

Registered Number: 04338092

**Tripleplay Services Holdings Limited and its subsidiaries**

**Directors' Report and Consolidated Financial Statements**

**For the year ended December 31, 2018**



**Tripleplay Services Holdings Limited**  
**Company information**

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**DIRECTORS**

S. M. Rickless  
G. Ogilvie  
P. N. Martin  
P. S. Harris  
C. Huget-Amoroso

**COMPANY SECRETARY**

S. M. Rickless

**REGISTERED NUMBER**

04338092

**REGISTERED OFFICE**

11 Staple Inn  
London  
WC1V 7QH

**INDEPENDENT AUDITORS**

Wilder Coe Ltd  
Chartered Accountants and Statutory Auditors  
1<sup>st</sup> Floor Sackville House  
143-149 Fenchurch Street  
London  
EC3M 6BL

**Tripleplay Services Holdings Limited**  
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For the year ended December 31, 2018  
(In British Pounds)

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## Tripleplay Services Holdings Limited Directors' Report

For the year ended December 31, 2018

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The directors present their report together with the audited financial statements for the year ended 31 December 2018.

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Director's 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, the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 group and company and of the profit or loss of the group 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **DISCLOSURE OF INFORMATION TO AUDITORS**

The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company and the group's auditors are aware of that information. As far as the directors are aware, there is no relevant audit information of which the company and group's auditors are unaware.

### **PRINCIPAL ACTIVITY**

The group's principal activity during the period was the provision of IP Video Software Solutions for the provision of television, video and electronic bill boards within its target market sectors. Its' primary market sectors include education, hospitality, corporate, healthcare and sports.

### **DIRECTORS**

The directors of the company during the year were:

S. M. Rickless  
G. Ogilvie  
P. N. Martin  
P. S. Harris  
C. Huget-Amoroso

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**Tripleplay Services Holdings Limited**  
**Directors' Report**

**For the year ended December 31, 2018**

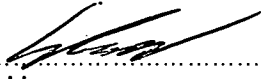
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**AUDITORS**

The auditors, Wilder Coe Ltd, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 1st July 2019 and signed on its behalf.

  
.....  
**S. Rickless**  
Director

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# Tripleplay Services Holdings Limited

## Independent Auditors' Report

For the year ended December 31, 2018

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### OPINION

We have audited the financial statements of Tripleplay Services Holdings Limited (the 'parent company') and its subsidiaries ('the group') for the year ended 31 December 2018 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows 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 and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2018 and of the group's and parent company's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and the financial statements 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.

### CONCLUSIONS RELATED TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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## **Tripleplay Services Holdings Limited** **Independent Auditors' Report**

For the year ended December 31, 2018

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### **OTHER INFORMATION**

The other information comprises the information included in the Annual 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.

### **OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

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

### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a strategic report.

### **RESPONSIBILITIES OF DIRECTORS**

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, 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 group's and the parent 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.

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**Tripleplay Services Holdings Limited**  
**Independent Auditors' Report**

For the year ended December 31, 2018

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**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

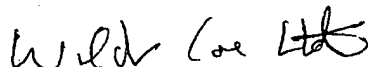
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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/auditorsresponsibilities>. This description forms part of our Auditor's Report.

**USE OF OUR REPORT**

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.

Stephen Landy FCA (Senior Statutory Auditor)  
For and on behalf of



**Wilder Coe Ltd**  
Chartered Accountants and Statutory Auditors  
1<sup>st</sup> Floor Sackville House,  
143-149 Fenchurch Street  
London  
EC3M 6BL

3 July 2019

**Tripleplay Services Holdings Limited**  
**Consolidated Statement of Comprehensive Income**  
(British Pounds)

For the year ended 31 December

	Note	2018 £	2017 £
<b>REVENUE</b>	3	12,572,872	8,361,561
Cost of sales		(5,431,239)	(3,441,856)
<b>GROSS PROFIT</b>		7,141,633	4,919,705
Distribution costs		(4,343,040)	(2,011,799)
Administrative expenses		(1,687,375)	(2,412,279)
Other income		-	-
<b>RESULTS FROM OPERATING ACTIVITIES</b>	4	1,111,218	495,627
Interest receivable and similar income		270	79
Interest payable and similar charges		(5,887)	(6,339)
<b>PROFIT BEFORE INCOME TAXES</b>		1,105,601	489,367
Income taxes	7	197,914	85,570
<b>PROFIT AFTER INCOME TAXES</b>		1,303,515	574,937
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		1,303,515	574,937
<b>Total comprehensive income attributable to:</b>			
Owners of the parent		1,301,586	547,886
Non-controlling interests		1,929	27,051
		1,303,515	574,937

The accompanying notes on pages 17 to 29 are an integral part of the financial statements.

**Tripleplay Services Holdings Limited**  
**Registered Number: 04338092**  
**Consolidated Statement of Financial Position**  
**(British Pounds)**

As at 31 December

	Note	2018 £	2017 £
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	8	603,049	511,421
<b>CURRENT ASSETS</b>			
Inventories	11	651,165	307,024
Trade and other receivables	12	3,260,725	2,689,618
Cash and cash equivalents		3,595,762	1,908,776
		<u>7,507,652</u>	<u>4,905,418</u>
<b>TOTAL ASSETS</b>		<u>8,110,701</u>	<u>5,416,839</u>
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	3,154,962	1,754,721
		<u>3,154,962</u>	<u>1,754,721</u>
<b>NON CURRENT LIABILITIES</b>			
Long-term borrowings	14	97,124	119,154
		<u>97,124</u>	<u>119,154</u>
<b>EQUITY</b>			
Share capital	15	149,900	140,000
Share premium		12,336	-
Profit and loss account		4,696,379	3,343,582
		<u>4,858,615</u>	<u>3,483,582</u>
<b>NON CONTROLLING INTEREST</b>		-	59,382
		<u>8,110,701</u>	<u>3,542,964</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>8,110,701</u>	<u>5,416,839</u>

The accompanying notes on pages 17 to 29 are an integral part of the financial statements.

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**Tripleplay Services Holdings Limited**  
**Consolidated Statement of Financial Position**

**For the year ended December 31, 2018**

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

1st July 2019 and were signed on its behalf by:

  
.....  
**S. Rickless**  
Director

**Tripleplay Services Holdings Limited**  
**Registered Number: 04338092**  
**Company Statement of Financial Position**  
**(British Pounds)**

As at 31 December

	Note	2018 £	2017 £
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	9	423,044	423,044
Investments	10	15,990	5,439
		<u>439,034</u>	<u>428,483</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables	12	1,738,632	1,786,089
Cash and cash equivalents		786,320	175,201
		<u>2,524,952</u>	<u>1,961,290</u>
<b>TOTAL ASSETS</b>		<u>2,963,986</u>	<u>2,389,773</u>
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	2,373,807	1,792,740
		<u>2,373,807</u>	<u>1,792,740</u>
<b>NON CURRENT LIABILITIES</b>			
Long-term borrowings	14	97,124	119,154
		<u>97,124</u>	<u>119,154</u>
<b>EQUITY</b>			
Share capital	15	149,900	140,000
Share premium		12,336	-
Profit and loss account		330,819	337,879
		<u>493,055</u>	<u>447,879</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>2,963,986</u>	<u>2,389,773</u>

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**Tripleplay Services Holdings Limited**  
**Registered Number: 04338092**  
**Company Statement of Financial Position**  
**(British Pounds)**

**For the year ended December 31, 2018**

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The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent company statement of comprehensive income. The loss and total comprehensive loss for the parent for the year was £7,060 (2017: £308,494).

The accompanying notes on pages 17 to 29 are an integral part of the financial statements.

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

1st July 2019 ..... and were signed on its behalf by:



.....  
**S. Rickless**  
Director

**Tripleplay Services Holdings Limited**  
**Consolidated Statement of Changes in Equity**  
**(British Pounds)**

For the year ended 31 December 2018

	Ordinary shares No.	Ordinary shares £	Share premium £	Accumulated funds £	Total £	Non- controlling interest £	Total equity £
<b>Balance as at 1 January 2017</b>	140,000	140,000	-	2,795,696	2,935,696	32,331	2,968,027
Total net profit and comprehensive profit	-	-	-	547,886	547,886	27,051	574,937
<b>Balance as at 31 December 2017 and 1 January 2018</b>	140,000	140,000	-	3,343,582	3,483,582	59,382	3,542,964
Total net profit and comprehensive profit	-	-	-	1,301,586	1,301,586	1,929	1,303,515
Purchase of Non-Controlling Interest	-	-	-	51,211	51,211	(61,311)	(10,100)
Shares issued in the year	9,900	9,900	12,336	-	22,236	-	22,236
<b>Balance as at 31 December 2018</b>	149,900	149,900	12,336	4,696,379	4,858,615	-	4,858,615

The accompanying notes on pages 17 to 29 are an integral part of the financial statements.

**Tripleplay Services Holdings Limited**  
**Company Statement of Changes in Equity**  
**(British Pounds)**

For the year ended 31 December 2018

	Ordinary shares No.	Ordinary shares £	Share premium £	Accumulated funds £	Total £
<b>Balance as at 1 January 2017</b>	140,000	140,000	-	646,373	786,373
Total net loss and comprehensive loss	-	-	-	(308,494)	(308,494)
<b>Balance as at 31 December 2017 and 1 January 2018</b>	140,000	140,000	-	337,879	477,879
Shares issued in the year	9,900	9,900	12,336	-	22,236
Total net loss and comprehensive loss	-	-	-	(7,060)	(7,060)
<b>Balance as at 31 December 2018</b>	149,900	149,900	12,336	330,819	493,055

The accompanying notes on pages 17 to 29 are an integral part of the financial statements.

**Tripleplay Services Holdings Limited**  
**Consolidated Statement of Cash Flows**  
(British Pounds)

For the year ended 31 December

<b>CASH PROVIDED BY/(USED IN):</b>	<b>Note</b>	<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
<b>OPERATING ACTIVITIES</b>			
Profit before taxation		1,105,601	489,367
Interest income		(270)	(79)
Interest expense		5,887	6,339
Tax received		112,529	32,276
Items not affecting cash:			
Depreciation		62,716	26,249
Disposal of property, plant and equipment		1,600	-
Net change in non-cash working capital balances related to operations	18	570,378	(187,537)
<b>Cash provided by operating activities</b>		<b>1,858,441</b>	<b>366,615</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(155,944)	(52,303)
Interest income		270	79
Purchase of non-controlling interest		(10,100)	-
<b>Cash used in investing activities</b>		<b>(165,774)</b>	<b>(52,224)</b>
<b>FINANCING ACTIVITIES</b>			
Repayment of secured loans		(27,917)	(27,967)
Issue of share capital		9,900	-
Issue of share premium		12,336	-
<b>Cash used in investing activities</b>		<b>(5,681)</b>	<b>(27,967)</b>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>1,686,986</b>	<b>286,424</b>
Cash and cash equivalents at the beginning of the year		1,908,776	1,622,352
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>3,595,762</b>	<b>1,908,776</b>

The accompanying notes on pages 17 to 29 are an integral part of the financial statements.

**Tripleplay Services Holdings Limited**  
**Company Statement of Cash Flows**  
**(British Pounds)**

For the year ended 31 December

<b>CASH PROVIDED BY/(USED IN):</b>	<b>Note</b>	<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
<b>OPERATING ACTIVITIES</b>			
(Loss) before taxation		(7,060)	(308,494)
Less interest income		(102,706)	-
Items not affecting cash:			
Net change in non-cash working capital balances related to operations	18	9,600	(10,350)
<b>Cash used in operating activities</b>		<b>(100,166)</b>	<b>(318,844)</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of fixed asset investments		(10,551)	(100)
Interest income		156	-
Receipts on / (new) loans to subsidiaries		150,007	(196,845)
<b>Cash provided by/(used) in investing activities</b>		<b>139,612</b>	<b>(196,945)</b>
<b>FINANCING ACTIVITIES</b>			
Issue of share capital		22,236	-
New loans from subsidiaries		571,467	706,545
Repayment of secured loans		(22,030)	(21,628)
<b>Cash provided by financing activities</b>		<b>571,673</b>	<b>684,917</b>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>611,119</b>	<b>169,128</b>
Cash and cash equivalents at the beginning of the year		175,201	6,073
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>786,320</b>	<b>175,201</b>

The accompanying notes on pages 17 to 29 are an integral part of the financial statements.

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**Tripleplay Services Holdings Limited**  
**Notes to Financial Statements**  
**(British Pounds)**

**For the year ended 31 December 2018**

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**NOTE 1: GENERAL**

Tripleplay Services Holdings Limited (Company number 04338092), having its registered office at 11 Staple Inn, London, WC1V 7QH is a private limited company incorporated in England and Wales.

These financial statements are prepared for the 31 December 2018 financial year.

The principal activity of the Company is holding investments in its subsidiaries that are active in the provision of IP Video Software Solutions for the provision of television, video and electronic bill boards within its target market sectors. The group's primary market sectors include education, hospitality, corporate, healthcare and sports.

**NOTE 2: ACCOUNTING POLICIES**

**BASIS OF PREPARATION**

The financial statements of the group have been prepared under the historical cost convention, except as disclosed in this summary of significant accounting policies and in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the Companies Act 2006.

**a. Presentation currency**

All amounts presented in these financial statements are in British Pounds Sterling ("GBP") unless otherwise stated.

Accordingly, transactions in currencies other than the GBP are translated into GBP at the exchange rate on the transaction date and the monetary assets and liabilities in currencies other than the GBP are translated into GBP at the exchange rate at the statement of financial position date, in accordance with International Accounting Standard No. 21, "The Effects of Changes in Foreign Exchange Rates". All translation differences are reflected in the Statement of Comprehensive Income as financial income or expenses, as appropriate.

**b. Basis of consolidation**

The financial statements include the accounts of the company and its wholly owned subsidiaries. Subsidiaries are fully consolidated from the date of incorporation or acquisition. The acquisition date is the date on which the company obtains control and the acquired company continues to be consolidated until the date that such control ceases. Control is achieved when the company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. All intercompany transactions, balances, revenues and expenses between the company and its subsidiaries have been eliminated.

**c. Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

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**Tripleplay Services Holdings Limited**  
**Notes to Financial Statements**  
**(British Pounds)**  
**For the year ended 31 December 2018**

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**c. Revenue recognition (continued)**

**Sale of goods**

- The group has transferred the significant risks and rewards of ownership to the buyer;
- The group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the group will receive the consideration due under the transaction;
- The costs incurred or to be incurred in respect of the transaction can be measured reliably

**Rendering of services and contracts with customers**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the group will receive the consideration due under the contract;
- The stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- The costs incurred and the costs to complete the contract can be measured reliably

The group sells its hardware, software and services on a stand-alone basis or as a multiple element transaction with separately identifiable components, also known as a bundled transaction. Where the group enters into an agreement involving a bundled transaction, the group records each of the separate components at their relative fair value and recognises the revenue on an appropriate basis for each of the separate components. The group determines the fair value of each of the components sold based on the selling price when they are sold separately. When the fair value cannot be determined based on when it was sold separately, the group determines a value that most reasonably reflects the selling price that might be achieved in a stand-alone transaction.

The company has adopted IFRS 15: "Revenue from Contracts with Customers" from the date at which it became effective, 1 January 2018. There have been no changes in judgement in applying IFRS 15.

**d. Use of estimates**

The preparation of the group's financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods.

Estimates and assumptions are used for, but not limited to, the determination of the allowance for doubtful accounts, estimate of useful life of assets, valuation allowance and provision for income taxes. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. In the opinion of management, these financial statements reflect all adjustments necessary to present fairly the results for the periods presented. Actual results and outcomes could differ from these estimates.

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**Tripleplay Services Holdings Limited**  
**Notes to Financial Statements**  
(British Pounds)

For the year ended 31 December 2018

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**e. Income taxes:**

The group provides for income taxes using the asset and liability method. Under this method, deferred tax assets and liabilities are recognised for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using the enacted tax rates expected to apply to taxable income in the years in which these temporary differences are expected to reverse. A valuation allowance is provided against deferred income tax assets to the extent that it is more likely than not, in the opinion of management, that the deferred income tax assets will not be realized in the foreseeable future.

**f. Property and equipment**

Property and equipment are recorded at cost and depreciated on the basis and at the rates set out below. Depreciation is not charged on freehold land. It is expected that these policies will charge operations with the total cost of the assets less estimated salvage value over the useful life of the assets. The group claims depreciation on a monthly basis commencing with the month that the asset is put into operation.

<u>Property and equipment</u>	<u>Depreciation basis</u>	<u>Rate</u>
Freehold property	Straight-line	1%
Fixtures & fittings	Straight-line	25%
Computer equipment	Straight-line	33%

The group reviews all long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable, the group will estimate the future cash flows from the use of the assets and their eventual disposition and record an impairment loss if required.

There has been no provision for depreciation for the freehold property due to the fact that any charge would be immaterial given the expected residual value of the property.

**g. Leases**

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

From 1 January 2019, IFRS 16 will come into effect. IFRS 16 requires lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The Group assesses that, should IFRS 16 have been adopted, as at 31 December 2018 the Group would have recognised finance leases on the Consolidated Statement of Financial Position of £254,351.

**h. Inventories**

Inventories are valued in accordance with IAS 2, "Inventories", at the lower of cost and net realisable value with any write-down recognised as an expense when it occurs.

Costs include all direct costs and an appropriate proportion of fixed and variable overheads related to production.

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**Tripleplay Services Holdings Limited**  
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**i. Financial Instruments**

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans to related parties.

Debt instruments, like loans and other accounts receivable and payable, are initially measured at present value of future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payment discounted at a market rate of interest for a similar debt instrument.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

The group has adopted IFRS 9: "Financial Instruments" from the date at which it became effective, 1 January 2018. There have been no changes in judgement in applying IFRS 9.

**j. Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

**k. New and revised IFRSs in issue but not yet effective**

During the current period the Company adopted all the new and revised International Financial Reporting Standards (IFRSs) that are relevant to its operations and are effective for accounting periods beginning on or after 1 January 2018.

At the date of authorisation of these financial statements, the following significant standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective (and in some cases have not yet been adopted by the EU):

- IFRS 3 "Business Combinations": the amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. It is effective from periods beginning on or after 1 January 2020 and, where applicable, it will be effective in the accounts for the year ending 31 December 2020.
- IFRS 11 "Joint Arrangements": the amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests

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**Tripleplay Services Holdings Limited**  
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**k. New and revised IFRSs in issue but not yet effective (continued)**

in that business. It is effective from periods beginning on or after 1 January 2019 and, where applicable, will be effective in the accounts for the year ending 31 December 2019.

- IFRS 16 "Leases": the new standard requires lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. It is effective from periods beginning on or after 1 January 2019 and will be effective in the accounts for the year ending 31 December 2019.
- IAS 12 "Income Tax": the amendments clarify that the requirements in the former paragraph 52B (to recognise the income tax consequences of dividends where the transactions or events that generated distributable profits are recognised) apply to all income tax consequences of dividends by moving the paragraph away from paragraph 52A that only deals with situations where there are different tax rates for distributed and undistributed profits. It is effective from periods beginning on or after 1 January 2019 and, where applicable, will be effective in the accounts for the year ending 31 December 2019.
- IAS 19 "Employee Benefits": the amendment is with regard to the calculation of current service cost and net interest when an entity remeasures the net defined benefit liability or asset when a plan amendment, curtailment or settlement occurs. It is effective from periods beginning on or after 1 January 2019 and, where applicable, will be effective in the accounts for the year ending 31 December 2019.
- IAS 23 "Borrowing Costs": the amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. It is effective from periods beginning on or after 1 January 2019 and, where applicable, will be effective in the accounts for the year ending 31 December 2019.

The Directors do not expect that the adoption of the standards and interpretations listed above will have a material impact on the financial statements of the company in future periods, except for IFRS 16, as noted in the operating leases accounting policy.

**l. Finance costs**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

**m. Interest income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

**n. Research and development**

The group designs, develops and produces interactive products that allow its customers to offer additional services over their broadband telecommunications networks. All research and development expenditure is written off in the year it is incurred. Any tax credits claimable are taken in the year in which they are received.

**Tripleplay Services Holdings Limited**  
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**o. Pensions**

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

**p. Share based payments**

The group uses the fair-value based method to measure share-based payments for all share-based awards made to employees and directors.

At the end of each reporting period, the group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss.

**NOTE 3: ANALYSIS OF REVENUE**

	2018 £	2017 £
Sale of goods and services	9,954,534	6,350,101
Contracts with customers	2,618,338	2,011,460
	12,572,872	8,361,561

**NOTE 4: OPERATING PROFIT**

	2018 £	2017 £
Depreciation of property and equipment:		
- Owned by the group	62,716	26,249
Fees payable to the group's auditor for the audit of the group's annual accounts	22,363	31,150
Defined contribution pension cost	108,018	128,435

**NOTE 5: EMPLOYEE COSTS**

	2018 £	2017 £
Wages and salaries	4,212,613	3,493,601
Social security costs	431,058	261,383
Pensions	108,018	128,435
	4,751,689	3,883,419

**Tripleplay Services Holdings Limited**  
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**NOTE 5: EMPLOYEE COSTS (continued)**

The average monthly number of employees, including the directors, during the year was as follows:

	<u>2018</u> £	<u>2017</u> £
Staff	67	60
Directors	6	6
	<u>73</u>	<u>66</u>

**NOTE 6: DIRECTOR'S EMOLUMENTS**

	<u>2018</u> £	<u>2017</u> £
Directors' emoluments	588,304	431,221
Company contributions to defined pension schemes	64,137	68,553
	<u>652,441</u>	<u>499,774</u>

During the year retirement benefits were accruing to 3 directors (2017 – 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £213,599 (2017 – £141,266).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £18,647 (2017 - £22,603).

The group considers there to be no key management personnel other than the directors of the parent company.

**Tripleplay Services Holdings Limited**  
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**NOTE 7: INCOME TAXES**

	2018 £	2017 £
UK corporation tax credit for the year	(198,324)	(108,706)
Overseas tax	410	23,136
	<b>(197,914)</b>	<b>(85,570)</b>

Reconciliation between the theoretical tax expense assuming all income/(loss) is taxed at the statutory tax rate applicable to income/(loss) of the group and the actual tax expense/(income) as reported in the Consolidated Statement of Comprehensive Income is as follows:

	2018 £	2017 £
Accounting profit	1,105,601	489,367
At statutory tax rate of 19% (2017: 19%)	210,064	92,980
<b>Effects of:</b>		
Expenses not deductible for tax purposes	2,215	5,307
Capital allowances for the year (in excess of)/less than depreciation	(14,900)	(7,143)
Research and development tax credit leading to a decrease in the tax charge	(249,708)	(234,165)
Adjustment in respect of foreign tax rates	(142,600)	57,451
Pension contribution	(2,985)	
<b>Total tax credit for the year</b>	<b>(197,914)</b>	<b>(85,570)</b>

**Factors that may affect future tax expenses**

There are trade losses of £58,169 (2017: £58,169) available to carry forward and offset against future taxable profits.

## Tripleplay Services Holdings Limited

### Notes to Financial Statements

(British Pounds)

For the year ended 31 December 2018

#### NOTE 8: PROPERTY AND EQUIPMENT - GROUP

	Freehold Property £	Fixtures & Fittings £	Computer Equipment £	Total £
<b>Cost</b>				
At 1 January 2017	423,044	129,245	125,899	678,188
Additions	-	3,518	48,785	52,303
Disposals	-	(9,361)	(42,976)	(52,337)
<b>At 31 December 2017 and 1 January 2018</b>	<b>423,044</b>	<b>123,402</b>	<b>131,708</b>	<b>678,154</b>
Additions	-	13,807	142,137	155,944
Disposals	-	(20,921)	-	(20,921)
<b>At 31 December 2018</b>	<b>423,044</b>	<b>116,288</b>	<b>273,845</b>	<b>813,177</b>
<b>Depreciation</b>				
At 1 January 2017	-	79,906	112,915	192,821
Charge for the period	-	16,629	9,620	26,249
Disposals	-	(9,361)	(42,976)	(52,337)
<b>At 31 December 2017 and 1 January 2018</b>	<b>-</b>	<b>87,174</b>	<b>79,559</b>	<b>166,733</b>
Charge for the period	-	15,497	47,219	62,716
Disposals	-	(19,321)	-	(19,321)
<b>At 31 December 2018</b>	<b>-</b>	<b>83,350</b>	<b>126,778</b>	<b>210,128</b>
<b>Net book value</b>				
<b>At 31 December 2018</b>	<b>423,044</b>	<b>32,938</b>	<b>147,067</b>	<b>603,049</b>
<i>At 31 December 2017</i>	<i>423,044</i>	<i>36,228</i>	<i>52,149</i>	<i>511,421</i>

**Tripleplay Services Holdings Limited**  
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**NOTE 9: PROPERTY AND EQUIPMENT - COMPANY**

	Freehold Property £	Total £
<b>Cost</b>		
<b>At 1 January 2017 and 1 January 2018</b>	423,044	423,044
Additions	-	-
<b>At 31 December 2017</b>	423,044	423,044
<b>Depreciation</b>		
<b>At 1 January 2017 and 1 January 2018</b>	-	-
Charge for the period	-	-
<b>At 31 December 2018</b>	-	-
<b>Net book value</b>		
<b>At 31 December 2018</b>	423,044	423,044
<i>At 31 December 2017</i>	423,044	423,044

**NOTE 10: INVESTMENTS - COMPANY**

	Investments in subsidiary companies £
<b>Cost</b>	
<b>At 1 January 2018</b>	5,439
Additions	10,551
<b>At 31 December 2018</b>	15,990
<b>Net book value</b>	
<b>At 31 December 2018</b>	15,990
<i>At 31 December 2017</i>	5,439

During the year, the company held a direct shareholding in the following subsidiary undertakings:

NAME OF SUBSIDIARY	EQUITY INTEREST HELD	COUNTRY OF INCORPORATION	NATURE OF BUSINESS
Tripleplay Services Limited	100%	UK	Provision of IP Video Software Solutions
Tripleplay Aviation Services Limited	100%	UK	Provision of IP Video Software Solutions
Tripleplay Services Australia Pty Limited	100%	Australia	Provision of IP Video Software Solutions
Tripleplay Services Iberia SL	100%	Spain	Provision of IP Video Software Solutions
Tripleplay Services Asia Pte Limited	100%	Singapore	Provision of IP Video Software Solutions
Tripleplay Services North America Inc	100%	USA	Provision of IP Video Software Solutions
3TP Servicos Informaticos	100%	Portugal	Provision of IP Video Software Solutions

**Tripleplay Services Holdings Limited**  
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**NOTE 11: INVENTORIES**

	2018 £	2017 £
Finished goods	651,165	307,024

**NOTE 12: TRADE AND OTHER RECEIVABLES**

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
<b>Due within one year</b>				
Trade receivables	2,783,079	2,432,865	-	-
Amounts owed by group undertakings	-	-	1,731,471	1,778,928
Other debtors	340,690	156,406	7,161	7,161
Prepayments and accrued income	136,956	100,347	-	-
	3,260,725	2,689,618	1,738,632	1,786,089

**NOTE 13: TRADE AND OTHER PAYABLES**

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
<b>Amounts falling due within one year</b>				
Trade payables	699,734	341,701	-	-
Amounts owed to group undertakings	-	-	2,325,790	1,754,323
Other taxation and social security	140,153	223,785	-	-
Other creditors	150,565	37,737	-	-
Bank Loans	27,917	27,917	27,917	27,917
Accruals and deferred income	2,136,593	1,123,581	20,100	10,500
	3,154,962	1,754,721	2,373,807	1,792,740

**NOTE 14: TRADE AND OTHER PAYABLES DUE MORE THAN ONE YEAR**

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
<b>Amounts falling due after more than one year</b>				
Bank loans	97,124	119,154	97,124	119,154

**Secured loans**

A mortgage totalling £125,041 (2017: £147,071) is secured on the property and is repayable by November 2023, by equal instalments. The rate of interest payable upon this mortgage is 3.75% above the Bank of England base rate.

**Tripleplay Services Holdings Limited**  
**Notes to Financial Statements**  
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**NOTE 15: SHARE CAPITAL**

Share capital comprises 149,900 Ordinary shares of £1 each authorised, issued and allotted at 31 December 2018 (2017: 140,000). All the shares are fully paid.

During the year, 9,900 Ordinary shares were issued for consideration of £22,236, giving rise to £12,336 as share premium.

The Ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

**NOTE 16: PENSIONS**

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £108,018 (2017: £128,435). Contributions totalling £18,851 (2017: £42,322) were payable to the fund at the year end and are included within other payables.

**NOTE 17: LEASE LIABILITIES**

As at 31 December 2018 the group had commitments under non-cancellable operating leases as follows:

	2018 £	2017 £
<b>Expiry date:</b>		
Within 1 year	27,919	74,037
Within 1-2 years	27,919	28,615
Within 2-5 years	69,207	3,150
	125,045	105,802

**NOTE 18: SUPPLEMENTARY STATEMENT OF CASH FLOW STATEMENT**

The changes in the company's non-cash operating working capital balances relating to operations resulted in cash being provided by operating activities as follows:

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Inventories	(344,141)	(215,180)	-	-
Trade and other receivables	(485,722)	56,953	-	-
Trade and other payables	1,400,241	(29,310)	9,600	(10,350)
	570,378	(187,537)	9,600	(10,350)

## Tripleplay Services Holdings Limited

### Notes to Financial Statements

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For the year ended 31 December 2018

#### NOTE 19: SENSITIVITY ANALYSIS

The group's principal foreign currency exposures are to US Dollars, the Euro, Australian Dollars and Singapore Dollars and arise primarily from foreign sales. The table below illustrates the hypothetical sensitivity of the group's reported profit and closing equity to a 20% increase and decrease in the US Dollar/Sterling, Euro/Sterling, Australian Dollar/Sterling and Singapore Dollar/Sterling exchange rates at the year-end date, assuming all other variables remain unchanged. The sensitivity rate of 20% is considered reasonable given the historic changes that have been observed. The group retains sufficient cash reserves for its day to day and capital requirements and is therefore unaffected by interest rates.

	Profit/(Loss)		Equity	
	2018	2017	2018	2017
	£	£	£	£
<i>Sterling strengthens by 20%</i>				
US Dollar	84,153	42,118	84,153	42,118
Euro	34,059	27,071	34,059	27,071
Australian Dollar	14,473	11,547	14,473	11,547
Singapore Dollar	17,209	5,665	17,209	5,665
<i>Sterling weakens by 20%</i>				
US Dollar	(100,984)	(50,541)	(100,984)	(67,596)
Euro	(40,871)	(32,485)	(40,871)	(13,935)
Australian Dollar	(17,367)	(13,856)	(17,367)	(10,016)
Singapore Dollar	(20,651)	(6,798)	(20,651)	(6,935)

Year end exchange rates applied in the above analysis are US Dollar 1.28 (2017: 1.35), Euro 1.11 (2017: 1.13), Australian Dollar 1.81 (2017: 1.72) and Singapore Dollar 1.74 (2017: 1.80)

#### NOTE 20: ULTIMATE CONTROLLING PARTY

As at 31 December 2018 and 31 December 2017, the ultimate controlling party is S.M. Rickless by virtue of his shareholding in the company.