

**Quadriga Overseas Holdings Limited**

**Directors' report and financial  
statements**

**Registered number 4239101**

**Year ended 31 March 2010**

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## **Directors' report**

The directors present their annual report and the financial statements of Quadriga Overseas Holdings Limited ("the company") for the year ended 31 March 2010

### **Principal activity**

The company operates as a holding company for the Quadriga Group's business subsidiaries outside the United Kingdom

The principal activity of the company's subsidiary undertakings is the supply of equipment and software enabling the provision of in-room technology based services to hotels and similar services to other markets across Europe. The systems deployed provide functionality in the areas of guest entertainment, hotel information, and communications.

### **Business review**

The company did not trade in the current or prior period.

#### *Going concern*

The company has net liabilities of £136.9m at the balance sheet date. This is primarily due to an intercompany balance with Quadriga Holdings Limited ("QHL"), its intermediate parent company.

The Board has received appropriate assurances from QHL 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. QHL 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.

#### *Strategy*

The strategy adopted by the company during the year has been to maximise the value of the portfolio of investments that it holds in the operating subsidiaries of the Quadriga group.

### **Financial risk management objectives and policies**

The company's assets consist of investments in subsidiary undertakings within the Quadriga group. The company's liabilities consist of amounts owed to fellow subsidiary undertakings within the Quadriga group. These assets and liabilities are denominated in foreign currencies and are therefore subject to foreign exchange fluctuations.

In terms of the fixed asset investments the company relies on the financial risk management policies of the Quadriga group, which each of the subsidiaries operates. Details of these risks can be found in the financial statements of Interactive Hotel Services Limited ("IHSL"), a copy of which can be obtained from the address set out in note 9.

No exposure arises on the company's liabilities, which wholly comprise of amount due to QHL, who have confirmed that they will not seek repayment of the outstanding amount for at least twelve months after the date of approval of these financial statements.

### **Proposed dividend**

The directors do not recommend the payment of a dividend (2009 £nil).

### **Directors**

The directors who held office during the period and subsequently were as follows:

I Crabb  
M Budie  
P Wilson  
G Marsh  
J Hull

(appointed 13 May 2009)

Certain companies within the Group provided qualifying third party indemnity provisions to certain directors during the financial year and at the date of this report.

## **Directors' report** *(continued)*

### **Disclosure of information to auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

### **Auditors**

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office

On behalf of the board



**J Hull**  
Director

16 July 2010

Forum 1  
Station Road  
Theale  
RG7 4RA

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

The directors are responsible for preparing 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 year. 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).

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 judgments 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.



## KPMG Audit Plc

Arlington Business Park  
Theale  
Reading  
RG7 4SD  
United Kingdom

### **Independent auditors' report to the members of Quadriga Overseas Holdings Limited**

We have audited the financial statements of Quadriga Overseas Holdings Limited for the year ended 31 March 2010 set out on pages 6 to 10. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 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 (APB'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 APB's web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

#### **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 March 2010 and of its profit for the year then ended
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice and
- have been prepared in accordance with the requirements of the Companies Act 2006

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditors' report to the members of Quadriga Overseas Holdings Limited** *(continued)*

### **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



**Simon Baxter (Senior Statutory Auditor)**

**for and on behalf of KPMG Audit plc, Statutory Auditor**

Chartered Accountants

22 July 2010

**Profit and loss account**  
*for the year ended 31 March 2010*

The company did not trade during the current or prior year. Consequently the profit and loss account has not been prepared.

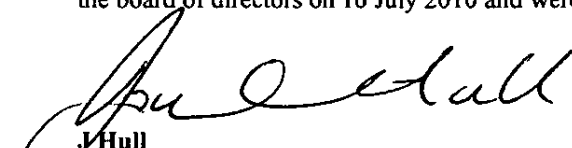


# **Balance sheet**

at 31 March 2010

	<i>Note</i>	<b>2010</b> <b>£000</b>	<b>2009</b> <b>£000</b>
<b>Fixed assets</b>			
Investments	4	22,494	22,494
<b>Creditors</b> amounts falling due within one year	5	(159,404)	(159,404)
<b>Net liabilities</b>		<u>(136,910)</u>	<u>(136,910)</u>
<b>Capital and reserves</b>			
Called up share capital	6	-	-
Profit and loss reserve	7	(136,910)	(136,910)
<b>Shareholders' deficit</b>	8	<u>(136,910)</u>	<u>(136,910)</u>

These financial statements of Quadriga Overseas Holdings Limited, registered number 4239101, were approved by the board of directors on 16 July 2010 and were signed on its behalf by

  
**J Hull**  
 Director

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

#### ***Basis of preparation***

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

The company has net liabilities of £136.9m at the balance sheet date. This is primarily due to an intercompany balance with Quadriga Holdings Limited ("QHL"), an intermediate parent company.

The Board has received appropriate assurances from QHL 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. QHL 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.

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 on the grounds that Interactive Hotel Services Limited ("IHSL") includes the company in its own published consolidated financial statements.

As the company was a wholly owned subsidiary of IHSL during the year, the company has taken advantage of the exemption contained in FRS 8 'Related party disclosures' and has therefore not disclosed transactions or balances with entities which form part of the IHSL group (or investees of the group qualifying as related parties). The consolidated financial statements of IHSL, within which this company is included, can be obtained from the address given in note 9.

#### ***Investments***

Investments in subsidiary undertakings are stated at cost less any provision for impairment calculated as the lower of the sale value of the investment less costs and the value in use.

#### ***Taxation***

The charge for taxation is based on the result for the 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 which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 'Deferred tax'.

### 2 Result on ordinary activities before taxation

The fees for the audit of these financial statements were £3,000 (2009 £3,000). These were borne by Quadriga Worldwide Limited, the immediate parent undertaking.

Amounts receivable by the company's auditors in respect of services to the company and its associates, other than the audit of the company's financial statements, have not been disclosed as this information is disclosed in the consolidated financial statements of the company's parent undertaking, Interactive Hotel Services Limited ("IHSL").

## Notes (continued)

### 3 Remuneration of directors, staff numbers and costs

None of the directors received any remuneration in respect of their qualifying services to the company (2009 £nil)

The company has no employees and therefore incurred no staff costs in either year. Administration services are provided by Quadriga Worldwide Limited.

### 4 Fixed asset investments

	Investment in subsidiary undertakings £000
<i>Cost</i>	
At beginning and end of year	159,404
<i>Impairment</i>	
At end of year	136,910
<i>Net book value</i>	
At 31 March 2010 and 31 March 2009	22,494

As required by FRS 11 'Impairment of fixed assets and goodwill', the directors have conducted an impairment review and, based on the future cash flows expected to be generated by its subsidiary undertakings, they concluded that the company's investments should not be impaired further as at 31 March 2010 (2009 £nil).

The principal operating undertakings in which the company has an interest at the year end are as follows:

	Country of incorporation	Class and percentage of shares held	
Quadriga Benelux BV	Netherlands	Ordinary	100%
Quadriga Belgium NV	Belgium	Ordinary	29%
Quadriga Danmark AS	Denmark	Ordinary	100%
Quadriga Norge AS	Norway	Ordinary	100%
Quadriga Finland OY	Finland	Ordinary	100%
Quadriga Svenska AB	Sweden	Ordinary	100%
Quadriga France SAS	France	Ordinary	100%
Quadriga Greece Hotel Technologies SA	Greece	Ordinary	41%
Quadriga Poland SP z o o	Poland	Ordinary	100%
Quadriga Suisse SA	Switzerland	Ordinary	100%
Quadriga Business Espana SA	Spain	Ordinary	100%
Quadriga Italia SPA	Italy	Ordinary	63%
Quadriga Deutschland GmbH	Germany	Ordinary	100%
Quadriga EMEA Romania SRL	Romania	Ordinary	100%
Quadriga d o o	Croatia	Ordinary	100%
UAB Quadriga Inroom Technologies	Lithuania	Ordinary	100%
Quadriga Latvia SIA	Latvia	Ordinary	100%

Quadriga Finland OY has one overseas branch operating in Estonia.

The company has no direct interest in the above subsidiaries.

The principal activity of the subsidiaries above is the supply of equipment and software enabling the provision of in-room technology based services to hotels and similar services to other markets across Europe. The systems deployed provide functionality in the areas of guest entertainment, hotel information, and communications.

In addition to the above subsidiaries the company has two subsidiaries which act as intermediate holding companies.

**Notes (continued)**

**4 Fixed asset investments (continued)**

Quadriga Holdings BV is held directly by the company. It is incorporated in the Netherlands and the company owns 100% of the share capital.

Thorn France Holdings SAS is held indirectly by the company. It is incorporated in France and the company owns 88% of the share capital.

**5 Creditors: amounts falling due within one year**

	2010 £000	2009 £000
Amounts owed to fellow group undertakings	159,404	159,404

Amounts owed to fellow group undertakings comprise a non interest bearing loan from Quadriga Holdings Limited with no fixed maturity date.

As stated in note 1 Quadriga Holdings Limited has given an undertaking at both period ends not to seek repayment of the above amounts for at least, twelve months after the date of approval of these financial statements.

**6 Called up share capital**

The allotted, called up and fully paid share capital of £2 in both years comprised 2 ordinary shares of £1 each.

**7 Profit and loss account**

	2010 £000	2009 £000
At beginning of year and end of the year	(136,910)	(136,910)

**8 Reconciliation of movement in shareholders' deficit**

	2010 £000	2009 £000
At beginning of year and end of the year	(136,910)	(136,910)

**9 Ultimate parent company and parent undertaking of larger group of which the company is a member**

The directors regard Victorian Capital LP Inc, a Guernsey incorporated limited partnership, as the ultimate parent company and ultimate controlling party.

Interactive Hotel Services Limited is the largest group and Interactive Hotel Services Holdings plc is the smallest group of which the company is a member and for which group financial statements are prepared. Copies of the financial statements are available to the public and may be obtained from Forum 1, Station Road, Theale, Berkshire, RG7 4RA.