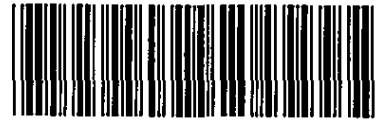


Princeton Softech UK Limited
Financial Statements
31 January 2012

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Princeton Softech UK Limited

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Princeton Softech UK Limited

Company Information

Director	E Darrington
Company secretary	A Sullivan
Company number	03780600
Registered office	PO Box 41 North Harbour Portsmouth Hampshire PO6 3AU

Princeton Softech UK Limited

**Director's Report
For the Year Ended 31 January 2012**

The director presents her report together with the unaudited financial statements of the company for the year ended 31 January 2012

Principal activities and review of business

The principal activities of the company during the prior year were the provision of software for developing and deploying strategic enterprise and related maintenance contracts

On 1 February 2008 the company entered into a transfer of trade agreement with IBM United Kingdom Limited. The majority of contracts, all assets and all liabilities were transferred to IBM United Kingdom Limited at net book value. Any contracts that were excluded and remain within the company will be performed by IBM United Kingdom Limited. The excluded contracts finished during the prior year and the company is not expected to recommence trading in the foreseeable future.

Directors

The directors who served the company during the year and up to the date of signing the financial statements were as follows

P Garstang (resigned 19 October 2012)
A Bradley (resigned 19 October 2012)
E Darrington (appointed 19 October 2012)

Signed by order of the board



E Darrington
Director

Date 31 Oct '12

Princeton Softech UK Limited

**Profit and Loss Account
For the Year Ended 31 January 2012**

	Note	2012 £	2011 £
TURNOVER	3	-	5,551
OPERATING PROFIT		-	5,551
Interest payable and similar charges	7	-	(1,314)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	4,237
Tax on profit on ordinary activities	8	-	-
PROFIT FOR THE FINANCIAL YEAR		-	4,237

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and Loss Account

The company has not traded during the year. During this period, the company received no income and incurred no expenditure and therefore made neither profit or loss.

The notes on pages 5 to 8 form part of the financial statements

Princeton Softech UK Limited
Registered number 03780600

Balance Sheet
As at 31 January 2012

	Note	2012 £	2011 £
CREDITORS amounts falling due within one year	10	(159,305)	(159,305)
NET LIABILITIES		<u>(159,305)</u>	<u>(159,305)</u>
CAPITAL AND RESERVES			
Called up share capital	12	1,401,276	1,401,276
Capital contribution		1,168,733	1,168,733
Profit and loss account		<u>(2,729,314)</u>	<u>(2,729,314)</u>
TOTAL SHAREHOLDERS' DEFICIT	13	<u>(159,305)</u>	<u>(159,305)</u>

For the year ended 31 December 2011 the company was entitled to exemption from audit under section 480 of the Companies Act 2006

Members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006

The director acknowledges her responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Companies Act 2006 and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year, in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company

The financial statements were approved and signed by the director on 31 Oct '12


E Darrington
Director

The notes on pages 5 to 8 form part of these financial statements

Princeton Softech UK Limited

**Notes to the Financial Statements
For the Year Ended 31 January 2012**

1 ACCOUNTING POLICIES

1.1 Basis of accounting

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

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

1.3 Turnover

Turnover is shown net of VAT and other taxes

The company recognises revenue when it is realised or realisable and earned. The company considers revenue realised or realisable and earned when it has persuasive evidence of an arrangement, the product has been shipped or the services have been provided to the customer, the sales price is fixed or determinable and collectibility is reasonably assured.

Revenue from perpetual (one-time charge) licence software is recognised at the inception of the licence term if all revenue recognition criteria have been met. Revenue from term (monthly license charge) license software is recognised upfront at net present value where cash is expected to be received over an extended period. Revenue from services and maintenance contracts are recognised over the life of the agreement.

Revenue in multi-element arrangements which may include any combination of software and maintenance is separated into more than one unit of account if the commercial substance is that the individual components operate independently of each other and a reliable fair value can be attributed to each component. If the components are not deemed to operate independently of each other then the arrangement is accounted for as a whole to reflect the company's right to consideration in exchange for the performance of its obligations.

1.4 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 the 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 the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.5 Taxation

Current tax is provided at amounts expected to be paid or recovered using tax rates and laws that have been enacted or substantively enacted by the balance sheet.

Princeton Softech UK Limited

**Notes to the Financial Statements
For the Year Ended 31 January 2012**

2. DORMANT STATUS

The company was dormant (within the meaning of section 480 of the Companies Act 2006) throughout the year ended 31 January 2012. The company has not traded during the financial year. During this period, the company received no income and incurred no expenditure and therefore made neither profit nor loss.

3. TURNOVER

An analysis of turnover by geographical destination is as follows:

	2012 £	2011 £
United Kingdom	-	5,551

All turnover is derived from one class of business.

4. AUDITORS' REMUNERATION

Auditors' remuneration of £15,000 in the prior year was borne by a fellow subsidiary undertaking.

5. PARTICULARS OF EMPLOYEES

The company has no employees other than the directors, who did not receive any remuneration (2011: £nil).

6. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were £nil (2011: £nil). The directors were remunerated by IBM United Kingdom Limited, a fellow subsidiary undertaking.

7. INTEREST PAYABLE

	2012 £	2011 £
Interest payable to fellow subsidiary undertakings	-	1,314

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2012 £	2011 £
UK corporation tax charge based on profit for the year at 26.5% (2011: 28%)	-	-

Princeton Softech UK Limited

Notes to the Financial Statements
For the Year Ended 31 January 2012

8. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2011 lower than) the standard rate of corporation tax in the UK of 26.5% (2011 28%). The differences are explained below

	2012 £	2011 £
Profit on ordinary activities before tax	-	4,237
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.5% (2011 28%)	-	1,186
Utilisation of tax losses	-	(1,186)
Current tax charge for the year (see note above)	-	-

9 DEFERRED TAXATION

No deferred tax assets (2011 £nil) are recognised in the financial statements. The potential deferred tax asset not recognised is set out below

	2012 £	2011 £
Tax losses available	-	243,537

On 1 February 2008 the deferred tax assets were transferred to IBM United Kingdom Limited with the exception of the deferred tax assets arising on capital and restricted pre-acquisition trading tax losses which remained within the company. During the prior year £1,186 of deferred tax in relation to brought forward tax losses was realised and the remaining unrecognised deferred tax was reduced by £8,482 due to the enacted decrease in the tax rate from 28% to 27%. The remaining deferred tax assets have not been recognised since there is insufficient evidence that they will be utilised in the future.

10 CREDITORS. Amounts falling due within one year

	2012 £	2011 £
Amounts owed to group undertakings	159,305	159,305

Amounts owed to group undertakings are unsecured, repayable on demand and interest is charged at LIBOR plus 0.15%

Princeton Softech UK Limited

**Notes to the Financial Statements
For the Year Ended 31 January 2012**

11 RELATED PARTY TRANSACTIONS

Transactions with other companies within the group are not disclosed in accordance with Financial Reporting Standard No 8 "Related Party Disclosures" as the consolidated financial statements of International Business Machines Corporation in which the company is included are available at the address shown in note 14

12. SHARE CAPITAL

	2012 £	2011 £
Allotted, called up and fully paid		
1,401,276 Ordinary shares of £1 each	<u>1,401,276</u>	<u>1,401,276</u>

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2012 £	2011 £
Opening shareholders' deficit	(159,305)	(163,542)
Profit for the year	-	4,237
Closing shareholders' deficit	<u>(159,305)</u>	<u>(159,305)</u>

14 ULTIMATE PARENT COMPANY

The company's immediate parent undertaking is IBM United Kingdom Holdings Limited, which is registered in England and Wales

The company's ultimate parent undertaking and controlling party is International Business Machines Corporation, which is incorporated in the United States of America and is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the financial statements of this undertaking may be obtained from IBM Corporate Headquarters, New Orchard Road, Armonk, New York 10504, USA