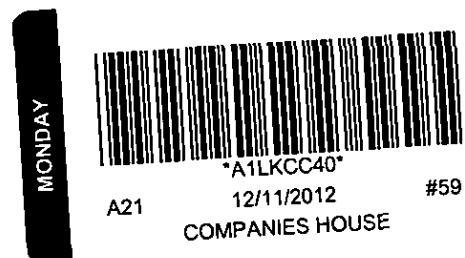


SYNCHRONICA AMERICA LIMITED

Annual Report

Year ended 31 December 2011



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Company Information

Directors	S Wilkinson (Appointed 21 May 2012) J Bodha (Appointed 21 May 2012)
Registered office	The Towers Tower Business Park, Wilmslow Road, Didsbury, Manchester, M20 2SL
Registered number	05077532
Auditors	BDO LLP 2 City Place, Beehive Ring Road Gatwick West Sussex, RH6 0PA

Report of the Directors

The directors present their report and accounts for the year ended 31 December 2011

Principal Activities

The principal activity of the company, as a 100% owned subsidiary of Synchronica plc, is the promotion in the US market of the products and services of Synchronica plc on behalf of the parent company

Principal risks and uncertainties

The management of the business and execution of the company's strategy are subject to a number of risks

The pace of technological change is rapid and there is a risk that the group's technical knowhow falls behind that of its competitors. To mitigate this risk the group is investing in research and development and is working with customers to develop leading edge technology

The company is dependent on the group for its revenue and support. There is a risk that group activities in the US market may change or be allocated elsewhere within the group. To mitigate against this risk the ultimate parent company has committed to provide financial support as the company requires for its continued operations and to meet any liabilities as they fall due for a period of not less than one year from the date of signing of these company accounts

Review of the Business

The directors expect the company to continue to operate as described above for the foreseeable future with the parent company's continued support

Results and Dividends

The profit for the company in the year is shown on page 5. There are no dividends paid in the year (2010 Nil)

Directors

The directors of the company during the year were as follows

A Dent (removed 21 May 2012)
A Phillips (resigned 11 June 2012)
M J Woolley (resigned 30 June 2011)

The current directors are

S Wilkinson (Appointed 21 May 2012)
J Bodha (Appointed 21 May 2012)

Statement of Directors' Responsibilities

The directors are responsible for preparing the annual 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 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 UK 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.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

The auditors, BDO LLP, have expressed their willingness to continue in office and a resolution to appoint auditors will be proposed at the annual general meeting, in accordance with section 485 of the Companies Act 2006.

In preparing this directors' report advantage has been taken of the small companies' exemption.

Approval

The Directors' Report was approved by the Board and signed on its behalf by



James Bodha
Director

7 NOVEMBER 2012

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SYNCHRONICA AMERICA LIMITED

We have audited the financial statements of Synchronica America Limited for the year ended 31 December 2011 which comprise the profit and loss account, the balance sheet and the related notes. 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 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 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, 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

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Basis for qualified opinion on financial statements

As fully explained in note 1 to the financial statements, the company is dependent on the continued support of its ultimate parent company to continue as a going concern. While the directors are confident that the ultimate parent company will continue to provide financial support, the audit evidence available to us was limited because the directors have not provided us with information needed for our assessment of the ultimate parent company's ability to provide support and therefore of the appropriateness of the going concern basis of preparation for the financial statements for a period of at least twelve months from the date of approval of the financial statements. Had this information been available to us we might have formed a different opinion on the financial statements.

Qualified opinion on financial statements

In our opinion, except for the possible effects of the matter described in the basis of qualified opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year 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 matters prescribed by the Companies Act 2006

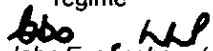
In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

In respect solely of the limitation on our work relating to the assessment of the appropriateness of the going concern basis of preparation of the financial statements, described above, we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

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
- the directors were not entitled to prepare the directors' report in accordance with the small companies' regime.


John Everingham (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor

Gatwick

Date 9 November 2012

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Profit and Loss Account

For the year ended 31 December 2011

	Note	2011 £	2010 £
Turnover	2	1,656,343	351,806
Cost of sales		(1,590,470)	(319,318)
Gross profit		65,873	32,488
Operating profit	3	65,873	32,488
Interest payable and similar charges		-	(1,191)
Profit on ordinary activities before taxation		65,873	31,297
Tax on profit on ordinary activities	7	(21,535)	(9,547)
Profit for ordinary activities after taxation for the year	13	44,338	21,750

The profit and loss account has been prepared on the basis that all operations are continuing operations

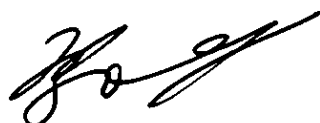
There are no recognised gains and losses other than those passing through the profit and loss account

Balance Sheet

At 31 December 2011

Company no 05077532	Note	2011 £	2010 £
Current Assets			
Property plant and equipment	8	90,685	90,685
Debtors	9	1,328,059	4,570
Cash at Bank		8,106	7,314
		<u>1,426,850</u>	<u>102,569</u>
Current Liabilities			
Creditors Amounts falling due within one year	10	(1,239,116)	(30,755)
Provisions Amounts falling due within one year	11	(71,582)	-
		<u>116,152</u>	<u>71,814</u>
Net current assets		<u>116,152</u>	<u>71,814</u>
Total assets less current liabilities		<u>116,152</u>	<u>71,814</u>
Capital and reserves			
Called up share capital	12	100	100
Profit and loss account	13	116,052	71,714
		<u>116,152</u>	<u>71,814</u>
Total shareholders' funds	14	<u>116,152</u>	<u>71,814</u>

The financial statements were approved by the Board and authorised for issue on 7th November 2012



James Bodha

Director

Notes to the Financial Statements

31 December 2011

1. Accounting Policies

Basis of accounting

The financial statements are prepared in accordance with applicable United Kingdom accounting standards under the historical cost convention

Basis of preparation

The financial statements have been prepared on the going concern basis, which the directors believe to be appropriate for the following reason. The ultimate parent company, Myriad Group AG has indicated that for a period of at least twelve months from the date of approval of these financial statements it will continue to make available such funds as are needed by the Company

Foreign currencies

Transactions in foreign currencies are recorded at the exchange rate ruling at the date that the transaction occurred. Monetary assets and liabilities denominated in foreign currency are translated into sterling at the rates of exchange ruling at 31 December 2011. Exchange differences are taken to the profit and loss account as and when identified

Turnover

Revenue is recognised when the service is performed, in accordance with the terms of the contractual arrangement. Services include sales and marketing support, development and customer support

Related party transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related Party Disclosures' not to disclose transactions with members of the group headed by Synchronica plc on the grounds that at least 100% of the voting rights in the company are controlled within that group and the company is included in the consolidated financial statements

Going concern

These company's financial statements have been prepared on the going concern basis which is supported by forecasts and projections covering the period to 31 December 2015, together with the expected available funding required from its ultimate parent company, Myriad AG

The forecasts and projections, which include monthly cash flow projections, suggest that provided the Synchronica Group of which the company is part of, trades in line with expectations it has sufficient funds to meet its liabilities as they fall due. There is however a risk that the Synchronica Group may not meet its revenue expectations and / or that while it may meet these revenue expectations it might meet them more slowly than anticipated, either or both of these could test the Synchronica Group's cash flow. The forecasts are reliant on collecting cash from existing customers and signing new deals with new customers which is expected but not guaranteed, negotiations are ongoing

In addition, the Synchronica Group is operating in a highly specialised and fast moving environment in which in order to generate revenue it is necessary that the products are and remain up to date. This leaves the Synchronica Group with little opportunity to reduce costs if it is to remain competitive

Given the above, the company may from time to time require the support of its parent company in order to realise its assets and discharge its liabilities in the normal course of business. The directors acknowledge that there is a material uncertainty related to these events, including the parent company's ability to support the company. As such these matters may cast significant doubt on the company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business

2. Turnover by Geographical Market

	2011 £	2010 £
United Kingdom	<u>1,656,343</u>	<u>351,806</u>

3. Operating profit

This has been arrived at after charging

	2011 £	2010 £
Auditors' remuneration	2,000	2,000
Fees payable to the Company's auditor and its associates for other services relating to taxation	<u>6,344</u>	<u>5,833</u>

Notes to the Financial Statements

31 December 2011

4. Staff costs

Average monthly number of employees, including directors is

	2011 No	2010 No
Directors	2	3
Operations	10	3
	<u>12</u>	<u>6</u>

Staff costs

	2011 £	2010 £
Wages and salaries	1,218,607	251,584
Social security costs	93,034	17,022
Pension costs	28,488	-
	<u>1,340,129</u>	<u>268,606</u>

5. Directors' Remuneration

The directors received no remuneration during the year, the cost of this has been borne in the immediate parent company

6. Interest Payable

	2011 £	2010 £
Other interest payable	-	1,191
	<u>-</u>	<u>1,191</u>

Notes to the Financial Statements

31 December 2011

7. Taxation

(a) Factors affecting the tax charge for the year

	2011 £	2010 £
United Kingdom Corporation Tax		
Current tax on income for the year	13,834	6,720
Before double taxation relief	13,834	6,720
Double taxation relief	(13,834)	(6,720)
After double taxation relief	-	-
Foreign Tax		
Current tax on income for the year	21,411	10,560
Adjustments in respect of prior years	124	(1,013)
Tax on profit on ordinary activities	21,535	9,547

(b) Current tax reconciliation

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	2011 £	2010 £
Profit on ordinary activities before taxation	65,873	31,297
Theoretical tax at UK corporation tax rate 21% (2010: 21%)	13,834	6,572
Effects of:		
- items disallowed for taxation	-	232
- overseas taxes at a different rate	7,577	3,756
- adjustments in respect of prior years	124	(1,013)
Current charge for the year	21,535	9,547

8. Property plant and equipment

Since the year end these assets have been transferred within the group. The net book value brought forward and carried forward is £90,685.

Notes to the Financial Statements

31 December 2011

9. Debtors

	2011 £	2010 £
Amounts due from parent company	1,318,067	-
Other debtors	9,992	4,570
	<u>1,328,059</u>	<u>4,570</u>

10. Creditors: Amounts Falling Due Within One Year

	2011 £	2010 £
Trade Payables	2,825	-
Corporation tax	21,998	9,250
Amounts due to parent company	1,052,474	5,952
Other tax and social security	30,728	-
Accruals	131,091	15,553
	<u>1,239,116</u>	<u>30,755</u>

11. Provisions: Amounts Falling Due Within One Year

	2011 £	2010 £
At 1 January	-	-
Provisions arising in the year	83,554	-
Charged to profit and loss account	(11,972)	-
At 31 December	<u>71,582</u>	<u>-</u>

The provision relates to onerous leases on office closed following the reorganisation of the Group

Notes to the Financial Statements

31 December 2011

12. Share Capital

	2011 £	2010 £
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
	<u> </u>	<u> </u>
Allotted and fully paid		
100 ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>

13. Reserves

	Profit and loss account £
At 1 January 2011	71,714
Profit for the year	44,338
At 31 December 2011	<u>116,052</u>

14. Reconciliation of Movement in Shareholders' Funds

	2011 £	2010 £
Opening shareholders' funds	71,814	50,064
Profit for the year	44,338	21,750
Closing shareholders' funds	<u>116,152</u>	<u>71,814</u>

15. Ultimate Controlling Party

On the 16 April 2012 Synchronica plc was acquired by Myriad Group AG to become the ultimate parent undertaking. Myriad Group AG is incorporated in Switzerland. The largest and smallest group to consolidate these 2011 financial statements is that headed by Synchronica plc.

Copies of the consolidated financial statements of Synchronica plc are available from Synchronica plc, The Towers, Tower Business Park, Wilmslow Road, Didsbury, M20 2SL.