REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY 2011 TO 30 SEPTEMBER 2011

FOR

BETA SYSTEMS SOFTWARE LIMITED

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BETA SYSTEMS SOFTWARE LIMITED

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FOR THE PERIOD 1 JANUARY 2011 TO 30 SEPTEMBER 2011

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BETA SYSTEMS SOFTWARE LIMITED

COMPANY INFORMATION
FOR THE PERIOD 1 JANUARY 2011 TO 30 SEPTEMBER 2011

DIRECTORS:	Mr W Teichert Mr G Sagl
SECRETARY:	Mr W Teichert
REGISTERED OFFICE:	60 High Street Chobham Surrey GU24 8AA
REGISTERED NUMBER:	02091562 (England and Wales)
AUDITORS:	Ford Bentall LLP Statutory Auditor 60 High Street Chobham Surrey GU24 8AA
BANKERS:	HSBC 2 Victoria Road North Farnborough Hampshire GU14 7NX
SOLICITORS:	Clifton Ingram Solicitors 22-24 Broad Street Wokingham Berkshire RG40 1EA

REPORT OF THE DIRECTORS
FOR THE PERIOD 1 JANUARY 2011 TO 30 SEPTEMBER 2011

The directors present their report with the financial statements of the company for the period 1 January 2011 to 30 September 2011

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of the supply of computer software systems and related services

REVIEW OF BUSINESS

Business Performance (All amounts stated in £'000)

The company's year end closed with revenues of £900 (1 January to 30 September 2011) compared to £1,300 in 2010 (1 January to 31 December 2010) and a net profit of £26 compared to a loss of £58 in 2010

On 8 June 2011 a resolution was passed to change the financial year end from 31 December to 30 September of each year

The validity of the statements of financial position is limited so far as a result of the conversion of the financial year, the figures for the short financial year 2011 included only nine months, and during the comparative period 2010 contains twelve months The short financial period 2011, therefore, not includes the revenue and earnings of the strong fourth calendar quarter so that all earnings figures have been lower The short financial period is to be regarded as a transition period

Revenues decreased in comparison to the previous year due to the change of the financial year

	1 January to 30 September 2011 £'000	1 January to 31 December 2010 £'000
Licence Revenue	407	720
Maintenance Revenue	340	433
Consulting Revenue	153	147

Risks and Uncertainties

Current Situation on the International Financial Markets

The global markets for our products are characterised by fierce competition This is valid for prices, the quality of products and services, development time and time to market and service It is particularly applicable to products newly developed for open systems environments which incur a greater earnings risk from heightened sales risks accompanied by greater expenses for market development, market launch and market penetration

The achieving of revenue targets depends particularly on how these markets generally develop and the acceptance of our solutions by customers There is a risk that the market may not develop as anticipated or that the relevant products may not be as well received in the market as originally anticipated Measures to counteract this threat include placing paramount importance on adjusting and developing products which are aligned to market needs Beta Systems is confronted here with fierce price competition in all its segments The trend currently emerging in the software industry is the transition away from capacity-related price calculation methods towards use oriented models Moreover, Beta Systems' business is exposed to the danger of slumps in the market and in growth due to unforeseeable developments Changes in the legal environment in regulated sectors can also be a cost factor

Product Portfolio
In the short year 2011 the main part of revenues was generated by the products Beta Unix, Beta 92 and Beta 93 Any factor burdening pricing or demand for these products and services may negatively affect the asset, financial and earnings position The appeal of the mainframe environment, served primarily by the Beta 93, SAM Jupiter and Beta 92 products, depends greatly on the innovations and business policy of IBM and other major hardware and software manufacturers

Beta Systems conducts a thorough testing of new products or product versions before they are released in the market Despite such testing, products may contain errors of which Beta Systems is unaware The process of eliminating these errors may bind substantial resources Furthermore, there is no guarantee that customers will not assert claims for damages, request an exchange of the software or other concessions from the company In addition, Beta Systems has taken numerous precautions to ensure that products are launched on the market in accordance with deadlines Nonetheless, the supply or delivery of new products may be subject to delays Such delays may adversely affect the market acceptance of Beta Systems' products and exert a negative impact on the development of Beta Systems

Dependency on Qualified Personnel and Know-How Incumbents
Notwithstanding the restructuring and reorganisation measures, the success of the company depends greatly on the availability of qualified employees with specialised knowledge Accordingly, preventing highly qualified employees from leaving the company and recruiting new well-qualified personnel remains a decisive factor which will influence the company's future earnings, financial and asset position The current dearth of qualified personnel on the labour market incurs a risk that positions open through fluctuation or new positions cannot be filled with suitable personnel - or only with a delay

Credit Risk
Credit risk is the risk of financial loss to a company if its customers fail to fulfil their contractual payment obligations in respect of the company The potential credit risk for the company consists mainly in defaulted customer receivables Owing to the high number of customers with good credit standing the risk of default for the company, measured in terms of its total revenues, is, as experience has shown, very low The crisis in the financial markets has not caused any material changes In individual cases, credit default results from unrecoverable amounts from individual sales transactions with small revenue volumes

Liquidity Risk
The liquidity risk is the risk of a company not being able to settle its financial obligations by the respective deadline The parent company Beta Systems Software AG, Berlin, has undertaken to maintain a level of funding, which is sufficient to enable the company to continue trading in the foreseeable future

Expected future performance
To raise earnings strength on a sustainable basis, Beta intends to pursue its chosen strategy in the future as well The successful marketing of newly acquired product suites and the Group's own innovations will release new growth potential here From today's standpoint, it is not possible to fully assess whether and to what extent the current economic situation will affect the customers of Beta Systems Software Limited

DIVIDENDS
No dividends will be distributed for the period ended 30 September 2011

FUTURE DEVELOPMENTS
The Directors anticipate that with the continued backing the holding company, Beta Systems Software AG, the Company will return to profitable trading

DIRECTORS
The directors shown below have held office during the whole of the period from 1 January 2011 to the date of this report

Mr W Teichert
Mr G Sagl

DIRECTORS - continued
The director's interests in the share capital of *Beta Systems Software AG*, the ultimate holding company, are disclosed in the report and the accounts of that company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Report of the Directors 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS
The auditors, Ford Bentall LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting

ON BEHALF OF THE BOARD:

Mr W Teichert - Director

27 June 2012

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BETA SYSTEMS SOFTWARE LIMITED

We have audited the financial statements of Beta Systems Software Limited for the period ended 30 September 2011 on pages seven to sixteen The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors
As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements
In our opinion the financial statements
- give a true and fair view of the state of the company's affairs as at 30 September 2011 and of its profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Mr Colin Francis Bentall FCCA (Senior Statutory Auditor)
for and on behalf of Ford Bentall LLP
Statutory Auditor
60 High Street
Chobham
Surrey
GU24 8AA

28 June 2012

BETA SYSTEMS SOFTWARE LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE PERIOD 1 JANUARY 2011 TO 30 SEPTEMBER 2011

	Notes	Period 1/1/11 to 30/9/11 £	*Year Ended 31/12/10 £*
TURNOVER		**900,343**	*1,300,388*
Cost of sales		**352,338**	*609,716*
GROSS PROFIT		**548,005**	*690,672*
Administrative expenses		**471,248**	*696,820*
		76,757	*(6,148)*
Other operating income		**887**	*7,451*
OPERATING PROFIT	3	**77,644**	*1,303*
Interest payable and similar charges	4	**51,614**	*59,239*
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		**26,030**	*(57,936)*
Tax on profit/(loss) on ordinary activities	5	**-**	-
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD		**26,030**	*(57,936)*

CONTINUING OPERATIONS
None of the company's activities were acquired or discontinued during the current period or previous year

TOTAL RECOGNISED GAINS AND LOSSES
The company has no recognised gains or losses other than the profit for the current period and the loss for the previous year

The notes form part of these financial statements

BETA SYSTEMS SOFTWARE LIMITED

BALANCE SHEET
30 SEPTEMBER 2011

	Notes	30/9/11 £	30/9/11 £	31/12/10 £	31/12/10 £
FIXED ASSETS					
Tangible assets	6		3,400		4,725
CURRENT ASSETS					
Debtors	7	227,709		374,182	
Cash at bank and in hand		54,202		4,922	
		281,911		379,104	
CREDITORS					
Amounts falling due within one year	8	410,710		452,211	
NET CURRENT LIABILITIES			(128,799)		(73,107)
TOTAL ASSETS LESS CURRENT LIABILITIES			(125,399)		(68,382)
CREDITORS					
Amounts falling due after more than one year	9		2,113,009		2,196,056
NET LIABILITIES			(2,238,408)		(2,264,438)
CAPITAL AND RESERVES					
Called up share capital	11		400,000		400,000
Profit and loss account	12		(2,638,408)		(2,664,438)
SHAREHOLDERS' FUNDS	17		(2,238,408)		(2,264,438)

The financial statements were approved by the Board of Directors on 27 June 2012 and were signed on its behalf by:

Mr W Teichert - Director

Mr G Sagi - Director

The notes form part of these financial statements

BETA SYSTEMS SOFTWARE LIMITED

CASH FLOW STATEMENT
FOR THE PERIOD 1 JANUARY 2011 TO 30 SEPTEMBER 2011

	Notes	Period 1/1/11 to 30/9/11 £	*Year Ended 31/12/10 £*
Net cash inflow from operating activities	1	**102,204**	*68,511*
Returns on investments and servicing of finance	2	**(51,614)**	*(59,239)*
Capital expenditure	2	**(1,310)**	*(2,237)*
Increase in cash in the period		**49,280**	*7,035*

Reconciliation of net cash flow to movement in net funds	3		
Increase in cash in the period		**49,280**	*7,035*
Change in net funds resulting from cash flows		**49,280**	*7,035*
Movement in net funds in the period		**49,280**	*7,035*
Net funds/(debt) at 1 January		**4,922**	*(2,113)*
Net funds at 30 September		**54,202**	*4,922*

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE PERIOD 1 JANUARY 2011 TO 30 SEPTEMBER 2011

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Period 1/1/11 to 30/9/11 £	*Year Ended 31/12/10 £*
Operating profit	**77,644**	*1,303*
Depreciation charges	**1,864**	*2,174*
Loss on disposal of fixed assets	**770**	-
Decrease in debtors	**146,474**	*178,177*
Decrease in creditors	**(124,548)**	*(113,143)*
Net cash inflow from operating activities	**102,204**	*68,511*

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	Period 1/1/11 to 30/9/11 £	*Year Ended 31/12/10 £*
Returns on investments and servicing of finance		
Interest paid	**(51,614)**	*(59,239)*
Net cash outflow for returns on investments and servicing of finance	**(51,614)**	*(59,239)*
Capital expenditure		
Purchase of tangible fixed assets	**(1,310)**	*(2,237)*
Net cash outflow for capital expenditure	**(1,310)**	*(2,237)*

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/11 £	Cash flow £	At 30/9/11 £
Net cash			
Cash at bank and in hand	**4,922**	**49,280**	**54,202**
	4,922	**49,280**	**54,202**
Total	**4,922**	**49,280**	**54,202**

The notes form part of these financial statements

1 ACCOUNTING POLICIES

Basis of preparing the financial statements
The directors have considered the going concern position of the company for a period not less than 12 months from the date of signing this report At 30 September 2011 the company had net current liabilities of £128,799 (2010 £73,107) The company made a profit before tax of £26,030 during the year (2010 loss - £57,936)

The company is reliant on the support from its holding company (Beta Systems Software AG), to continue trading and to pay its liabilities as they fall due The holding company have undertaken to maintain levels of funding sufficient to enable the company to continue trading in the foreseeable future

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

Turnover
Turnover is the total amount receivable by the company for goods supplied and services provided, excluding Value Added Tax and trade discounts

The company recognises revenue in the accounting period to which it relates, in accordance with the terms of each customer contract In particular

- License revenue is allocated to the accounting period in which the customer has been granted full rights to use the company's software products under the terms specified in the perpetual licence agreement

- Maintenance income is allocated on a straight-line basis over the period of the maintenance contract

Products sold to customers under terms equivalent to those of finance lease agreements are accounted for by attributing a fair value to the whole contract, having regard to the normal commercial terms of sale for the products concerned, and the duration of the contract

It is normal company policy to negotiate contracts of the nature with a view to deriving income from finance charges Consequently, the directors do not consider that separately identifying and accounting for such revenue would result in any major adjustment to the figures disclosed in the accounts

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Fixtures and fittings	- 10% on cost
Computer equipment	- 3 to 5 years on cost

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction Exchange differences are taken into account in arriving at the operating result

Pension costs and other post-retirement benefits
The company operates a defined contribution pension scheme Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate

continued

2 STAFF COSTS

	Period 1/1/11 to 30/9/11	Year Ended 31/12/10
	£	£
Wages and salaries	206,708	335,089
Social security costs	20,968	37,565
Other pension costs	16,860	34,990
	244,536	407,644

The average monthly number of employees during the period was as follows

	Period 1/1/11 to 30/9/11	Year Ended 31/12/10
Sales and support	4	6
Administration	1	1
	5	7

3 OPERATING PROFIT

The operating profit is stated after charging

	Period 1/1/11 to 30/9/11	Year Ended 31/12/10
	£	£
Depreciation - owned assets	1,865	2,174
Loss on disposal of fixed assets	770	-
Auditors' remuneration	10,100	16,500
Foreign exchange differences	2,235	19,017
Operating lease rentals - other	22,422	31,409
Operating lease rentals - plant & machinery	1,958	2,658
Directors' remuneration	-	-

4 INTEREST PAYABLE AND SIMILAR CHARGES

	Period 1/1/11 to 30/9/11 £	Year Ended 31/12/10 £
Bank interest	3	8
Other interest paid	51,611	59,231
	51,614	59,239

5 TAXATION

Analysis of the tax charge
No liability to UK corporation tax arose on ordinary activities for the period ended 30 September 2011 nor for the year ended 31 December 2010

Factors affecting the tax charge
The tax assessed for the period is lower than the standard rate of corporation tax in the UK The difference is explained below

	Period 1/1/11 to 30/9/11 £	Year Ended 31/12/10 £
Profit/(loss) on ordinary activities before tax	26,030	(57,936)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2010 - 21%)	5,206	(12,167)
Effects of:		
Expenses not deductible for tax purposes	339	-
Capital allowances in excess of depreciation	(65)	147
Utilisation of tax losses	(5,480)	12,020
Current tax charge	-	-

Factors that may affect future tax charges
The company has tax losses of approximately £2,690,000 (2010 £2,720,000) to carry forward A deferred tax asset has not been recognised in this respect as we cannot be certain that future profits will arise for these losses to be offset against

6 TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2011	**7,688**	**20,969**	**28,657**
Additions	**-**	**1,310**	**1,310**
Disposals	**-**	**(2,324)**	**(2,324)**
At 30 September 2011	**7,688**	**19,955**	**27,643**
DEPRECIATION			
At 1 January 2011	**5,904**	**18,028**	**23,932**
Charge for period	**216**	**1,649**	**1,865**
Eliminated on disposal	**-**	**(1,554)**	**(1,554)**
At 30 September 2011	**6,120**	**18,123**	**24,243**
NET BOOK VALUE			
At 30 September 2011	**1,568**	**1,832**	**3,400**
At 31 December 2010	*1,784*	*2,941*	*4,725*

7 DEBTORS

	30/9/11 £	*31/12/10 £*
Amounts falling due within one year		
Trade debtors	**170,702**	*324,938*
Amounts owed by group undertakings	**526**	*4,968*
Prepayments & deferred charges	**45,131**	*28,894*
	216,359	*358,800*
Amounts falling due after more than one year		
Other debtors	**11,350**	*15,382*
Aggregate amounts	**227,709**	*374,182*

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30/9/11 £	*31/12/10 £*
Trade creditors	**7,144**	*5,794*
Social security and other taxes	**37,981**	*51,468*
Accruals & deferred income	**365,585**	*394,949*
	410,710	*452,211*

Deferred income comprises an amount of £340,681 (2010 £349,355) relating to maintenance income received in advance of the accounting period to which it relates

9 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30/9/11	*31/12/10*
	£	£
Amounts owed to group undertakings	**2,113,009**	*2,196,056*

10 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	Land and buildings		Other operating leases	
	30/9/11	*31/12/10*	**30/9/11**	*31/12/10*
	£	£	£	£
Expiring				
Within one year	**5,675**	*22,700*	**245**	*4,017*
Between one and five years	**-**	*510*	**1,071**	*2,143*
	5,675	*23,210*	**1,316**	*6,160*

11 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid

Number	Class	Nominal value	30/9/11	*31/12/10*
			£	£
400,000	Ordinary	£1	**400,000**	*400,000*

12 RESERVES

	Profit and loss account
	£
At 1 January 2011	**(2,664,438)**
Profit for the period	**26,030**
At 30 September 2011	**(2,638,408)**

13 PENSION COMMITMENTS

The company operates a defined contribution penison scheme The assets of the scheme are held separately from those of the company in an independently administered fund the pension cost represents contributions payable by the company to the fund At the period end there were £nil (2010 £nil) contributions outstanding

	2011 £	2010 £
Contributions payable by the company for the period (year)	**16,860**	*34,990*

14 ULTIMATE PARENT COMPANY

The ultimate parent company is Beta Systems Software AG, a company registered in Germany They hold 100% of the ordinary issued share capital in Beta Systems Software Limited

The results of Beta Systems Software limited are consolidated into Beta Systems Software AG group accounts Copies of the consolidated financial accounts are available on request from,

Beta Systems Software AG
Alt-Moabit 90d
10559 Berlin
Germany

15 RELATED PARTY DISCLOSURES

The company has taken advantage of the exemptions provided by Financial Reporting Standard No 8 Related Party Disclosures, and has not disclosed transactions with fellow group undertakings in the basis that 100% of the voting rights are controlled within the group, and the group accounts are publicly available

16 ULTIMATE CONTROLLING PARTY

Beta Systems Software AG, a company registered in Germany is the ultimate controlling party by virtue of their shareholding

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30/9/11 £	31/12/10 £
Profit/(loss) for the financial period	**26,030**	*(57,936)*
Issued ordinary share capital		
Net addition/(reduction) to shareholders' funds	**26,030**	*(57,936)*
Opening shareholders' funds	**(2,264,438)**	*(2,206,502)*
Closing shareholders' funds	**(2,238,408)**	*(2,264,438)*