoluments	478	590
Compensation for loss of office	25	-
Pension contributions to money purchase schemes	19	14
	<u>522</u>	<u>604</u>

The remuneration of the highest paid director was £209,000 (2014 £230,000) The 2014 figures include bonuses paid to directors in the 2014-15 financial year in relation to their services in 2013-14 No bonuses have been paid to directors in relation to their services during 2014-15

There are 2 (2014 2) directors accruing benefits under money purchase schemes

5 OPERATING LOSS

Loss on ordinary activities before taxation is stated after charging/(crediting)

	Note	2015 £'000	2014 £'000
Cost of sales			
Amortisation of intangible fixed assets	10	2,682	2,862
Impairment of intangible fixed assets		8,063	-
Other cost of sales		7,396	5,218
Depreciation of rental assets	11	1,411	2,853
Other amounts written off rental assets		91	231
		<u>19,643</u>	<u>11,164</u>

	Note	2015 £'000	2014 £'000
Administrative expenses			
Staff costs	3	5,548	5,951
Depreciation of other tangible fixed assets	11	614	555
Rentals payable under operating leases - plant and machinery		92	121
Rentals payable under operating leases - other		204	185
Other expenses		2,286	2,781
Management recharges to fellow undertakings of the group		<u>(1,751)</u>	<u>(1,507)</u>
		<u>6,993</u>	<u>8,086</u>

Having regard to the nature of the company's business, the analysis of operating costs as prescribed by the Companies Act 2006 is not meaningful. In the circumstances, as prescribed by section 410 of the Companies Act 2006, the directors have adapted the prescribed format to the requirements of the company's business.

Included within net operating expenses is £494,000 (2014 £398,000) in respect of expenditure on research and development, and amortisation of capitalised development costs of £2,682,000 (2014 £2,862,000).

6 PENSION

The company is the principal employer in the Scottish Widows Stakeholder Scheme for Quadriga Worldwide Limited. The scheme, which was established on 1 December 2013, provides post-retirement benefits on the basis of defined contributions.

The charge to the profit and loss account in respect of the financial year was £208,000 (2014 £198,000). Pension contributions of £nil, (2014 £nil) were accrued as at 31 March 2015.

7 INTEREST RECEIVABLE AND SIMILAR INCOME

	2015 £'000	2014 £'000
Deposit account interest	<u>2</u>	<u>4</u>

Quadriga Worldwide Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2015

8 INTEREST PAYABLE AND SIMILAR CHARGES

	2015	2014
	£'000	£'000
Bank interest	-	1
Interest on amounts due to group undertakings	31	36
Net foreign exchange loss	<u>117</u>	<u>16</u>
	<u>148</u>	<u>53</u>

9 TAXATION

	2015 £'000	2014 £'000
UK corporation tax		
Current tax credit on loss on ordinary activities	(0)	(0)
Overseas tax		
Provision against withholding taxes	(36)	(486)
Withholding tax paid	-	-
Tax (credit)/charge	(36)	(486)

	2015 £'000	2014 £'000
Reconciliation of tax (credit)/charge		
Loss on ordinary activities before taxation	(14,268)	(6,270)
Current tax credit at 21% (2014 23%)	(2,996)	(1,442)
Effects of		
Timing differences between depreciation and capital allowances	76	160
Other short term timing differences	(72)	(320)
Disallowed expenses	6	7
Utilised tax losses	-	-
Utilised tax losses carried forward	2,986	1,595
Overseas taxation	(36)	(486)
Tax (credit)/charge	(36)	(486)

Factors that may affect future tax charges

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. In the Budget on 8 July 2015, the Chancellor announced additional planned reductions to 18% by 2020. This will reduce the company's future current tax charge accordingly.

Unrecognised deferred tax assets

No deferred tax asset has been recognised on the timing differences set out below as, in the opinion of the directors, the ability of the company to obtain the tax benefit is dependent upon suitable profits arising in the future that are either not currently foreseen or cannot be estimated with sufficient certainty.

	2015 £'000	2014 £'000
Timing difference between net book value of fixed assets and capital allowance pool	6,355	5,721
Other timing differences	42	113
Losses carried forward	3,968	2,770
	10,365	8,604

Notes to the Financial Statements - continued
for the Year Ended 31 March 2015

10 INTANGIBLE FIXED ASSETS

	Development costs £'000
COST	
At 1 April 2014	27,524
Additions	<u>1,370</u>
At 31 March 2015	<u>28,894</u>
AMORTISATION AND IMPAIRMENT	
At 1 April 2014	18,149
Amortisation for year	2,682
Impairments	<u>8,063</u>
At 31 March 2015	<u>28,894</u>
NET BOOK VALUE	
At 31 March 2015	<u>-</u>
At 31 March 2014	<u>9,375</u>

A full review of the unamortised balance of intangible assets is performed at each balance sheet date in accordance with FRS 11 *Impairment of Fixed Assets and Goodwill*. Following such impairment review as at 31 March 2015 the directors concluded it was necessary to fully impair all development costs with the carrying amount of £8,063,000.

11 TANGIBLE FIXED ASSETS

	Rental assets £'000	Other assets £'000	Totals £'000
COST			
At 1 April 2014	20,817	12,842	33,659
Additions	274	533	807
Disposals	(6,823)	(18)	(6,841)
Exchange differences	<u>(289)</u>	<u>-</u>	<u>(289)</u>
At 31 March 2015	<u>13,979</u>	<u>13,357</u>	<u>27,336</u>
DEPRECIATION			
At 1 April 2014	18,049	11,219	29,268
Charge for year	1,411	614	2,025
Eliminated on disposal	(6,640)	(15)	(6,655)
Impairments	91	-	91
Exchange differences	<u>(265)</u>	<u>-</u>	<u>(265)</u>
At 31 March 2015	<u>12,646</u>	<u>11,818</u>	<u>24,464</u>
NET BOOK VALUE			
At 31 March 2015	<u>1,333</u>	<u>1,539</u>	<u>2,872</u>
At 31 March 2014	<u>2,768</u>	<u>1,623</u>	<u>4,391</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2015

12 FIXED ASSET INVESTMENTS

	Subsidiary undertakings £'000
COST	
At the beginning and the end of the financial year	<u>13,309</u>
IMPAIRMENT	
At the beginning and the end of the financial year	<u>2,024</u>
NET BOOK VALUE	
At 31 March 2015	<u>11,285</u>
At 31 March 2014	<u>11,285</u>

The subsidiary undertakings in which the company had an interest (*direct interest) at 31 March 2015 were

	Country of incorporation	Class	% of shares held
Quadriga Belgium NV	Belgium	Ordinary *	99.5%
Quadriga Benelux BV	Netherlands	Ordinary	100%
Quadriga Business Espana SA	Spain	Ordinary	100%
Quadriga d o o	Croatia	Ordinary	100%
Quadriga Danmark AS	Denmark	Ordinary	100%
Quadriga Deutschland GmbH	Germany	Ordinary	100%
Quadriga EMEA Limited	England	Ordinary *	100%
Quadriga EMEA Romania S R L	Romania	Ordinary	100%
Quadriga Finland Oy	Finland	Ordinary	100%
Quadriga France SAS	France	Ordinary	93%
Quadriga Greece Hotel Technologies S A	Greece	Ordinary	4%
Quadriga Holdings BV (holding company)	Netherlands	Ordinary	100%
Quadriga Italia S p a	Italy	Ordinary	67%
Quadriga Latvia SIA	Latvia	Ordinary	100%
Quadriga Norge AS	Norway	Ordinary	100%
Quadriga Overseas Holdings Limited (holding company)	England	Ordinary *	100%
Quadriga Poland SP z o o	Poland	Ordinary	100%
Quadriga Suisse SA	Switzerland	Ordinary	100%
Quadriga Svenska AB	Sweden	Ordinary	100%
Quadriga Technology Limited (dormant)	England	Ordinary *	100%
Smoovie TV Europe SAS	France	Ordinary	100%
Thorn France Holdings SAS (holding company)	France	Ordinary	100% (*15%)
UAB Quadriga Inroom Technologies	Lithuania	Ordinary	100%
Quadriga Middle East FZ-LLC	United Arab Emirates	Ordinary *	100%

Quadriga d o o entered formal liquidation procedures on 12 August 2013

Quadriga Middle East FZ-LLC was incorporated on 21 September 2014

The principal activity of the subsidiary undertakings listed above is (unless otherwise indicated) creating on-property value via accessible guest facing technologies and services for the hospitality industry in Europe, North America, Middle East, and Africa. The deployed systems and services provide functionality in the areas of internet and network connectivity, guest entertainment, hotel services, and communications.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2015

13 STOCKS

	2015	2014
	£'000	£'000
Stocks	1,243	1,215
Work-in-progress	420	1,519
	<u>1,663</u>	<u>2,734</u>

14 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£'000	£'000
Trade debtors	1,565	3,727
Amounts owed by group undertakings	4,199	6,810
Amounts owed by related parties	1,070	-
Other debtors	24	-
Deferred taxation	-	6
Net VAT recoverable & other tax debtors	11	-
Prepayments and accrued income	1,725	606
	<u>8,594</u>	<u>11,149</u>

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£'000	£'000
Trade creditors	1,046	1,807
Customer deposits and rentals in advance	414	257
Amounts owed to group undertakings	26,779	24,463
Social security and other taxes	271	249
Other creditors	414	1,858
Accruals and deferred income	1,569	2,182
	<u>30,493</u>	<u>30,816</u>

16 FINANCIAL INSTRUMENTS

The company's principal financial instruments, which exclude short-term debtors and creditors, comprise loans and cash. The main purpose of these financial instruments is to raise finance for the company's operations.

Financial assets

The company has only floating rate financial assets, comprising interest bearing cash deposits. There are no interest free financial assets in either financial year.

The currency profile of financial assets at the end of the financial year was

	2015	2014
	£'000	£'000
Cash Sterling	219	278
Cash Euro	120	147
Cash Other	1	4
	<u>340</u>	<u>429</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2015

17 PROVISIONS FOR LIABILITIES

Provisions

	Overseas tax liabilities £'000
At the beginning of the financial year	314
Paid during the year	(24)
Reclassified to debtors	11
Credited to the profit and loss account	<u>(91)</u>
At the end of the financial year	<u>210</u>

Overseas tax liabilities

The provision will be utilised depending on the outcome of discussions with the authorities in the relevant territories and will be subject to on-going reviews as the timing of outflows are uncertain

18 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value £1	2015 £'000	2014 £'000
50,418,755	Ordinary		<u>50,419</u>	<u>50,419</u>

Allotted and issued Number	Class	Nominal value £1	2015 £'000	2014 £'000
13,013,921	Share capital 2		<u>7,158</u>	<u>7,158</u>

19 RESERVES

	Profit and loss account £'000	Share premium £'000	Totals £'000
At 1 April 2014	(50,376)	1,032	(49,344)
Deficit for the year	(14,232)	-	(14,232)
Translation	<u>50</u>	<u>-</u>	<u>50</u>
At 31 March 2015	<u>(64,558)</u>	<u>1,032</u>	<u>(63,526)</u>

20 IMMEDIATE AND ULTIMATE PARENT COMPANY

The immediate parent company is Quadriga Holdings Limited, a company incorporated in the United Kingdom

On 9 July 2015, Exceptional Innovation B V acquired the share capital of Quadriga Holdings Limited, the immediate parent company of Quadriga Worldwide Limited. Exceptional Innovation B V has ST Holdings LLC as its ultimate parent company. As such the directors regard ST Holdings LLC, a company incorporated in The United States of America, as the ultimate parent company and Mr Seale A Moorer Jr the ultimate controlling party.

Quadriga Worldwide Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2015

The largest and smallest group of which the company is a member and for which group financial statements are prepared is that headed by Quadriga Holdings Limited ("QHL"), a company incorporated in the United Kingdom. Copies of the financial statements are available to the public and may be obtained from Forum 1, Station Road, Theale, Berkshire, RG7 4RA

21 CAPITAL COMMITMENTS

There were no capital commitments at the end of the financial year (2014 £nil)

22 LEASE COMMITMENTS

Annual commitments under non-cancellable operating leases were as follows

	2015 £'000	2014 £'000
Land and buildings - operating leases which expire		
Within one year	115	7
In two to five years	<u>13</u>	<u>213</u>
	<u>128</u>	<u>220</u>
Other - operating leases which expire		
Within one year	14	17
In two to five years	<u>82</u>	<u>81</u>
	<u>96</u>	<u>98</u>
Total commitments	<u>224</u>	<u>318</u>

23 POST BALANCE SHEET EVENTS

On 9 July 2015 the entire share capital of Quadriga Holdings Limited was acquired by Exceptional Innovation B V, a company incorporated in the Netherlands (for more details, please see note 20)

Due to this change, Quadriga Holdings Limited is the largest group for which consolidated accounts are prepared as at and for the year ended 31 March 2015

24 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2015 £'000	2014 £'000
Loss for the financial year	(14,232)	(5,784)
Other recognised gains and losses relating to the year (net)	<u>50</u>	<u>4</u>
Net reduction of shareholders' funds	(14,182)	(5,780)
Opening shareholders' funds	<u>8,233</u>	<u>14,013</u>
Closing shareholders' funds	<u>(5,949)</u>	<u>8,233</u>