

Registered no. 5945409

SONATA EUROPE LIMITED

MANAGEMENT ACCOUNTS

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

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

SONATA EUROPE LIMITED
MANAGEMENT ACCOUNTS
PERIOD ENDED 30 SEPTEMBER 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 SEPTEMBER 2011

We have audited the management accounts of Sonata Europe Limited for the period ended 30 September 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 September 2011 and of its loss for the period then ended.



LUBBOCK FINE
Chartered Accountants
& Statutory Auditors

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

Date: *12 October 2011*

SONATA EUROPE LIMITED

MANAGEMENT PROFIT AND LOSS ACCOUNT

PERIOD FROM 1 APRIL 2011 TO 30 SEPTEMBER 2011

	Note	Period from		Period from	
		£	£	£	£
		1 Apr 2011 to 30 Sept 2011		1 Apr 2010 to 30 Sept 2010	
TURNOVER			146,950		1,233
COST OF SALES					
Software project costs		117,561		986	
			(117,561)		(986)
GROSS PROFIT			29,389		247
OVERHEADS					
Director's salaries		57,936		57,936	
Director's national insurance contributions		7,019		6,684	
Medical insurance		-		149	
Rent and service charges		9,650		9,631	
Telephone		765		963	
Legal and professional fees		160		2,779	
Auditors remuneration		5,725		6,000	
Travel & allowances		9,778		5,804	
Entertainment		2,658		439	
Memberships & subscriptions		532		8,938	
Rebates and discounts		-		2,725	
Depreciation		196		196	
Bank charges		1,058		1,238	
Foreign currency losses/(gains)		71,492		(180,685)	
Sundry expenses		91		-	
			(167,060)		77,203
OPERATING (LOSS)/PROFIT			(137,671)		77,450
Dividends receivable			-		-
Interest receivable		61,416		12,831	
			61,416		12,831
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			(76,255)		90,281
Tax on profit on ordinary activities	2		-		-
(LOSS)/PROFIT FOR THE PERIOD			(76,255)		90,281
Balance brought forward at 1 April 2011			5,787,613		1,687,077
Transfer to Capital Redemption Reserve	8		(2,435,440)		-
BALANCE CARRIED FORWARD			3,275,918		1,777,358

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 SEPTEMBER 2011

	Note	30 September 2011		30 September 2010	
		£	£	£	£
FIXED ASSETS					
Tangible assets	3		489		880
Investments	4		11,809,263		11,809,263
			<u>11,809,752</u>		<u>11,810,143</u>
CURRENT ASSETS					
Debtors	5	133,958		24,126	
Cash at bank		4,160,282		2,689,249	
		<u>4,294,240</u>		<u>2,713,375</u>	
CREDITORS: Amounts falling due within one year	6	(107,274)		(25,360)	
NET CURRENT ASSETS			4,186,966		2,688,015
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>15,996,718</u>		<u>14,498,158</u>
CAPITAL AND RESERVES					
Called-up equity share capital	7		10,285,360		12,720,800
Capital redemption reserve	8		2,435,440		-
Profit and loss account			3,275,918		1,777,358
SHAREHOLDERS' FUNDS	9		<u>15,996,718</u>		<u>14,498,158</u>

These management accounts were approved by the directors on 08/10/11 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 SEPTEMBER 2011

	Note	Period from 1 Apr 2011 to 30 Sept 2011		Period from 1 Apr 2010 to 30 Sept 2010	
		£	£	£	£
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	10		(165,170)		121,742
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest received		64,740		14,080	
Dividends received		-		-	
NET CASH INFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE			64,740		14,080
REFUND OF PART OF PURCHASE PRICE OF INVESTMENTS	4		-		878,853
REDEMPTION OF PREFERENCE SHARES	7		(2,435,440)		-
(DECREASE)/INCREASE IN CASH	10		<u>(2,535,870)</u>		<u>1,014,675</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 SEPTEMBER 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	196
At 30 SEPTEMBER 2011	<u>685</u>
NET BOOK VALUE	
At 30 SEPTEMBER 2011	<u>489</u>
At 31 March 2011	<u>685</u>

4. INVESTMENTS

Subsidiary undertaking	30 Sept 2011 £	30 Sept 2010 £
COST		
Brought forward	11,809,263	12,688,116
Adjustment (see note below)	-	(878,853)
Carried forward	<u>11,809,263</u>	<u>11,809,263</u>
NET BOOK VALUE		
At 30 September 2010 and 30 September 2011	<u>11,809,263</u>	<u>11,809,263</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 SEPTEMBER 2011

5. DEBTORS

	30 Sept 2011	30 Sept 2010
	£	£
Trade debtors	69,881	-
Prepaid expenses and accrued income	52,827	3,757
VAT	-	1,050
Other debtors	11,250	19,319
	<u>133,958</u>	<u>24,126</u>

6. CREDITORS: Amounts falling due within one year

	30 Sept 2011	30 Sept 2010
	£	£
Corporation tax	19,719	19,719
Other creditors	69,051	1,500
Accruals and deferred income	7,425	23,860
VAT	11,079	-
	<u>107,274</u>	<u>23,860</u>

7. SHARE CAPITAL

Authorised share capital:	30 Sept 2011	30 Sept 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 Sept 2011	30 Sept 2010
	£	£
671,700 Ordinary share fully paid of £1 each	671,700	671,700
9,613,660 (2010 - 12,049,100) Preference shares fully paid of £1 each	9,613,660	12,049,100
	<u>10,285,360</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 2011.

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

On 28 September 2011 2,435,440 preference shares of £1 each were redeemed at par.

8. CAPITAL REDEMPTION RESERVE

	30 Sept 2011
	£
Balance brought forward at 1 April 2011	-
Redemption of preference shares	2,435,440
Balance carried forward at 30 September 2011	<u>2,435,440</u>

SONATA EUROPE LIMITED

NOTES TO THE MANAGEMENT ACCOUNTS *(continued)*

PERIOD FROM 1 APRIL 2011 TO 30 SEPTEMBER 2011

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	30 Sept 2011	30 Sept 2010
	£	£
Opening shareholder's funds for the period as at 1 April 2011	18,508,413	14,407,877
Redemption of preference shares	(2,435,440)	-
(Loss)/profit for the financial period	(76,255)	90,281
Closing shareholder's funds as at 30 September 2011	<u>15,996,718</u>	<u>14,498,158</u>

10. NOTES TO THE STATEMENT OF CASH FLOWS

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

	30 Sept 2011	30 Sept 2010
	£	£
Operating (loss)/profit	(137,671)	77,450
Depreciation	196	196
(Increase)/decrease in debtors	(97,697)	174,170
Increase/(decrease) in creditors	70,002	(130,074)
Net cash (outflow)/inflow from operating activities	<u>(165,170)</u>	<u>121,742</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	30 Sept 2011
	£
Increase in cash in the period	(2,535,870)
Change in net funds	(2,535,870)
Net funds as at 31 March 2011	6,696,152
Net funds as at 30 September 2011	<u>4,160,282</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 31 March 2011	Cash flows	At 30 Sept 2011
	£	£	£
Net Cash:			
Cash in hand at bank	6,696,152	(2,535,870)	4,160,282
Net funds	<u>6,696,152</u>	<u>(2,535,870)</u>	<u>4,160,282</u>