

SAKONNET TECHNOLOGY UK LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2012

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MHA Macintyre Hudson
GLOBAL EXPERTISE NATIONAL EXPERIENCE LOCAL EXCELLENCE*

SAKONNET TECHNOLOGY UK LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

E Min
A Myrin

Company secretary

L Lin

Registered office

New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

Auditor

MHA MacIntyre Hudson
Chartered Accountants
& Statutory Auditor
New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

SAKONNET TECHNOLOGY UK LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2012

The directors present their report and the financial statements of the company for the year ended 31 December 2012

PRINCIPAL ACTIVITIES

The principal activity of the company during the period was the supply of support services

DIRECTORS

The directors who served the company during the year were as follows

E Min
A Myrnn

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' 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 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 those 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,
- 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

SAKONNET TECHNOLOGY UK LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2012

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

Signed on behalf of the directors



E Min
Director

Approved by the directors on 13 MARCH 2013

SAKONNET TECHNOLOGY UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SAKONNET TECHNOLOGY UK LIMITED

YEAR ENDED 31 DECEMBER 2012

We have audited the financial statements of Sakonnet Technology UK Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's shareholders, 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 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

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 (APB'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 directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report 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 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

SAKONNET TECHNOLOGY UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SAKONNET TECHNOLOGY UK LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2012

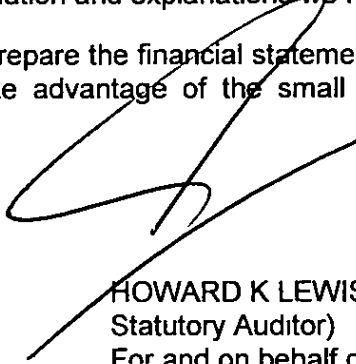
OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report 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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report



HOWARD K LEWIS FCA (Senior
Statutory Auditor)
For and on behalf of
MHA MACINTYRE HUDSON
Chartered Accountants
& Statutory Auditor

New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

17 March 2013

SAKONNET TECHNOLOGY UK LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2012

	Note	2012 £	2011 £
TURNOVER	2	1,195,310	1,532,575
Administrative expenses		1,164,684	1,214,101
Other operating income	3	(278)	(3,334)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		30,904	321,808
Tax on profit on ordinary activities		—	—
PROFIT FOR THE FINANCIAL YEAR		<u>30,904</u>	<u>321,808</u>

The notes on pages 8 to 12 form part of these financial statements.

SAKONNET TECHNOLOGY UK LIMITED

BALANCE SHEET

31 DECEMBER 2012

	Note	2012 £	2011 £
FIXED ASSETS			
Tangible assets	6	20,865	35,688
CURRENT ASSETS			
Debtors	7	236,114	189,750
Cash at bank and in hand		294,074	259,446
		<u>530,188</u>	<u>449,196</u>
CREDITORS: Amounts falling due within one year	8	<u>704,610</u>	<u>669,345</u>
NET CURRENT LIABILITIES		<u>(174,422)</u>	<u>(220,149)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(153,557)</u>	<u>(184,461)</u>
CAPITAL AND RESERVES			
Called-up equity share capital	12	100	100
Profit and loss account	13	(153,657)	(184,561)
DEFICIT		<u>(153,557)</u>	<u>(184,461)</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the directors and authorised for issue on 13 March 2013, and are signed on their behalf by

E Min
Director



Company Registration Number 04281821

The notes on pages 8 to 12 form part of these financial statements

SAKONNET TECHNOLOGY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The company generates all of its turnover from its parent company and is dependent upon the continual support of its ultimate parent company, Sakonnet Technology LLC, which has confirmed that it will provide sufficient funds to enable the company to operate as a going concern for the foreseeable future. On the basis of this information, the directors consider it appropriate to prepare the financial statements on a going concern basis.

Turnover

The company's turnover represents fees chargeable to the ultimate parent company in the USA in respect of support services provided by the company.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	- over the life of the lease
Fixtures & Fittings	- 25% to 33 33% straight line

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

SAKONNET TECHNOLOGY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES *(continued)*

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 the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. TURNOVER

Overseas turnover amounted to 100% (2011: 100%) of the total turnover for the year.

3. OTHER OPERATING INCOME

	2012	2011
	£	£
Other operating income	<u>278</u>	<u>3,334</u>

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2012	2011
	£	£
Depreciation of owned fixed assets	21,083	24,329
Auditor's fees	4,445	4,445
Net profit on foreign currency translation	<u>(37,290)</u>	<u>(19,822)</u>

5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2012	2011
	£	£
Aggregate remuneration	<u>408,565</u>	<u>480,364</u>

SAKONNET TECHNOLOGY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

6. TANGIBLE FIXED ASSETS

	Leasehold Improvements £	Fixtures & Fittings £	Total £
COST			
At 1 January 2012	115,986	95,365	211,351
Additions	—	6,260	6,260
At 31 December 2012	115,986	101,625	217,611
DEPRECIATION			
At 1 January 2012	115,986	59,677	175,663
Charge for the year	—	21,083	21,083
At 31 December 2012	115,986	80,760	196,746
NET BOOK VALUE			
At 31 December 2012	—	20,865	20,865
At 31 December 2011	—	35,688	35,688

7. DEBTORS

	2012 £	2011 £
Amounts owed by group undertakings	155,043	121,024
VAT recoverable	8,340	7,133
Other debtors	72,731	61,593
	236,114	189,750

The debtors above include the following amounts falling due after more than one year

	2012 £	2011 £
Other debtors	9,000	24,770

8. CREDITORS: Amounts falling due within one year

	2012 £	2011 £
Trade creditors	7,617	3,409
Amounts owed to group undertakings	598,823	615,674
Other taxation and social security	29,725	37,052
Other creditors	68,445	13,210
	704,610	669,345

SAKONNET TECHNOLOGY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

9. DEFERRED TAXATION

No provision has been made in the financial statements and the amounts unprovided at the end of the year are as follows

	2012 £	2011 £
Excess of depreciation over taxation allowances	(2,712)	5,344
Tax losses available	<u>16,307</u>	<u>25,300</u>
	<u>13,595</u>	<u>30,644</u>

The above deferred tax asset calculated at 20% (2011 20%) has not been recognised in the financial statements

10. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2012 the company had aggregate annual commitments under non-cancellable operating leases as set out below

	2012 £	2011 £
Operating leases which expire		
Within 1 year	20,642	16,899
Within 2 to 5 years	<u>78,000</u>	<u>82,566</u>
	<u>98,642</u>	<u>99,465</u>

11. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption conferred under the Financial Reporting Standard for Smaller Entities (effective April 2008) not to disclose transactions with group companies

12. SHARE CAPITAL

Authorised share capital:

	2012 £	2011 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2012		2011	
	No	£	No	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

SAKONNET TECHNOLOGY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

13. PROFIT AND LOSS ACCOUNT

	2012 £	2011 £
Balance brought forward	(184,561)	(506,369)
Profit for the financial year	<u>30,904</u>	<u>321,808</u>
Balance carried forward	<u>(153,657)</u>	<u>(184,561)</u>

14. ULTIMATE PARENT COMPANY

The company's immediate parent company is Sakonnet Technology Limited, a company incorporated in Ireland

The company's ultimate parent company is Sakonnet Technology LLC, a company incorporated in the USA. The consolidated financial statements of Sakonnet Technology LLC are available from the registered office at 11 East 44th Street, Suite 503, New York, NY 10017, USA