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# QUICKPRINTER P.L.C.

Annual Report and Financial Statements
31 December 2015

Company Registration Number C55508

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## Independent Auditor's Report
To the Members of QUICKPRINTER PLC

### Report on the Financial Statements

I was engaged to audit the accompanying financial statements of QUICKPRINTER PLC, which comprise the statement of financial position as at 31 December 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes

This report is made solely to the company s members, as a body, in accordance with Article 179 of the Companies Act 1995. My audit work has been undertaken so that I might state to the company's members those matters I am required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's members as a body, for my audit work, for this report or for the opinion I have formed.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with International Standards on Auditing Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

### Basis for Disclaimer of Opinion

The company holds an intangible asset which was purchased at €495,000 The evidence made available to me in respect of the ownership of the intangible asset was limited. There were no other alternative audit procedures that I could adopt to ascertain myself as to the ownership of this intangible asset as at the statement of financial position date. The same issue was present in the prior year's financial statements and remains unresolved.

## Independent Auditor's Report - continued

Basis for Disclaimer of Opinion - continued

No provision for amortization has been made against the company's intangible asset as required by International Accounting Standard 38 – Intangible assets. Had amortization been provided for, the amortization charge for the year ended 31 December 2015 would be €49,500 based on the straight-line method of depreciation using annual rates of 10% for the intangible asset. In addition, the carrying value of the intangible asset and retained earnings would have been reduced by €148,500 The profit for the year ended 31 December 2015 would have been reduced by €49,500. The same issue was present in the prior year's financial statements and remains unresolved.

The company holds an investment in a subsidiary company The evidence made available to me in respect of the valuation of the investment was limited There were no other alternative audit procedures that I could adopt to ascertain myself as to the proper valuation of this investment as at the statement of financial position date. The same issue was present in the prior year's financial statements and remains unresolved.

To date of this report, I have not received a reply from the bank to my letter requesting it to confirm the bank balances and any related liabilities. There were no other alternative audit procedures that I could adopt to ascertain myself as to the completeness of bank balances recorded in the financial statements and any related liabilities or contingent liabilities of the Company

There was no system of control over sales and expenditure upon which I could rely for the purpose of my audit and there were no satisfactory audit procedures which I could adopt to confirm independently that all sales are properly recorded. In this respect I was unable to satisfy myself as to the completeness and accuracy of the accounting records.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraphs, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements

## Independent Auditor's Report - continued

Report on Other Legal and Regulatory Requirements

I also have responsibilities under the Companies Act, 1995 to report to you if, in my opinion

- the information given in the directors' report is not consistent with the financial statements; or
- adequate accounting records have not been kept, or
- the financial statements are not in agreement with the accounting records and returns, or
- I have not received all the information and explanations I require for my audit, or
- certain disclosures of directors remuneration specified by law are not made in the financial statements, giving the required particulars in my report.

I have nothing to report to you in respect of these responsibilities.

Paul Mifsud
Certified Public Accountant
4, Triq l-Isqof Pace
Mellieħa, MLĦ 1067
Malta

26 April 2018

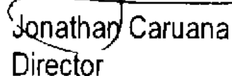
## Statement of Comprehensive Income

| | Notes | Year ended 31 December | |
|---|---|---|---|
| | | **2015** | 2014 |
| | | **€** | € |
| **Revenue** | 2 | **234,445** | 18,164 |
| Administrative expenses | 3 | **(335,474)** | (24,841) |
| **Loss before income tax** | | **(101,029)** | (6,677) |
| Income tax | 4 | **-** | - |
| **Loss for the financial year** | | **(101,029)** | (6,677) |
| Other comprehensive income | | **-** | - |
| **Other comprehensive income for the financial year** | | **-** | - |
| **Total comprehensive loss for the financial year** | | **(101,029)** | (6,677) |

## Statement of Financial Position

| | Notes | As at 31 December 2015 € | 2014 € |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Intangible asset | 5 | **495,000** | 495,000 |
| Investment in subsidiary | 6 | **1** | 1,000 |
| | | **495,001** | 496,000 |
| **Current assets** | | | |
| Trade and other receivables | 7 | **10,756** | 382 |
| Cash and cash equivalents | 13 | **4,572** | 1,959 |
| | | **15,328** | 2,341 |
| **Total assets** | | **510,329** | 498,341 |
| **EQUITY** | | | |
| **Capital and reserves** | | | |
| Share capital | 8 | **500,000** | 500,000 |
| Accumulated losses | 9 | **(110,370)** | (9,341) |
| **Total equity** | | **389,630** | 490,659 |
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| Trade and other payables | 11 | **120,699** | 7,682 |
| **Total liabilities** | | **120,699** | 7,682 |
| **Total equity and liabilities** | | **510,329** | 498,341 |

The financial statements were authorised for issue by the Board of Directors on 26 April 2016 and were signed on its behalf by



Jonathan Caruana
Director

Peter Knappertsbusch
Director

## Statement of Changes in Equity

| | Share capital<br>€ | Accumulated losses<br>€ | Total<br>€ |
|---|---|---|---|
| Balance at 1 January 2014 | 500,000 | (2,664) | 497,336 |
| Loss for the year | - | (6,677) | (6,677) |
| Other comprehensive income for the year | - | - | - |
| Total comprehensive loss for the year | - | (6,677) | (6,677) |
| **Balance at 31 December 2014** | **500,000** | **(9,341)** | **490,659** |
| Balance at 1 January 2015 | 500,000 | (9,341) | 490,659 |
| Loss for the year | - | (101,029) | (101,029) |
| Other comprehensive income for the year | - | - | - |
| Total comprehensive loss for the year | - | (101,029) | (101,029) |
| **Balance at 31 December 2015** | **500,000** | **(110,370)** | **389,630** |

## Statement of Cash Flows

| | Notes | Year ended 31 December 2015 € | 2014 € |
|---|---|---|---|
| **Operating activities** | | | |
| Net cash generated from/(used in) operating activities | 12 | **101,613** | (1,634) |
| **Investing activities** | | | |
| Purchase of intangible asset | | - | - |
| Purchase of other investments | | **(99,000)** | - |
| Net cash used in investing activities | | **(99,000)** | - |
| **Movement in cash and cash equivalents** | | **2,613** | (1,634) |
| **Cash and cash equivalents at beginning of year** | | **1,959** | 3,593 |
| **Cash and cash equivalents at end of year** | 13 | **4,572** | 1,959 |

## Notes to the Financial Statements

### 1. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### a. Basis of preparation

These financial statements comply with the Companies Act, 1995 and are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU), except that no recognition of the amortization charge on the intangible asset was made as required by International Accounting Standard 39 – Intangible Assets. The financial statements are prepared under the historical cost convention.

### b. Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

However, in the opinion of the directors, there are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

### c. New standards, interpretations and amendments to published standards effective from 1 January 2015

The company adopted new standards, amendments and interpretations to existing standards that are mandatory for the company's accounting period beginning on or after 1 January 2015. These are

- Annual Improvements 2010-2012 Cycle

    - IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Asset*
      The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value In addition, the accumulated depreciation or amortization is the difference between the gross and carrying amounts of the asset This amendment did not have any impact to the revaluation adjustments recorded by the company during the current period.

1. **Accounting policies** - continued

c. **New standards, interpretations and amendments to published standards effective from 1 January 2015** – continued

- Annual Improvements 2010-2012 Cycle - continued

  - IAS 24 *Related Party Disclosures*
    The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. This amendment is not relevant for the company as it does not receive any management services from other entities.

- Annual Improvements 2011-2013 Cycle
  - IFRS 13 *Fair Value Measurement*
    The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IAS 39. The company does not apply the portfolio exception in IFRS 13.

The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in substantial changes to the company's accounting policies

d. **New standards, interpretations and amendments to published standards that are not yet effective**

The following are the new standards, amendments and interpretations to existing standards that have been published by the date of authorisation for issue of these financial statements that are mandatory for accounting periods beginning on or after 1 January 2016 which are relevant to the company

- Amendments to IAS 1 *Disclosure Initiative*
  The amendments to IAS 1 *Presentation of Financial Statements* clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify
  • The materiality requirements in IAS 1
  • That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated
  • That entities have flexibility as to the order in which they present the notes to financial statements
  • That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.
  Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI. These amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact on the company.

1. **Accounting policies** - continued

d. **New standards, interpretations and amendments to published standards that are not yet effective** - continued

- Amendments to IAS 27 *Equity Method in Separate Financial Statements*
The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the company's financial statements.

- Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*
The amendments clarify that for intangible assets there is a rebuttable presumption that amortization based on revenue is not appropriate. This can only be rebutted in limited circumstances where either the intangible asset is expressed as a measure of revenue or revenue and the consumption of the economic benefits of the intangible asset are highly correlated. Subject to adoption by the EU, these amendments are effective for financial periods beginning or, or after, 1 January 2016 The company is considering the implications of the standard and its impact on the company's financial results and position

e. **Standards, interpretations and amendments issued by the International Accounting Standards Board (IASB) but not yet adopted by the European Union:**

- IFRS 9 – Financial Instruments
- IFRS 14 – Regulatory Deferral Accounts
- IFRS 15 – Revenue from Contracts with Customers
- IFRS 10, IFRS 12 and IAS 28 Amendments – Investment Entities: Applying the Consolidation Exemption
- IFRS 10 and IAS 28 Amendments – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Company is assessing the impact that the adoption of these Financial Reporting Standards will have in the financial statements of the Company in the period of initial application

**1. Accounting policies** - continued

**f. Revenue recognition**

Revenue is recognized upon delivery of products and are reported in the financial statements as revenue, net of VAT and discounts.

**g. Foreign currencies**

*Functional and presentation currency*

Items included in the company's financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The Euro is the company's functional and presentation currency.

**h. Intangible asset**

*Acquired intangible assets – Trademark*

An acquired intangible asset is recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably An intangible asset is initially measured at cost, comprising its purchase price and any directly attributable cost of preparing the asset for its intended use.
Intangible assets are subsequently carried at cost.

**i. Investments in subsidiaries**

In the company's financial statements, investments in subsidiaries are accounted for by the cost method of accounting. The dividend income from such investments is included in the statement of comprehensive income in the accounting period in which the company's rights to receive payment of any dividend is established. The company gathers objective evidence that an investment is impaired using the same process disclosed in accounting policy (j). On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of comprehensive income

Loans advanced by the company to its subsidiaries (for which settlement is neither planned nor likely to occur in the foreseeable future) or (which are repayable at the option of the subsidiaries) are treated as an extension to the company's net investment in those subsidiaries and included as part of the carrying amount of the investments in subsidiaries

**j. Impairment of non-financial assets**

Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

**1. Accounting policies** - continued

**k. Trade receivables**

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are carried at original invoice amount less provisions made for impairment of these receivables. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the set original terms. Bad debts are written off during the year in which they are identified

**l. Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at face value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand and deposits held at call with banks

**m. Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities

**n. Deferred taxation**

Deferred taxation is provided using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred taxation is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

**o. Share capital**

Ordinary shares are classified as equity.

**2. Turnover**

All the company's revenue is generated from the trading of printing items

## 3. Expenses by nature

| | 2015 | 2014 |
|---|---|---|
| | € | € |
| Auditor's remuneration | **650** | 650 |
| Director's remuneration | **920** | 4,296 |
| Bad debt | **52,841** | - |
| Impairment loss of receivables | **163,310** | - |
| Other expenses | **117,753** | 19,895 |
| **Total administrative expenses** | **335,474** | 24,841 |

## 4. Income tax

No provision for Malta income tax has been made in these financial statements in view of the tax losses incurred by the company

The tax on the company's loss before tax differs from the standard tax rate of 35% of the company's accounting loss as follows

| | 2015 | 2014 |
|---|---|---|
| | € | € |
| Loss before tax | **(101,029)** | (6,677) |
| Tax on accounting loss at 35% thereon | **(35,360)** | (2,337) |
| Tax effect of: | | |
| Non-allowable expenses | **35,433** | - |
| Movement in unrecognised deferred taxation | **(73)** | 2,337 |
| Income tax | **-** | - |

Deferred income tax assets are recognized for unabsorbed tax losses carried forward only to the extent that realization of the related tax benefit is probable. As at 31 December 2015, the company had accumulated tax losses of €7,914 (2014 €8,121) to carry forward against future taxable income. The deferred tax assets on the accumulated tax losses have not been recognized in these financial statements due to the uncertainty of their recoverability.

## 5. Intangible asset

| **Cost method** | **2015** | 2014 |
|---|---|---|
| | **€** | € |
| Acquisition cost | **495,000** | 495,000 |
| **Balance at 31 December** | **495,000** | 495,000 |

The intangible asset is a European Trademark 'quickprinter' registered with the office for harmonization in the internal market (trademarks and design) on 12 January 2010 having trade mark number 008284614.

## 6. Investment in subsidiary

| **Cost method** | **2015** | 2014 |
|---|---|---|
| | **€** | € |
| **Movements for the year ended 31 December** | | |
| Opening net book amount | **1,000** | - |
| Acquisition cost | **99,000** | 1,000 |
| Provision for impairment allowance | **(99,999)** | - |
| Closing net book amount | **1** | 1,000 |
| **At 31 December** | | |
| Cost | **100,000** | 1,000 |
| Provision for impairment allowance | **(99,999)** | - |
| Net book amount | **1** | 1,000 |

The subsidiaries, all of which are unlisted, at 31 December are shown below.

| Name | Registered office | Principal activities | Percentage of shares held | |
|---|---|---|---|---|
| | | | **2015** | 2014 |
| Quick-Printer GmbH | Bahnstraβe 16<br>50181 Bedburg | Printing company | **100%** | 100% |

## 7. Trade and other receivables

| | **2015** | 2014 |
|---|---|---|
| | **€** | € |
| **Current** | | |
| Trade receivables | **6,721** | - |
| Other receivables | **4,035** | 382 |
| Balance at 31 December | **10,756** | 382 |

The average credit period on sales of goods is 30 days Trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period for which the company has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable

In determining the recoverability of a trade receivable, the company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

| | **2015** | 2014 |
|---|---|---|
| | **€** | € |
| **Age of impaired trade receivables** | | |
| 60-90 days | **216,151** | - |
| Total | **216,151** | - |

The impairment loss on receivables disclosed in Note 3 is included in administrative expenses in the statement of comprehensive income.

## 8. Share capital

| | **2015** | 2014 |
|---|---|---|
| | **€** | € |
| **Authorised** | | |
| 500,000 Ordinary Shares of €1 each | **500,000** | 500,000 |
| **Issued and fully paid** | | |
| 500,000 Ordinary Shares of €1 each | **500,000** | 500,000 |

## 9. Accumulated losses

Accumulated losses represent accumulated profits or losses.

## 10. Deferred taxation

At 31 December 2015, the company had unrecognized deferred tax assets amounting to €2,770 (2014 €2,842) consisting of unutilized tax credits arising from.

| | **2015** | 2014 |
|---|---|---|
| | **€** | € |
| Unabsorbed tax losses | **7,914** | 8,121 |

## 11. Trade and other payables

| | **2015** | 2014 |
|---|---|---|
| | **€** | € |
| **Current** | | |
| Trade payables | - | 4,314 |
| Accruals | **7,188** | 2,473 |
| Other payables | - | 895 |
| Amounts due to shareholder | **113,511** | - |
| | **120,699** | 7,682 |

Amounts due to shareholder are unsecured interest free and repayable on demand

## 12. Cash generated from/(used in) operations

Reconciliation of loss before tax to cash generated from/(used in) operations:

| | **2015** | 2014 |
|---|---|---|
| | **€** | € |
| Loss before tax | **(101,029)** | (6,677) |
| Adjust for | | |
| Impairment provision | **99,999** | |
| Changes in working capital | | |
| Trade and other receivables | **(10,374)** | (382) |
| Trade and other payables | **113,017** | 5,425 |
| **Cash generated from/(used in) operations** | **101,613** | (1,634) |

## 13. Cash and cash equivalents

For the purposes of the statement of cash flows, the cash and cash equivalents at the end of the period comprise the following:

| | **2015** | 2014 |
|---|---|---|
| | **€** | € |
| Cash at bank and in hand | **4,572** | 1,959 |

## 14. Financial risk management

### Overview

The company has an exposure to the following risks arising from the use of financial instruments within its activities:

- Credit risk
- Liquidity risk

This note presents information about the company's exposure to each of the above risks, policies and processes for measuring and managing risk, and the company's management of capital. Further quantitative disclosures are included in these financial statements

The responsibility for the management of risk is vested in the Board of Directors. Accordingly, it is the Board of Directors who has the overall responsibility for establishing an appropriate risk management framework.

## 14. Financial risk management - continued

### *Credit risk*

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meets its contractual obligations Credit risk arises principally from the company's receivables and bank balances.

The company's cash is placed with prime financial institutions.

Receivables are presented net of impairment charges for bad and doubtful debts. Credit risk with respect to receivables is limited due to the large number of customers comprising the company's debtor base. Accordingly, the company has no concentration of credit risk that could materially impact on the sustainability of its operations.

### *Liquidity risk*

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due.

The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due Generally. the company ensures that it has sufficient cash on demand to meet expected operational expenditure, including the servicing of financial obligations.

### Capital management

It is the policy of the Board of Directors to maintain an adequate capital base in order to sustain the future development of the business and safeguard the ability of the company to continue as a going concern. In this respect, the Board of Directors monitors the operations and results of the company, and also monitors the level of dividends, if any. payable to the ordinary shareholders.

The company is not subject to externally imposed capital requirements. There were no changes in the company's approach to capital management during the year

### Fair values

At 31 December 2015 and 2014 the carrying amounts of cash at bank, receivables and payables reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments and/or the relatively short period of time between the origination of the instruments and their expected realisation.

## 15. Statutory information

QUICKPRINTER P.L.C is a public limited company and is registered in Malta.

The ultimate controlling party of the company is Mr Peter Knappertsbuch of Flat 9, 18 Devonshire Terrace, London W2 3DW, United Kingdom.