

Registered no. 5945409

SONATA EUROPE LIMITED

MANAGEMENT ACCOUNTS

**FOR THE PERIOD FROM
1 APRIL 2011 TO 30 JUNE 2011**

**LUBBOCK FINE
Chartered Accountants
Russell Bedford House
City Forum, 250 City Road
London, EC1V 2QQ**

SONATA EUROPE LIMITED
MANAGEMENT ACCOUNTS
PERIOD ENDED 30 JUNE 2011

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SONATA EUROPE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SONATA EUROPE LIMITED

PERIOD FROM 1 APRIL 2011 TO 30 JUNE 2011

We have audited the management accounts of Sonata Europe Limited for the period ended 30 June 2011 ("the management accounts"), which have been prepared on the basis of the accounting policies set out on page 5.

This report is made solely to the company's shareholders, as a body. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors' are responsible for preparing the management accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the management accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). We also report to you our opinion as to whether the management accounts give a true and fair view.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the management accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the management accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the management accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the management accounts.

OPINION

In our opinion the management accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2011 and of its profit for the period then ended.

Lubbock Fine

LUBBOCK FINE
Chartered Accountants
& Registered Auditors

Russell Bedford House
City Forum, 250 City Road
London EC1V 2QQ

Date: 07 July 2011

SONATA EUROPE LIMITED
MANAGEMENT PROFIT AND LOSS ACCOUNT
PERIOD FROM 1 APRIL 2011 TO 30 JUNE 2011

	Note	Period from 1 Apr 2011 to 30 Jun 2011		Period from 1 Apr 2010 to 30 Jun 2010	
		£	£	£	£
TURNOVER			47,488		1,233
COST OF SALES					
Software project costs		48,510		986	
			(48,510)		(986)
GROSS (LOSS)/PROFIT			(1,022)		247
OVERHEADS					
Director's salaries		28,968		28,968	
Director's national insurance contributions		3,022		2,976	
Medical insurance		-		149	
Rent and service charges		4,688		4,944	
Telephone		54		777	
Legal and professional fees		-		771	
Auditors remuneration		2,600		3,000	
Travel & allowances		3,087		4,288	
Entertainment		1,917		439	
Memberships & subscriptions		532		6,226	
Depreciation		98		98	
Bank charges		322		699	
Foreign currency losses		(142,622)		150,846	
			97,334		(204,181)
OPERATING PROFIT/(LOSS)			96,312		(203,934)
Interest receivable		29,935		4,580	
			29,935		4,580
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION			126,247		(199,354)
Tax on loss on ordinary activities	2		-		-
PROFIT/(LOSS) FOR THE PERIOD			126,247		(199,354)
Balance brought forward for the period at 1 April 2011			5,787,613		1,687,077
BALANCE CARRIED FORWARD			5,913,860		1,487,723

All of the activities of the company are classed as continuing.

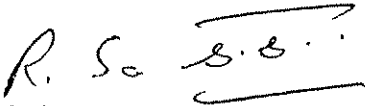
The company has no recognised gains or losses other than the results for the period as set out above.

The notes on pages 5 to 7 form part of these management accounts

SONATA EUROPE LIMITED
MANAGEMENT BALANCE SHEET
AS AT 30 JUNE 2011

	Note	30 June 2011		30 June 2010	
		£	£	£	£
FIXED ASSETS					
Tangible assets	3		587		978
Investments	4		11,809,263		12,688,116
			<u>11,809,850</u>		<u>12,689,094</u>
CURRENT ASSETS					
Debtors	5	123,514		51,735	
Cash at bank		6,792,068		1,518,850	
		<u>6,915,582</u>		<u>1,570,585</u>	
CREDITORS: Amounts falling due within one year	6	(90,772)		(51,156)	
NET CURRENT ASSETS			<u>6,824,810</u>		<u>1,519,429</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u><u>18,634,660</u></u>		<u><u>14,208,523</u></u>
CAPITAL AND RESERVES					
Called-up equity share capital	7		12,720,800		12,720,800
Profit and loss account			5,913,860		1,487,723
			<u>18,634,660</u>		<u>14,208,523</u>
SHAREHOLDERS' FUNDS	8		<u><u>18,634,660</u></u>		<u><u>14,208,523</u></u>

These management accounts were approved by the directors on 05.07.11 and signed by:


Mr Sathyanarayana
Director

The notes on pages 5 to 7 form part of these management accounts

SONATA EUROPE LIMITED

MANAGEMENT CASH FLOW STATEMENT

PERIOD FROM 1 APRIL 2011 TO 30 JUNE 2011

		Period from 1 Apr 2011 to 30 Jun 2011		Period from 1 Apr 2010 to 30 Jun 2010	
	Note	£	£	£	£
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	9		90,753		(157,710)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest received		5,164		1,986	
NET CASH INFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE			5,164		1,986
INCREASE/(DECREASE) IN CASH	9		<u>95,917</u>		<u>(155,724)</u>

The notes on pages 5 to 7 form part of these management accounts

SONATA EUROPE LIMITED

NOTES TO THE MANAGEMENT ACCOUNTS

PERIOD FROM 1 APRIL 2011 TO 30 JUNE 2011

1. ACCOUNTING POLICIES

The management accounts have been prepared under the historical cost convention, in accordance with applicable accounting standards and the accounting policies adopted by the company as disclosed in the annual audited financial statements.

2. TAXATION

There is no provision for any corporation tax due which is only calculated when preparing the annual financial statements.

3. TANGIBLE FIXED ASSETS

	Computer equipment £
COST	
Brought forward and carried forward	<u>1,174</u>
DEPRECIATION	
Brought forward	489
Charge for the period	98
At 30 June 2011	<u>587</u>
NET BOOK VALUE	
At 30 June 2011	<u>587</u>
At 31 March 2011	<u>685</u>

4. INVESTMENTS

Subsidiary undertaking	30 June 2011 £	30 June 2010 £
COST		
Brought forward at 1 April 2011	11,809,263	12,688,116
Carried forward	<u>11,809,263</u>	<u>12,688,116</u>
NET BOOK VALUE		
At 30 June 2010 and 30 June 2011	<u>11,809,263</u>	<u>12,688,116</u>

On 24 November 2006, the company purchased 50.1% of the issued share capital of TUI InfoTec GmbH, a company registered and operating in Germany as an information technology service provider. The investment shown above includes £519,376 relating to acquisition costs.

During the year ended 31 March 2011 an adjustment to the cost of investment was made relating to a refund of part of the purchase price arising from the non achievement of assured revenues by TUI InfoTec GmbH. The reduction in the cost of investment has no impact on the shareholding of the company in TUI InfoTec GmbH.

SONATA EUROPE LIMITED

NOTES TO THE MANAGEMENT ACCOUNTS *(continued)*

PERIOD FROM 1 APRIL 2011 TO 30 JUNE 2011

5. DEBTORS

	30 June 2011	30 June 2010
	£	£
Trade debtors	72,765	35,200
Prepaid expenses	35,367	-
Other debtors	15,382	16,535
	<u>123,514</u>	<u>51,735</u>

6. CREDITORS: Amounts falling due within one year

	30 June 2011	30 June 2010
	£	£
Corporation tax	19,719	-
Other creditors	50,626	25,077
Accruals and deferred income	11,840	23,361
VAT	8,587	2,718
	<u>90,772</u>	<u>51,156</u>

7. SHARE CAPITAL

Authorised share capital:	30 June 2011	30 June 2010
	£	£
1,000,000 Ordinary shares of £1 each	1,000,000	1,000,000
15,000,000 2% non-cumulative redeemable convertible preference shares ("Preference shares") of £1 each	15,000,000	15,000,000
	<u>16,000,000</u>	<u>16,000,000</u>
Allocated, called up and fully paid	30 June 2011	30 June 2010
	£	£
671,700 Ordinary share fully paid of £1 each	671,700	671,700
12,049,100 Preference shares fully paid of £1 each	12,049,100	12,049,100
	<u>12,720,800</u>	<u>12,720,800</u>

The preference shares have no voting rights and the dividend on them is non cumulative and payable subject to the availability of distributable funds based on the annual audited financial statements for the year ending 31 March 2012.

The preference shares are convertible into ordinary shares on such terms and conditions as determined by the company.

8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	30 June 2011	30 June 2010
	£	£
Opening shareholder's funds for the period as at 1 April 2011	18,508,413	14,407,877
Profit/(Loss) for the financial period	126,247	(199,354)
Closing shareholder's funds as at 30 June 2011	<u>18,634,660</u>	<u>14,208,523</u>

SONATA EUROPE LIMITED

NOTES TO THE MANAGEMENT ACCOUNTS (continued)

PERIOD FROM 1 APRIL 2011 TO 30 JUNE 2011

9. NOTES TO THE STATEMENT OF CASH FLOWS

RECONCILIATIONS OF OPERATING PROFIT/(LOSS) TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	30 June 2011	30 June 2010
	£	£
Operating profit / (loss)	96,312	(203,934)
Depreciation	98	98
(Increase) / Decrease in debtors	(59,157)	148,902
Increase / (Decrease) in creditors	53,500	(102,776)
	<u>90,753</u>	<u>(157,710)</u>
Net cash inflow / (outflow) from operating activities	<u>90,753</u>	<u>(157,710)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	30 June 2011	30 June 2011
	£	£
Increase in cash in the period	95,917	
Repayment of bank loans	-	
	<u>-</u>	95,917
Change in net funds		95,917
Net funds as at 31 March 2011		6,696,151
Net funds as at 30 June 2011		<u>6,792,068</u>

ANALYSIS OF CHANGES IN NET DEBT/FUNDS

	At 31 March 2011	Cash flows	At 30 June 2011
	£	£	£
Net Cash:			
Cash in hand at bank	6,696,151	95,917	6,792,068
Net funds	<u>6,696,151</u>	<u>95,917</u>	<u>6,792,068</u>