

SPARK44 S.R.L.

Financial statements to 31-03-2018

Name and id code	
Company site	ROMA
Fiscal code	11353340018
Registration number	ROMA 1450858
VAT number	11353340018
Share capital Euro	10.000 f.p.
Legal form	SOCIETA' A RESPONSABILITA' LIMITATA
Company being wound up	no
Company with a single shareholder	no
Company subject to the management and coordination of others	no
Belonging to a group	no

Abbreviated balance sheet

	31-03-2018	31-03-2017
Balance sheet (mandatory scheme)		
Assets		
A) receivables due from shareholders	0	0
B) Fixed assets		
I - Intangible fixed assets	145.623	134.421
II - Tangible fixed assets	211.678	222.610
III - Financial fixed assets	0	0
Total fixed assets (B)	357.301	357.031
C) Current assets		
I - Inventories	19.188	0
II - Receivables		
due within the following year	481.927	740.255
due beyond the following year	45.823	22.331
Total receivables	527.750	762.586
III - Current financial assets	0	0
IV - Liquid funds	217.171	40.416
Total current assets (C)	764.109	803.002
D) Accrued income and prepayments	69.080	41.480
Total assets	1.190.490	1.201.513
Liabilities and shareholders' equity		
A) Shareholders' equity		
I - Share capital	10.000	10.000
II - Share premium reserve	0	0
III - Revaluation reserves	0	0
IV - Legal reserve	0	0
V - Statutory reserves	0	0
VI - Other reserves	1	0
VII - Reserve for hedging expected cash flow operations	0	0
VIII - Retained earnings (accumulated losses)	(516)	(792)
IX - Net profit (loss) for the year	7.231	277
Minimised loss for the year	0	0
X - Negative reserve for own portfolio shares	0	0
Total shareholders' equity	16.716	9.485
B) Reserves for contingencies and other charges	0	0
Total reserve for severance indemnities (TFR)	156.953	89.157
D) Payables		
due within the following year	797.254	981.685
due beyond the following year	201.862	121.186
Total payables (D)	999.116	1.102.871
E) Accrued liabilities and deferred income	17.705	0
Total liabilities and shareholders' equity	1.190.490	1.201.513

Abbreviated income statement

	31-03-2018	31-03-2017
Income statement (value and cost of production)		
A) Value of production		
1) Revenues from sales and services	3.864.426	3.683.617
5) Other income and revenues		
other	8	0
Total Other income and revenues	8	0
Total value of production	3.864.434	3.683.617
B) Costs of production		
6) Raw, ancillary and consumable materials and goods for resale	5.833	13.274
7) Services	1.897.533	1.670.047
8) Use of third party assets	143.531	166.958
9) personnel		
a) wages and salaries	1.239.058	1.170.871
b) related salaries	422.758	308.433
severance, pensions and similar commitments and other costs	45.198	65.960
c) severance	45.198	65.960
Total payroll and related costs	1.707.014	1.545.264
10) depreciation, amortisation and write downs		
a, b, c) amortisation of intangible fixed assets, depreciation of tangible fixed assets and other amounts written off fixed assets	52.185	32.454
a) amortisation of intangible fixed assets	14.659	8.772
b) depreciation of tangible fixed assets	37.526	23.682
Total Amortisation, depreciation and write-downs	52.185	32.454
14) Other operating expenses	46.243	235.599
Total cost of production	3.852.339	3.663.596
Difference between value and cost of production (A - B)	12.095	20.021
C) Financial income and charges		
17) Interest and other financial expense		
other	4.365	1.608
Total interest and other financial expense	4.365	1.608
17-bis) Currency gains and losses	2.078	997
Total financial income and expense (15 + 16 - 17 + - 17-bis)	(2.287)	(611)
D) Value adjustments to financial assets and liabilities		
Total value adjustments to financial assets and liabilities (18 - 19)	0	0
Pre-tax result (A - B + - C + - D)	9.808	19.410
20) Income tax for the year, current, deferred and prepaid		
Current taxes	2.577	19.133
Total taxes on the income for the year	2.577	19.133
21) Profit (loss) for the year	7.231	277

Financial statement, indirect method

31-03-2018 31-03-2017

Financial statement, indirect method		
A) Cash flows from current activities (indirect method)		
Profit (loss) for the year	7.231	277
Income tax	2.577	19.133
Payable (receivable) interest	4.365	192
(Dividends)	0	0
(Capital gains)/Capital losses from business conveyance	0	0
1) Profit (loss) for the year before income tax, interest, dividends and capital gains/losses from conveyances.	14.173	19.602
Adjustments to non monetary items that were not offset in the net working capital.		
Allocations to preserves	0	65.960
Fixed asset depreciation/amortisation	52.185	32.454
Write-downs for long-term value depreciation	0	0
Adjustments to financial assets and liabilities for derivative financial instruments that do not involve monetary transactions	0	0
Other adjustments to increase/(decrease) non-monetary items	0	0
total adjustments for non-monetary items that were not offset in the net working capital	52.185	98.414
2) Cash flow before changing net working capital	66.358	118.016
Changes to the net working capital		
Decrease/(increase) in inventory	(19.188)	3.940
Decrease/(increase) in payables to customers	187.521	(150.832)
Increase/(decrease) in trade payables	(296.388)	126.463
Increase/(decrease) from prepayments and accrued income	(27.600)	(2.264)
Increase/(decrease) from accruals and deferred income	17.705	43.618
Other decreases/(other increases) in net working capital	237.371	0
Total changes to net working capital	99.421	20.925
3) Cash flow after changes to net working capital	165.779	138.941
Other adjustments		
Interest received/(paid)	(4.365)	0
(Income tax paid)	0	0
Dividends received	0	0
(Use of reserves)	67.796	0
Other collections/(payments)	0	0
Total other adjustments	63.431	0
Cash flow from current activities	229.210	138.941
B) Cash flows from investments		
Tangible fixed assets		
(Investments)	(26.594)	(151.963)
Disposals	0	0
Intangible fixed assets		
(Investments)	(25.861)	(138.902)
Disposals	0	0
Financial fixed assets		
(Investments)	0	0
Disposals	0	0
Short term financial assets		
(Investments)	0	0
Disposals	0	0

(Acquisition of branches of business net of liquid assets)	0	0
Transfer of branches of business net of liquid assets	0	0
Cash flows from investments (B)	(52.455)	(290.865)
C) Cash flows from financing activities		
Loan capital		
Increase/(decrease) in short term bank loans	0	0
New loans	0	0
(Loan repayments)	0	0
Equity		
Capital increase payments	0	0
(Capital repayments)	0	0
Transfer/(purchase) of own shares	0	0
(Dividends and advances on dividends paid)	0	0
Cash flows from financing activities (C)	0	0
Increase (decrease) in liquid assets (A ± B ± C)	176.755	(151.924)
Exchange rate effect on liquid assets	0	0
Liquid assets at the start of the year		
Bank and post office deposits	40.416	192.340
Loans	0	0
Cash and valuables in hand	0	0
Total liquid assets at the start of the year	40.416	192.340
of which not freely available	0	0
Liquid assets at the end of the year		
Total liquid assets at the end of the year	217.171	40.416
of which not freely available	0	0

Supplementary Notes to the Financial statements to 31-03-2018

Supplementary notes, initial part

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2018 UNDER ARTICLE 2435 - BIS OF THE CIVILE CODE

INTRODUCTION

The Financial Statements as at 31/03/2018, of which this Note to the accounts is an integral part according to art. 2423, paragraph 1 of the Italian Civil Code, which correspond to the results for the book entries regularly made and which were drafted in compliance with articles 2423, 2423*b*, 2424, 2424*a*, 2425, 2425*a*, 2425*b* of the Italian Civil Code, in accordance with the accounting principles contained in art. 2423 and the valuation criteria defined as in art. 2426 of the Italian Civil Code.

The financial statements of the financial year have been drafted in a condensed form according to art. 2435 *a* of the Italian Civil Code, since the requirements as defined by paragraph 1 of the above mentioned article have been fulfilled.

Therefore, this note to the accounts include indications as defined by paragraph 1 of art. 2427, regarding the entries specified in paragraph 5 of art. 2435 *a* of the Italian Civil Code, is provided.

Moreover, this note to the accounts reports information required by numbers 3) and 4) of art. 2428 of the Italian Civil Code, therefore the management report has not been drafted according to art. 2435 *a*, paragraph 6 of the Italian Civil Code.

The valuation criteria defined as in art. 2426 of the Italian Civil Code are the same as those used for the financial statements for the previous reporting period and there were not any extraordinary events that required the use of derogations as defined by art. 2423*a*, paragraph 2 and 2423, paragraph 5, of the Italian Civil Code.

There are no elements belonging to either the assets or the liabilities that have included as different items in the balance sheet at the same time.

DRAFTING CRITERIA

In order to prepare the financial statements clearly and to provide a truthful and correct representation of the equity and the financial situation, as well as of the economic result, the following steps were taken, in accordance with article 2423 *a* of the Civil Code:

- evaluate the single items prudently and with a view to presenting a common corporate continuity;
- include only the profits that were actually made during the financial year;
- determine the income and the costs on an accrual basis, regardless of their financial situation;
- include all the risks and the losses on an accrual basis, even if they became known after the end of the year.
- consider separately the heterogeneous elements included in the different categories of the financial statements, in order to evaluate them;
- maintain the same valuation criteria adopted in the previous financial year.

EVALUATION CRITERIA

The criteria applied for evaluating the items of the financial statements, reported as follows, are in compliance with the provisions of art. 2426 of the Italian Civil Code.

Intangible fixed assets

Intangible fixed assets are registered, to the extent of the recoverable amount, at their historical purchase value or internal production costs, including any directly attributable ancillary charges, and they are systematically amortised at constant rates according to the residual value of using the asset.

The set-up value corresponds to the costs incurred for the consideration of corporate structures, when there are future economic benefits and a recoverability of the investment, and it is amortised according to its useful life, taking into account all the available information to determine the period in which the economic benefits can be measured

The applied rates are as follows:

Plants and machinery: 12% to 30%

Industrial and commercial equipment: 15%

Other assets:

- fixtures and fittings: 12%
- electronic office machinery: 20%

Inventories

Inventories are registered when the company transfers the risks and benefits associated with ownership of the goods, and are recorded at their lower value, that is either as the purchase cost, comprehensive of all directly attributable costs and ancillary charges and of indirect costs relating to internal production, or the estimated realisable value, with reference to the market value.

Receivables

Receivables are classified either as fixed or current assets on the basis of their designation / origin, with respect to their ordinary activities, and they are recorded at their estimated realisable value.

Tax receivables

The item "Tax receivables" includes definite amounts arising from sure and certain receivables for which a right of realisation arose through reimbursement or compensation.

Cash and cash equivalents

Cash and cash equivalents are recorded at their nominal value.

Accruals and deferrals

Accruals and deferrals were registered on the basis of accrual economic competence and include revenues / costs accrued and payable in future years, and revenues / costs incurred in the financial year but relating to future years.

Therefore, only the costs and revenues relating to two or more years, whose amount change in time, were registered.

At the end of the year it was verified that the conditions that led to the initial assessment have been met, and the necessary adjustments were made, if necessary, taking into account the elements of time and possible recoverability.

Accrued income, comparable to operating receivables, was valued at its estimated realisable value, causing, if the value is lower than the accounting value, as an impairment loss in the income statement. Accrued expenses, comparable to payables, were assessed at their nominal value.

As for prepaid expenses, the future economic benefit related to deferred costs was calculated and, if the resultant benefits were lower than the prepaid share, the value was adjusted.

Reserves for contingencies and other charges

Reserves for contingencies represent liabilities related to conditions that existed at the date of financial statements, but whose occurrence is only probable.

Reserves for charges represent certain liabilities, related to negative components for profit made in the current year, but that will be recorded next year.

Reserves for pensions and similar commitments

They represent the liabilities associated with the provisions for supplementary pension benefits and severance grants owed to employees, the self-employed and associates, according to the law or contract in vigour at the time of the termination of employment.

The provision for the year was determined, as an estimate, so as to allow for the progressive adjustment of the provision for the total share accrued at the end of the year.

Payables

The division of the amounts due within and not after the financial year is made according to the contractual or legal maturity, and taking into account facts and/or events that might determine changes to the original maturity date.

Payables are classified under liabilities according to their nominal value, and represents their repayment value.

Payables that originate from the purchase of assets are recorded when contingencies, other charges and benefits are transferred; those originating from services are recorded when they have been fulfilled; financial and/or other payables are registered when the bonds due to the counterparty arise.

Payables due to the tax authorities include liabilities for taxes which are certain and are of a fixed amount, as well as taxes withheld by a withholdin agent and have not been allowed, in instances where compensation has been allowed, they are reported net of advances, also in the case of withheld taxes and tax credits.

Costs and revenues

They are presented in accordance with the principle of prudent and economic competence.

Economic and financial transactions with group companies and with related parties are carried out as in normal market conditions.

Supplementary notes, abbreviated, assets

INFORMATION REGARDING THE BALANCE SHEET - ASSETS

Fixed assets

FIXED ASSETS

Fixed assets are equal to €357.301 €357.031 in the previous financial year).

Movements in fixed assets

The composition and movements of the single items are as follows:

	Intangible fixed assets	Tangible fixed assets	Financial fixed assets	Total fixed assets
Year opening balance				
Cost	146.177	240.965	0	387.142
Amortisation (amortisation fund)	11.756	18.355		30.111
Balance sheet value	134.421	222.610	0	357.031
Changes during the year				
Depreciation/amortisation for the year	14.659	37.526		52.185
Other changes	25.861	26.594	0	52.455
Total changes	11.202	(10.932)	0	270
Year closing balance				
Cost	169.557	270.975	0	440.532
Amortisation (amortisation fund)	23.934	59.297		83.231
Balance sheet value	145.623	211.678	0	357.301

Current assets, abbreviated

CURRENT ASSETS

Receivables posted to current assets

Changes and deadline of receivables posted to current assets

Receivables - Division according to the expiration date

Pursuant to art. 2426, paragraph 1 number 6 of the Italian Civil Code, data regarding the division of receivables according to the expiration date are hereby reported:

	Year opening balance	Change during the year	Year closing balance	Amount due within 12 months	Amount due beyond 12 months	of which beyond 5 years
Trade receivables included among current assets	621.112	(187.521)	433.591	433.591	0	0
Tax receivables included among current assets	18.651	(18.651)	0	0	0	0

	Year opening balance	Change during the year	Year closing balance	Amount due within 12 months	Amount due beyond 12 months	of which beyond 5 years
Other receivables included among current assets	122.823	(28.664)	94.159	48.336	45.823	0
Total receivables included among current assets	762.586	(234.836)	527.750	481.927	45.823	0

Supplementary notes, abbreviated, liabilities and net equity

INFORMATION REGARDING THE BALANCE SHEET LIABILITIES AND NET EQUITY

Shareholders' equity, abbreviated

NET EQUITY

The existing net equity at the year end amounted to €16.716 (€9.485 in the previous year).

Changes in shareholders' equity, abbreviated

The following tables show changes to the individual items during the financial year, which constitute the net equity and the breakdown of the 'Other reserves'.

	Year opening balance	Destination of the previous year's result		Other changes			Result for the year	Year closing balance
		Dividend allocations	Other destinations	Increases	Decreases	Reclassifications		
Capital	10.000	0	0	0	0	0		10.000
Share premium reserve	0	-	-	-	-	-		0
Write-down reserve	0	-	-	-	-	-		0
Legal reserve	0	-	-	-	-	-		0
Reserves provided by the articles of association	0	-	-	-	-	-		0
Other reserves								
Miscellaneous other reserves	0	0	0	1	0	0		1
Total other reserves	0	0	0	1	0	0		1
Reserve to hedge expected cash flow transactions	0	-	-	-	-	-		0
Profit (loss) carried forward	(792)	0	276	0	0	0		(516)
Profit (loss) for the year	277	0	(277)	0	0	0	7.231	7.231
Minimised loss for the year	0	-	-	-	-	-		0
Negative reserve for own portfolio shares	0	-	-	-	-	-		0
Total shareholders' equity	9.485	0	(1)	1	0	0	7.231	16.716

Detail of changes in other reserves (overview)

Description	Amount
RISERVA DA ARROTONDAMENTO	1
Total	1

In order to better understand the changes to the net equity, changes to net equity during the previous years are hereby described:

	Year opening balance	Dividend allocations	Other destinations	Increases
Capitale	10.000	0	0	0
Altre riserve				
Utili (perdite) portati a nuovo	0	0	0	-792
Utile (perdita) dell'esercizio	0	0	0	0
Totale Patrimonio netto	10.000	0	0	-792

	Decreases	Reclassifications	Result for the year	Year closing balance
Capitale	0	0		10.000
Altre riserve				
Utili (perdite) portati a nuovo	0	0		-792
Utile (perdita) dell'esercizio	0	0	277	277
Totale Patrimonio netto	0	0	277	9.485

Use of shareholders' equity, abbreviated

Statement of availability and use of net equity's items

The information required by article 2427, paragraph 1 no. 7a of the Italian Civil Code regarding the specification of the items included as net equity with reference to their origin, possibility of use and distribution, as well as their utilisation in previous years, can be ascertained from the tables below:

	Amount	Origin / nature	Possible use	Available amount	Summary of uses in the three previous years	
					to cover losses	for other reasons
Capital	10.000			0	0	0
Share premium reserve	0			-	-	-
Write-down reserve	0			-	-	-
Legal reserve	0			-	-	-
Reserves provided by the articles of association	0			-	-	-
Other reserves						
Miscellaneous other reserves	1			0	0	0
Total other reserves	1			0	0	0
Reserve to hedge expected cash flow transactions	0			-	-	-
Negative reserve for own portfolio shares	0			-	-	-
Total	10.001			0	0	0

Key: A: for capital increase, B: to hedge losses, C: distribution to shareholders, D: for other article of association restraints, E: other

Origin, possibility of use and leasability of miscellaneous other reserves (overview)

Description	Amount	Origin / nature	Possibility of use	Available amount	Summary of uses during the three previous years to cover losses	Summary of uses during the three previous years for other reasons
RISERVA DA ARROTONDAMENTO	1			0	0	0
Total	1					

Key: A: for capital increase, B: to hedge losses, C: distribution to shareholders, D: for other article of association restraints, E: other

Payables, abbreviated

PAYABLES

Payables changes and due date

Payables- Division according to their maturity

According to art. 2427, paragraph 1, number 6 of the Italian Civil Code, data regarding the division of payables according to their maturity are hereby reported:

	Year opening balance	Change during the year	Year closing balance	Amount due within 12 months	Amount due beyond 12 months	of which beyond 5 years
Advances	15.549	186.313	201.862	0	201.862	0
Payables to suppliers	719.392	(296.388)	423.004	423.004	0	0
Tax payables	114.570	88	114.658	114.658	0	0
Payables due to social security and welfare institutions	27.520	71.366	98.886	98.886	0	0
Other payables	225.840	(65.134)	160.706	160.706	0	0
Total payables (D)	1.102.871	(103.755)	999.116	797.254	201.862	0

Payables of duration of more than five years and payables assisted by real guarantees on company assets, abbreviated

Payables with a duration of more than five years and payables secured by collateral on corporate assets

Information regarding collateral on corporate assets is given below, pursuant to art. 2427, paragraph 1 number 6 of the Italian Civil Code:

	Payables not covered by real guarantees	Total
Advances	201.862	201.862
Payables to suppliers	423.004	423.004
Tax payables	114.658	114.658
Payables due to social security and welfare institutions	98.886	98.886
Other payables	160.706	160.706
Total payables (D)	999.116	999.116

Supplementary notes, abbreviated, income statement

INFORMATION REGARDING THE INCOME STATEMENT

Income tax for the year, current, deferred and prepaid

CURRENT TAXES ON INCOME FOR THE YEAR

The composition of the individual items is represented as follows:

	Current taxes	Tax related to previous years	Deferred taxes	Prepaid taxes	Income (expense) arising from the adoption of the fiscal consolidated system/fiscal transparency
IRES	714	0	0	0	
IRAP	1.863	0	0	0	
Totale	2.577	0	0	0	0

Abbreviated supplementary notes, other information

OTHER INFORMATION

Proposed use of profits or hedging of losses

Allocation of the operating profit

We recommend that you approve the Financial Statements at 31/03/2018 as presented, together with the Operating profit the above destination:

euro 515,15, to the last years losses;

- euro 361,57 to Legal Reserve

- euro 6.354,73, to Extraordinary Reserve.

Supplementary notes, final part

The Board of Directors

COOK ALISTAIR C. CAMPBELL

SPECTH RALF

Balance sheet conformity statement

Declaration of conformity

This is a truthful copy of the documents filed by the company.