

Registered number  
09138679

**Quality & Reliability UK Limited**

**Financial Statements**

**31 December 2017**

**Quality & Reliability UK Limited**  
**Report and financial information**  
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**Quality & Reliability UK Limited  
Company Information**

**Directors**

Panagiotis Paschalakis  
Emmanouil Xionis  
Nikolaos Paschalakis  
Theodoros Karagiannis

**Auditors**

Nicholas Peters & Co Limited  
1st Floor North, Devonshire House  
1 Devonshire Street  
London  
W1W 5DS

**Registered office**

1st Floor North, Devonshire House  
1 Devonshire Street  
London  
W1W 5DS

**Registered number**  
09138679

**Country of incorporation**  
England & Wales

**Quality & Reliability UK Limited**

**Registered number:** 09138679

**Directors' Report**

The directors present their report and financial statements for the year ended 31 December 2017.

**Principal activities**

The company's principal activity during the period was that of a holding company investing in software development entities.

**Directors**

The following persons served as directors during the year:

Panagiotis Paschalakis  
Emmanouil Xionis  
Nikolaos Paschalakis  
Theodoros Karagiannis

**Statement of disclosure of information to auditors**

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he 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.

This report was approved by the board on 20 April 2018 and signed on its behalf.

**Panagiotis Paschalakis**  
**Director**



## Quality & Reliability UK Limited Strategic Report

The company has not yet started with the activities foreseen in its original strategic planning; therefore, it has not yet yielded the income that would cater for its annual administrative and financial costs.

According to its directors, as soon as there is a reversal of the adverse economic environment in Greece, which has a great influence in the Business strategy of its subsidiary, the company will be in a position to re-launch its strategy and improve its economic figures.

The company faced following risks during the period:

**Interest Rate Danger:** There is no such risk, as the interest rates of the loan is steady during its period.

**Liquidation risk:** The company has enough cash to cover its responsibilities.

**Financial risk:** According to the estimates of the board there is no such a risk, based to the financial position of the parent company, that is the guarantor of the loans.

**Compliance risk:** There is no such risk through the processes that are being followed.

**Equity Risk:** The company aims at having its funds managed in a way that can ensure its ongoing activities and profit making for its shareholders. For the time being, the company is in a "stand-by mode" in terms of its original strategic planning; therefore, it has not yet developed the expected activities that would allow it to yield satisfactory profits and positive Equity.

The parent company and its directors will continue supporting the subsidiary's activities, relying on the belief that the current adverse economic environment will become better in a way that the company, be able to materialize its targets and improve its economic figures.

As the company has no activity or income we are restricted to the presentation of the company's costs for period ended 31 December 2017, that only includes the management and financial expenses for 2017. Also the parent company, Quality & Reliability S.A., has provided confirmation of its willingness to continue to provide financial support to the company.

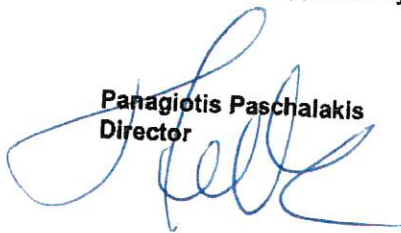
The management costs valued at € 42,932 (2016- €89,836) are consisted mainly by the expenses for a rollover of the bond loan, the insurance cover for the members of the board and accountancy fees.

The financial expenses valued at € 109,030 (2016-€142,636) consist mainly of interest on the loan.

The company has net liabilities as at period end. This is mainly due to bond notes of €1,759,500 of which €259,500 are repayable in June 2018 and the balance of €1,500,000 are repayable in 2020. The company has €69,778 in cash and with the support of parent company the company has enough resources to settle the liabilities as and when they fall due.

This report was approved by the board on 20 April 2018 and signed on its behalf.

**Panagiotis Paschalakis**  
Director



**Quality & Reliability UK Limited**  
**Independent auditors' report**  
**to the member of Quality & Reliability UK Limited**

**Opinion**

We have audited the financial statements of Quality & Reliability UK Limited for the period ended 31 December 2017 which comprise the Statement of Financial Position, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 auditors' 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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006;

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Material uncertainty related to going concern**

We draw attention to note 1 in the financial statements which indicates that the company's ability to continue as a going concern is dependent on parent company. In addition to this the company incurred a net loss of €151,440 during the period ended 31 December 2017 and, at the date, although the company's total assets exceeded its current liabilities by €902,698, it had net liabilities of €856,802. The company has not generated any revenue yet. As stated in note 1 of the financial statements, these events indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as going concern. Our opinion is not modified in respect of this matter.

**Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Quality & Reliability UK Limited**  
**Independent auditors' report**  
**to the member of Quality & Reliability UK Limited**

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the audit work undertaken in the course of the audit:

- the information given in the Strategic Report & Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report & the Directors' Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the company and its environment obtained in the course of audit, we have not identified material misstatements in the Strategic Report & the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

**Respective responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities statement set out on page 2 & 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.



**Peter Petrou**  
**(Senior Statutory Auditor)**  
**for and on behalf of**  
**Nicholas Peters & Co Limited**  
**Accountants and Statutory Auditors**  
**20 April 2018**

**1st Floor North, Devonshire House**  
**1 Devonshire Street**  
**London**  
**W1W 5DS**

**Quality & Reliability UK Limited**  
**Statement of Profit or loss and other comprehensive income**  
**for the year ended 31 December 2017**

	Notes	2017 €	2016 €
Administrative expenses		(42,932)	(89,836)
<b>Loss from operations</b>	2	<u>(42,932)</u>	<u>(89,836)</u>
Finance costs	3	(109,030)	(142,636)
<b>Loss before tax</b>		<u>(151,962)</u>	<u>(232,472)</u>
Taxes	4	-	-
<b>Loss and total comprehensive income</b>		<u>(151,962)</u>	<u>(232,472)</u>

**Discontinued operations : there are none**



**Quality & Reliability UK Limited**  
**Statement of financial position**  
**as at 31 December 2017**

	Notes	2017 €	2016 €
<b>Current assets</b>			
Trade and other receivables	5	897,650	
Cash and cash equivalents		<u>69,778</u>	955,207
		967,428	<u>201,069</u>
<b>Current liabilities</b>			
Trade and other payables	6	(324,752)	(361,638)
<b>Net current assets</b>		<u>642,676</u>	<u>794,638</u>
<b>Total assets less current liabilities</b>			
		642,676	794,638
<b>Non current liabilities</b>			
Long-term borrowings		(1,500,000)	(1,500,000)
<b>Net liabilities</b>		<u>(857,324)</u>	<u>(705,362)</u>
<b>Equity</b>			
Share capital	8	1	1
Retained earnings	9	(857,325)	(705,363)
<b>Total equity</b>		<u>(857,324)</u>	<u>(705,362)</u>

The financial statements were approved and authorised for issue by the Board on

**Panagiotis Paschalakis**  
**Director**

Signed on behalf of the board on 20 April 2018

**Quality & Reliability UK Limited**  
**Statement of changes in equity**  
**as at 31 December 2017**

	Share Capital €	Retained earnings €	Total equity €
<b>Balance as at 1 January 2016</b>	1	(472,891)	(472,890)
Loss for the year	-	(232,472)	(232,472)
<b>Balance as at 31 December 2016</b>	<u>1</u>	<u>(705,363)</u>	<u>(705,362)</u>
<b>Balance as at 1 January 2017</b>	1	(705,363)	(705,362)
Loss for the year	-	(151,962)	(151,962)
<b>Balance at 31 December 2017</b>	<u>1</u>	<u>(857,325)</u>	<u>(857,324)</u>

**Quality & Reliability UK Limited**  
**Statement of cash flows**  
**for the year ended 31 December 2017**

	Notes	2017 €	2016 €
<b>Cash flow from operating activities</b>			
Loss from operations		(42,832)	(89,836)
Decrease in trade and other receivables		57,557	653,829
Decrease in trade & other payables		(36,886)	(332,475)
Cash generated from operations		<u>(22,261)</u>	<u>231,518</u>
<b>Cash flow from financing activities</b>			
Interest paid			
Interest received	11	(109,030)	(142,636)
Taxes paid	4	-	-
		<u>-</u>	<u>-</u>
<b>(Net decrease)/increase in cash and cash equivalents</b>		(131,291)	88,882
Cash and cash equivalents at the beginning of the period		201,069	112,187
Cash and cash equivalents at the end of the period		<u>69,778</u>	<u>201,069</u>

Quality & Reliability UK Limited  
Notes to the Accounts  
for the year ended 31 December 2017

1 Accounting policies

**Basis of preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board. The financial statements have been prepared using the historical cost convention except if disclosed in the accounting policies below if shown at fair value.

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. If in future, such estimates and assumptions which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change.

The company's ability to continue as a going concern is dependant upon support from parent company.

The company has not started to make any sales and there is uncertainty regarding future sales considering its business activity. The parent company has proven track records and prepared financial projections which show their belief that the company will continue to have adequate resources to meet its liabilities when they fall due and they consider it appropriate to prepare the financial statements on the going concern basis.

The financial statements relate to the entity only, are presented in pounds sterling for filing at Companies House and in Euros for management purpose and there is not any level of rounding. The company functional currency is €.

**Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is not recognised until the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably.

**Cash and cash equivalents**

Cash and cash equivalents comprises cash on hand and time, call and current balances with banks and similar institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. This definition is also used for the statement of cash flows.

**Borrowings**

Borrowings are classified as originated loans and are recognised initially at an amount equal to the proceeds received, net of transaction costs incurred. In subsequent periods, they are stated at amortised cost using the effective yield method: any difference between proceeds (net of transactions costs) and the redemption value is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowings.

**Fair values**

Fair value is the amount for which a financial asset, liability or instrument could be exchanged between knowledgeable and willing parties in an arm's length transaction. It is determined by reference to quoted market prices adjusted for estimated transaction costs that would be incurred in an actual transaction, or by the use of established estimation techniques. The fair values at the end of the reporting period are approximately in line with their reported carrying values unless specifically mentioned in the notes to the financial statements.

Quality & Reliability UK Limited  
 Notes to the Accounts  
 for the year ended 31 December 2017

**Foreign currency translation**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. All differences are taken to the statement of profit or loss and other comprehensive income.

**2 Auditors' remuneration**

	2017	2016
	€	€
This is stated after charging:		
Fees payable to the company's auditor for the audit of the company's accounts	13,660	4,440
Fees payable to the company's auditor for other services.	<u>5,200</u>	<u>8,513</u>

**3 Finance costs**

	2017	2016
	€	€
Other interest expenses	<u>109,030</u>	<u>142,636</u>

**4 Income taxes**

	2017	2016
	€	€
Income tax recognised in profit or loss		
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>

The total charge for the period can be reconciled to the accounting profit as follows:

	2017	2016
	€	€
Loss on ordinary activities before tax	<u>(151,962)</u>	<u>(232,472)</u>
Standard rate of corporation tax in the UK	20%	20%
Profit on ordinary activities multiplied by the standard rate of corporation tax	€	€
	(30,392)	(46,494)
Effects of: Utilisation of tax losses	30,392	46,494
Current tax charge for period	<u>-</u>	<u>-</u>

Quality & Reliability UK Limited  
Notes to the Accounts  
for the year ended 31 December 2017

5 Trade and other receivables	2017 €	2016 €
Amounts owed by group undertakings and undertakings in which the company has a participating interest	895,677	950,000
Prepayments and accrued income	<u>1,973</u>	<u>5,207</u>
	<u>897,650</u>	<u>955,207</u>

6 Trade and other payables	2017 €	2016 €
Trade payables	3,149	6,263
Other creditors	259,500	300,000
Accruals	<u>62,103</u>	<u>55,375</u>
	<u>324,752</u>	<u>361,638</u>

7 Borrowings	2017 €	2016 €
Summary of borrowing arrangements:		
Secured - at amortised cost	<u>1,500,000</u>	<u>1,500,000</u>
Loan notes		
Analysis of maturity of debt:		
Within one year or on demand	259,500	300,000
Between one and two years	<u>1,500,000</u>	<u>1,500,000</u>
	<u>1,759,500</u>	<u>1,800,000</u>

The loan notes totalling €1.5M are secured by the Quality & Reliability SA (parent company) and Digibooks4all S.A. pay an annual not compounded interest at 6.00% which will be repaid in 2020. The further loan notes of €300,000 (no guarantees given) issued in December 2016 of which €40,500 has been repaid in April 2017 and the balance is due on 30th of June 2018 as amended on 28th of September 2017(Special Resolution on the Audit File) . The interest is charged at 7% per annum (not compounded).

8 Issued capital	Nominal value	2017 Number	2017 €	2016 €
Fully paid: Ordinary shares	€1 each	1	<u>1</u>	<u>1</u>

9 Retained earning and dividends	2017 €
At 1 January 2017	(705,363)
Loss for the financial year	(151,962)
	<u>(857,325)</u>
Balance at end of year	

**Quality & Reliability UK Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2017**

<b>10 Reconciliation of movement in shareholder's funds</b>	<b>2017</b>	<b>2016</b>
	€	€
At 1 January		
Loss for the financial year	(705,362)	(472,890)
	(151,962)	(232,472)
At 31 December	<u>(857,324)</u>	<u>(705,362)</u>

**11 Cash and cash equivalents**

For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	<b>2017</b>	<b>2016</b>
	€	€
Cash and cash equivalents	<u>69,778</u>	<u>201,069</u>

**12 Related party transactions**

	<b>2017</b>	<b>2016</b>
	€	€
<b>Quality &amp; Reliability S.A.</b>		
Shareholder		
Loans due from Quality & Reliability S.A.		
Amount due from the related party	895,677	950,000

**13 Ultimate controlling party**

The ultimate controlling party is Quality & Reliability S.A. a company incorporated in Greece at Konitsis, 11b Str, Marousi, 15125 Athens.

**14 Company information**

The company is a Limited company guaranteed by shares and incorporated in England and Wales. The company registered office address is 1st Floor (North), Devonshire House, 1 Devonshire Street, London, W1W 5DS. The company is domiciled in United Kingdom. The place of business is same as note 13.

**Quality & Reliability UK Limited**  
**Detailed profit and loss account**  
**for the year ended 31 December 2017**

	2017 €	2016 €
Administrative expenses	(42,932)	(89,836)
<b>Operating loss</b>	<u>(42,932)</u>	<u>(89,836)</u>
Interest payable	(109,030)	(142,636)
<b>Loss before tax</b>	<u>(151,962)</u>	<u>(232,472)</u>



**Quality & Reliability UK Limited**  
**Detailed profit and loss account**  
**for the year ended 31 December 2017**

	2017 €	2016 €
<b>Administrative expenses</b>		
General administrative expenses:		
Stationery and printing	-	61
Subscriptions	2,887	1,912
Bank charges	1,793	2,558
Insurance	18,475	35,201
Sundry expenses	917	408
	<u>24,072</u>	<u>40,140</u>
Legal and professional costs:		
Audit fees	13,660	4,440
Accountancy fees	5,200	8,513
Consultancy fees	-	35,000
Other legal and professional	-	1,743
	<u>18,860</u>	<u>49,696</u>
	<u>42,932</u>	<u>89,836</u>