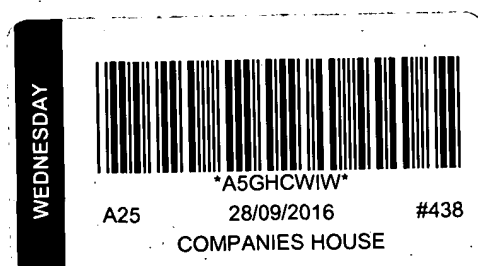


Quadriga EMEA Limited

Annual Report and

Financial Statements for the Period 1 April 2015 to 31 December 2015

Company number 03038297 (England and Wales)



Quadriga EMEA Limited

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for the Period 1 April 2015 to 31 December 2015

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Quadriga EMEA Limited

Company Information
for the Period 1 April 2015 to 31 December 2015

DIRECTORS:

P A Wilson
S A Moorer Jr
J G Naro

REGISTERED OFFICE:

Forum 1
Station Road
Theale
Berkshire
RG7 4RA

REGISTERED NUMBER:

03038297 (England and Wales)

AUDITORS:

KPMG LLP, Statutory Auditor
Chartered Accountants
Arlington Business Park
Theale
Reading
Berkshire
RG7 4SD

Quadriga EMEA Limited

Strategic Report
for the Period 1 April 2015 to 31 December 2015

The directors present their strategic report for the period 1 April 2015 to 31 December 2015.

REVIEW OF BUSINESS

Turnover for the period ended 31 December 2015 amounted to £1.0 million (Unaudited year ended 31 March 2015: £1.7 million) and the Company had an operating profit for the period of £64,000 (Unaudited year ended 31 March 2015: £8,000).

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 together with The SmarTV Company, an innovative developer of interactive entertainment solutions for commercial and consumer markets, it formed the Exceptional Innovation Group.

The combined companies form a global technology service provider that maximises guest engagement and satisfaction, enhances the entertainment experience, and increases revenue whilst delivering operational efficiencies for hotels. The group has 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 profit to EBITDA:

	Period 1.4.15 to 31.12.15 £'000	Year ended 31.3.15 (unaudited) £'000
Operating profit	64	8
Depreciation and write off of rental assets	96	225
EBITDA	160	233

The number of hotels rooms in which the Company's systems were installed fell by 7% during the financial year. This follows a 9% fall in the previous financial year.

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 along with a regular review of actions from its competitors and developments in the marketplace.

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 that 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 which 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 and accruals and a loan payable to a third party.

Economic environment uncertainty

The management aim to mitigate the effects of uncertainty in the economic environment by seeking to:

- regularly review the Company's exposure to customer and supplier payment default risk;
- minimise 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 reviewing outstanding payments and provisions for payment default regularly.

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 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 is mainly the Euro.

ON BEHALF OF THE BOARD:



P A Wilson - Director

Date: 13 May 2016

Quadriga EMEA Limited

Directors' Report

for the Period 1 April 2015 to 31 December 2015

The directors present their annual report and the audited financial statements of Quadriga EMEA Limited ("the Company") for the period ended 31 December 2015.

PRINCIPAL ACTIVITY

The principal activity of the Company is creating on-property value via accessible guest facing technologies and services for the hospitality industry through a network of European branch operations in Bulgaria, Czech Republic, Hungary, Malta and Turkey. 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 (Unaudited Year ended 31 March 2015: £nil).

DIRECTORS

P A Wilson has held office during the whole of the period from 1 April 2015 to the date of this report.

Other changes in directors holding office are as follows:

R D Taylor - resigned 9 July 2015

A Narayanan - resigned 9 July 2015

S A Moorer Jr - appointed 9 July 2015

J G Naro - appointed 9 July 2015

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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

ON BEHALF OF THE BOARD:



.....
P A Wilson - Director

Date: 13 May 2016

Quadriga EMEA Limited

Statement of Directors' Responsibilities
for the Period 1 April 2015 to 31 December 2015

The directors are responsible for preparing the Strategic Report, 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 financial period. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of
Quadriga EMEA Limited

We have audited the financial statements of Quadriga EMEA Limited for the period ended 31 December 2015 on pages ten to twenty three. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page seven, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at: www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its profit for the period 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.

Other matter - Prior period financial statements

In forming our opinion on the financial statements, which is not modified, we note that the prior period financial statements were not audited. Consequently, International Standards on Auditing (UK and Ireland) require the auditor to state that the corresponding figures contained within these financial statements are unaudited.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, these reports have been prepared in accordance with the Companies Act 2006.

Independent Auditor's Report to the Members of
Quadriga EMEA Limited

Matters on which we are required to report by exception

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, 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.



Neil Hughes (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Arlington Business Park
Theale
Reading
Berkshire
RG7 4SD

Date: 13 May 2016

Quadriga EMEA Limited

Profit and Loss account and other Comprehensive Income
for the Period 1 April 2015 to 31 December 2015

		Period 1.4.15 to 31.12.15	Year Ended 31.3.15 (unaudited)
	Notes	£'000	£'000
TURNOVER	2	1,010	1,657
Cost of sales		<u>(558)</u>	<u>(1,185)</u>
GROSS PROFIT		452	472
Administrative expenses		<u>(388)</u>	<u>(464)</u>
OPERATING PROFIT	5	64	8
Interest receivable and similar income	6	<u>25</u>	<u>5</u>
		89	13
Interest payable and similar charges	7	<u>(26)</u>	<u>(89)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		63	(76)
Tax on profit/(loss) on ordinary activities	8	<u>(4)</u>	<u>24</u>
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD		59	(52)
OTHER COMPREHENSIVE INCOME			
Foreign exchange movements		(26)	112
Income tax relating to other comprehensive income		<u>-</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX		<u>(26)</u>	<u>112</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u><u>33</u></u>	<u><u>60</u></u>

The notes form part of these financial statements

Balance Sheet
31 December 2015

		As at 31.12.15 £'000	As at 31.3.15 (unaudited) £'000
	Notes		
FIXED ASSETS			
Tangible assets	9	186	295
CURRENT ASSETS			
Stocks	10	2	1
Debtors	11	1,374	699
Cash at bank		<u>138</u>	<u>515</u>
		1,514	1,215
CREDITORS			
Amounts falling due within one year	12	<u>(6,342)</u>	<u>(6,185)</u>
NET CURRENT LIABILITIES		<u>(4,828)</u>	<u>(4,970)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(4,642)</u>	<u>(4,675)</u>
NET LIABILITIES		<u>(4,642)</u>	<u>(4,675)</u>
CAPITAL AND RESERVES			
Called up share capital	13	-	-
Retained earnings		<u>(4,642)</u>	<u>(4,675)</u>
SHAREHOLDER'S DEFICIT		<u>(4,642)</u>	<u>(4,675)</u>

The financial statements were approved by the Board of Directors on 13 May 2016 and were signed on its behalf by:

PA Wilson

.....
P A Wilson - Director

Quadriga EMEA Limited

Statement of Changes in Equity
for the Period 1 April 2015 to 31 December 2015

	Retained earnings £'000	Total equity £'000
Balance at 1 April 2014 (unaudited)	(4,694)	(4,694)
Changes in equity		
Total comprehensive income	60	60
Other movement	<u>(41)</u>	<u>(41)</u>
Balance at 31 March 2015 (unaudited)	<u>(4,675)</u>	<u>(4,675)</u>
Changes in equity		
Total comprehensive income	<u>33</u>	<u>33</u>
Balance at 31 December 2015	<u><u>(4,642)</u></u>	<u><u>(4,642)</u></u>

The notes form part of these financial statements

Quadriga EMEA Limited

Cash Flow Statement

for the Period 1 April 2015 to 31 December 2015

		Period 1.4.15 to 31.12.15	Year Ended 31.3.15 (unaudited)
	Notes	£'000	£'000
Cash flows used by operating activities			
Cash generated from operations	15	(384)	(325)
Tax paid		(4)	-
Taxation refund		-	9
Net cash used by operating activities		<u>(388)</u>	<u>(316)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(43)
Sale of tangible fixed assets		-	7
Interest received		<u>10</u>	<u>5</u>
Net cash from investing activities		<u>10</u>	<u>(31)</u>
Decrease in cash and cash equivalents		(378)	(347)
Cash and cash equivalents at beginning of period	16	515	810
Effect of foreign exchange rate changes		<u>1</u>	<u>52</u>
Cash and cash equivalents at end of period	16	<u>138</u>	<u>515</u>

The notes form part of these financial statements

Notes to the Financial Statements
for the Period 1 April 2015 to 31 December 2015

1. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" as issued in August 2014. The amendments to Financial Reporting Standard 102 issued in July 2015 and effective immediately have been applied. In the transition to Financial Reporting Standard 102 from old UK GAAP the Company has made no measurement and recognition adjustments. Please see note 18.

The Company is limited by shares and is incorporated and domiciled in the UK. The presentation currency of these financial statements is Sterling. All amounts in the financial statements have been rounded to the nearest thousand pounds. In the previous financial year the Company prepared and filed unaudited financial statements, relying on the audit exemption set out in s479A of the Companies Act 2006.

Going concern

The Company had net current liabilities of £4.8 million at the balance sheet date. This is primarily due to amounts owing to other group undertakings.

The Company is a subsidiary of the group headed by Exceptional Innovation Intermediate B.V. ("the Group"). The directors of Exceptional Innovation Intermediate B.V. ("the parent company directors") have considered the Group's liquidity, capital resources, principal risks and uncertainties and the group's cash flow forecasts, in particular with reference to the period to the end of June 2017. Those forecasts take into account a EUR 30.0 million Term and Revolving Facilities Agreement entered into by the Group in July 2015. The Board has been informed by the parent company directors that they are satisfied that each of those cash flow forecasts, taking into account reasonably possible judgements and sensitivities associated with those forecasts and the Group's current funding and facilities, alongside the Group's funding strategy, show that the Group will continue to operate for the foreseeable future.

The Board has received appropriate assurances from Exceptional Innovation B.V. (EI BV), a parent company and member of the Group, that EI BV will provide financial support to the extent required to ensure that the Company continues as a going concern. EI BV has confirmed that its undertaking is valid for a minimum of twelve months from the date of signing of these Financial Statements for the period ended 31 December 2015. The Board, having made suitable enquiries of the parent company directors, are satisfied that they can rely upon the assurances from EI BV. Consequently, these financial statements are prepared on a going concern basis.

Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

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 their estimated useful economic lives as follows:

Rental assets	3 to 7 years
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1. ACCOUNTING POLICIES - continued

Stocks

Stock is stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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 at the rate of exchange ruling at the balance sheet date and the 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.

Leases

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

Provisions

A provision is recognised in the Balance Sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

2. TURNOVER

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

Analysis of turnover by geographical market

	Period 1.4.15 to 31.12.15 £'000	Year Ended 31.3.15 (unaudited) £'000
Europe	611	1,208
Rest of the World	399	449
	<u>1,010</u>	<u>1,657</u>

3. STAFF NUMBER COSTS

The average number of persons, including directors, employed by the Company during the financial year, analysed by category, was as follows:

	Period 1.4.15 to 31.12.15 Number	Year Ended 31.3.15 (unaudited) Number
Operations and administration	<u>1</u>	<u>1</u>

The aggregate payroll costs of these persons was as follows:

	£'000	£'000
Wages and salaries	<u>6</u>	<u>9</u>

4. DIRECTORS

No director received any remuneration during the financial year in respect of qualifying services to the Company as a director (Unaudited Year ended 31.March 2015: £nil).

Notes to the Financial Statements - continued
for the Period 1 April 2015 to 31 December 2015

5. **EXPENSES AND AUDITOR REMUNERATION**

Profit on ordinary activities before taxation is stated after charging:

		Period 1.4.15 to 31.12.15	Year Ended 31.3.15 (unaudited)
	Note	£'000	£'000
Cost of sales			
Other cost of sales		461	960
Depreciation and write off of rental assets	9	97	225
		<u>558</u>	<u>1,185</u>

		Period 1.4.15 to 31.12.15	Year Ended 31.3.15 (unaudited)
		£'000	£'000
Administrative expenses			
Staff costs	3	6	9
Auditor's remuneration		19	-
Other expenses		<u>363</u>	<u>455</u>
		<u>388</u>	<u>464</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.

6. **INTEREST RECEIVABLE AND SIMILAR INCOME**

		Period 1.4.15 to 31.12.15	Year Ended 31.3.15 (unaudited)
		£'000	£'000
Net foreign exchange gains		15	-
Interest on amounts due from group undertakings		<u>10</u>	<u>5</u>
		<u>25</u>	<u>5</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	Period 1.4.15 to 31.12.15 £'000	Year Ended 31.3.15 (unaudited) £'000
Interest on amounts due to group undertakings	26	43
Net foreign exchange loss	-	46
	<u>26</u>	<u>89</u>

8. TAXATION

	Period 1.4.15 to 31.12.15 £'000	Year Ended 31.3.15 (unaudited) £'000
UK corporation tax		
Current tax charge on profit on ordinary activities	-	-
Overseas tax		
Withholding taxes provision	(4)	24
Tax on profit on ordinary activities	-	-
Tax charge / (credit)	<u>(4)</u>	<u>24</u>

	Period 1.4.15 to 31.12.15 £'000	Year Ended 31.3.15 (unaudited) £'000
Reconciliation of tax charge		
Profit/(loss) on ordinary activities before taxation	63	(76)
Current tax charge at 20% (31 March 2015: 21%)	13	(16)
Effects of:		
Unrealised deferred tax	-	(13)
Disallowable expenses	-	1
Tax losses utilised in year	(13)	-
Unutilised trading losses	-	28
Overseas taxation	(4)	24
Tax charge	<u>(4)</u>	<u>24</u>

Notes to the Financial Statements - continued
for the Period 1 April 2015 to 31 December 2015

8. TAXATION – continued

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. Further reductions to 19% (effective from 1 April 2017) to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. These reductions will reduce the Company's unrecognised deferred tax asset accordingly.

Deferred tax

A deferred tax asset has been recognised in the accounts in those branches where the directors consider that it is reasonable to forecast that there will be future profits against which the assets can be recovered.

As at 31 December 2015 and as at 31 March 2015 a deferred tax asset of £1,000 has been recognised in respect of losses carried forward and £3,000 in respect of other timing differences.

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 which cannot be estimated with sufficient certainty.

	Period 1.4.15 to 31.12.15 £'000	Year Ended 31.3.15 (unaudited) £'000
Timing differences between net book value of fixed assets and capital allowance pool	460	460
Provisions	8	12
Unutilised trading losses carried forward	154	162
	622	634

Quadriga EMEA Limited

Notes to the Financial Statements - continued
for the Period 1 April 2015 to 31 December 2015

9. **TANGIBLE FIXED ASSETS**

	Rental assets £'000
COST	
At 1 April 2015 (unaudited)	2,688
Disposals	(144)
Exchange differences	<u>(64)</u>
At 31 December 2015	<u>2,480</u>
DEPRECIATION	
At 1 April 2015 (unaudited)	2,393
Charge for period	96
Eliminated on disposal	(144)
Exchange differences	<u>(51)</u>
At 31 December 2015	<u>2,294</u>
NET BOOK VALUE	
At 31 December 2015	<u>186</u>
At 31 March 2015 (unaudited)	<u>295</u>

10. **STOCKS**

	As at 31.12.15 £'000	As at 31.3.15 (unaudited) £'000
Work-in-progress	<u>2</u>	<u>1</u>

Notes to the Financial Statements - continued
for the Period 1 April 2015 to 31 December 2015

11. **TRADE AND OTHER DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	As at 31.12.15	As at 31.3.15 (unaudited)
	£'000	£'000
Trade debtors	248	287
Amounts owed by group undertakings	1,077	357
Other debtors	29	23
Tax	3	9
Deferred taxation	4	4
Prepayments and accrued income	13	19
	<u>1,374</u>	<u>699</u>

12. **TRADE AND OTHER CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	As at 31.12.15	As at 31.3.15 (unaudited)
	£'000	£'000
Trade creditors	169	63
Customer deposits and rentals in advance	12	13
Amounts owed to group undertakings	5,885	5,983
Other creditors	19	-
Accruals and deferred income	257	126
	<u>6,342</u>	<u>6,185</u>

13. **SHARE CAPITAL**

Allotted, called up and fully paid:		As at 31.12.15	As at 31.3.15 (unaudited)
Number:	Class:		
	Nominal value:	£	£
2	Ordinary	£1	2

14. **ULTIMATE PARENT COMPANY AND PARENT COMPANY OF LARGER GROUP**

The immediate parent company is Quadriga Worldwide Limited, a company incorporated in the United Kingdom. On 9 July 2015 Exceptional Innovation B.V. completed the acquisition of Quadriga Holdings Limited and its subsidiaries (which included Quadriga EMEA Limited) to form the Exceptional Innovation Group.

The ultimate parent company is ST Holdings LLC a company incorporated in the United States of America. The directors regard SA Moorer Jr as the ultimate controlling party by virtue of his ownership and control of the ultimate parent company ST Holdings LLC. Consolidated accounts are not prepared for ST Holdings LLC.

The largest group of which the company is a member and for which group financial statements are prepared is that headed by Exceptional Innovation Coöperatief U.A.. The smallest group of which the company is a member and for which group financial statements are prepared is that headed by Exceptional Innovation Intermediate B.V.. Copies of the financial statements are available to the public and may be obtained from Forum 1, Station Road, Theale, Berkshire, RG7 4RA.

Notes to the Financial Statements - continued
for the Period 1 April 2015 to 31 December 2015

15. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH USED BY OPERATIONS

	Period 1.4.15 to 31.12.15	Year Ended 31.3.15 (unaudited)
	£'000	£'000
Profit/(loss) before taxation	63	(76)
Depreciation charges	97	225
Increase/(decrease) in provisions	(149)	-
Finance costs	26	89
Finance income	(25)	(5)
	12	233
(Increase)/decrease in stocks	(1)	127
Increase in trade and other debtors	(552)	(170)
Increase/(decrease) in trade and other creditors	157	(515)
Cash used by operations	(384)	(325)

16. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Period ended 31 December 2015

	31.12.15	1.4.15 (unaudited)
	£'000	£'000
Cash and cash equivalents	138	515

Year ended 31 March 2015 (unaudited)

	31.3.15 (unaudited)	1.4.14 (unaudited)
	£'000	£'000
Cash and cash equivalents	515	810

17. ACCOUNTING ESTIMATES AND JUDGEMENTS

Key sources of estimation uncertainty

The estimated recoverable amount of overdue trade debtors and the future selling price of stock are key sources of estimation uncertainty. There are no other key assumptions concerning the future and other key sources of estimation uncertainty at the Balance Sheet date that may cause material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Critical accounting judgements in applying the Company's accounting policies

There are no critical accounting judgements in applying the Company's accounting policies.

18. FIRST YEAR ADOPTION

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 102.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the 9 month period ended 31 December 2015 and the comparative information presented in these financial statements for the year ended 31 March 2015.

In preparing its FRS 102 Balance Sheet, the Company has not been required to adjust any amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). The assets, liabilities and shareholder's equity previously reported in the 31 March 2015 financial statements remain unchanged as result of adoption of FRS 102.