

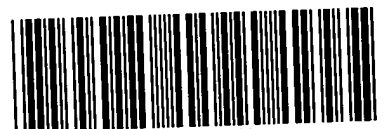
COMPANY REGISTRATION NUMBER 06124324

SWORD SOFT LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31st DECEMBER 2014

BREBNERS

Chartered Accountants & Statutory Auditor
130 Shaftesbury Avenue
London
W1D 5AR

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SWORD SOFT LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2014

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SWORD SOFT LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

J F Mottard
S A Allen

Registered office

1000 Great West Road
Brentford
Middlesex
TW8 9DW

Auditor

Brebners
Chartered Accountants
& Statutory Auditor
130 Shaftesbury Avenue
London
W1D 5AR

Bankers

HSBC Bank Plc
127 High Street
Hounslow
Middlesex
TW3 1QP

SWORD SOFT LIMITED

STRATEGIC REPORT

YEAR ENDED 31st DECEMBER 2014

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was an investment holding company.

The company does not trade and the directors are satisfied with the results made during the year.

Financial Key Performance Indicators

	2014	2013
	€	€
Interest cost	249,904	211,788
Investment value	63,176,081	64,499,090

Non-Financial Key Performance Indicators

The company seeks to ensure that responsible business practice is fully integrated into the management of all of its operations and into the culture of all parts of its business. It believes that the consistent adoption of responsible business practice is essential for operational excellence, which in turn, ensures the delivery of its core objectives of sustained real growth in profitability.

In a company this size the directors consider there are collectively numerous non-financial performance indicators but no individual indicator is more important than any other.

Financial Instruments

The company has no hedging arrangements as at 31st December 2014. The foreign exchange currency risk is managed centrally at group level.

Liquidity and cash flow risks are monitored by local management in terms of identifying local cash flow requirements. These in turn are communicated to head office which operates a group cash pooling system to ensure the necessary liquidity is available throughout the group. Any excesses or local short falls are underwritten by group and managed via intercompany loans.

The company governs its own price risk and credit risk based on director's requirements to meet its ultimate parent undertaking expectations.

Principal Risks and Uncertainties

The company is an intermediary holding company for the UK subsidiaries of Sword Group SE. The principal risks and uncertainties of the company are the performance of its subsidiaries and receipt of future dividends to service the debt provided by the ultimate parent undertaking, Sword Group SE, used to acquire those subsidiaries. The company is reliant upon the continued support of Sword Group SE and the continued profitable performance of its subsidiaries.

There are no other significant risks relating to the company and the principal risks and uncertainties of its subsidiaries are disclosed in the strategic reports of those subsidiaries, where applicable under the Companies Act 2006 disclosure requirements.

Signed on behalf of the directors

J F Mottard
Director

Approved by the directors on 08/09/15

SWORD SOFT LIMITED
DIRECTORS' REPORT
YEAR ENDED 31st DECEMBER 2014

The directors present their report and the financial statements of the company for the year ended 31st December 2014.

RESULTS AND DIVIDENDS

The profit for the year amounted to €12,308,542. The directors have not recommended a dividend.

DIRECTORS

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

J F Mottard
S A Allen

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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 year.

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.

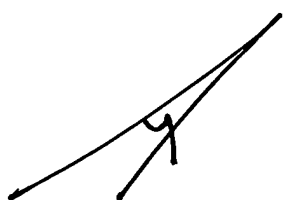
SWORD SOFT LIMITED
DIRECTORS' REPORT *(continued)*
YEAR ENDED 31st DECEMBER 2014

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Signed on behalf of the directors

J F Mottard
Director



Approved by the directors on 08/09/15

SWORD SOFT LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
SWORD SOFT LIMITED
YEAR ENDED 31st DECEMBER 2014

We have audited the financial statements of Sword Soft Limited for the year ended 31st December 2014 on pages 7 to 15. 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 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 3, 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 annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

SWORD SOFT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SWORD SOFT LIMITED (continued)

YEAR ENDED 31st DECEMBER 2014

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 31st December 2014 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 MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic Report and 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.



PHILIP HEATH (Senior Statutory Auditor)

For and on behalf of
BREBNEERS
Chartered Accountants
& Statutory Auditor

130 Shaftesbury Avenue
London
W1D 5AR

10th September 2015

SWORD SOFT LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31st DECEMBER 2014

	Note	2014 €	2013 €
TURNOVER		–	–
Administrative expenses		783,702	702,307
OPERATING LOSS	2	(783,702)	(702,307)
Gain on disposal of subsidiary undertakings		238,121	–
Exceptional costs	4	–	41,750
		(545,581)	(660,557)
Income from shares in group undertakings	5	12,500,000	20,770,200
Interest receivable		513,770	1,177,787
Interest payable and similar charges	6	(249,904)	(213,192)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		12,218,285	21,074,238
Tax on profit on ordinary activities	7	(90,257)	333,578
PROFIT FOR THE FINANCIAL YEAR		12,308,542	20,740,660

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 year as set out above.

The notes on pages 9 to 15 form part of these financial statements.

SWORD SOFT LIMITED

BALANCE SHEET

31st DECEMBER 2014

	Note	2014 €	€	2013 €	€
FIXED ASSETS					
Investments	9		63,176,081		64,499,090
CURRENT ASSETS					
Debtors due within one year	10	788,718		3,689,934	
Debtors due after one year	10	39,493,876		19,432,965	
Cash at bank		7,786		1,011,069	
		<u>40,290,380</u>		<u>24,133,968</u>	
CREDITORS: Amounts falling due within one year	11	<u>2,643,317</u>		<u>786,039</u>	
NET CURRENT ASSETS			<u>37,647,063</u>		<u>23,347,929</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>100,823,144</u>		<u>87,847,019</u>
CREDITORS: Amounts falling due after more than one year	12		<u>17,225,813</u>		<u>16,558,230</u>
			<u>83,597,331</u>		<u>71,288,789</u>
CAPITAL AND RESERVES					
Called-up equity share capital	14		106,000		106,000
Share premium account	15		647,999		647,999
Profit and loss account	16		82,843,332		70,534,790
SHAREHOLDERS' FUNDS	17		<u>83,597,331</u>		<u>71,288,789</u>

These accounts were approved by the directors and authorised for issue on 08/09/15, and are signed on their behalf by:

J F Mottard
Director

Company Registration Number: 06124324

The notes on pages 9 to 15 form part of these financial statements.

SWORD SOFT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2014

1. ACCOUNTING POLICIES

Basis of accounting

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

Basis of preparation

The profit and loss account for the period shows a profit after tax of €12,308,542 and the balance sheet has net assets of €83,597,331. The company is an investment holding company and is not reliant upon a trading cycle to meet its working capital requirements. Its subsidiary undertakings are all profitable and have sufficient reserves to make dividend payments should the company require funds to meet its current and future liabilities. Dividends received from subsidiaries in the year was €12,500,000. The group made substantial acquisitions of new subsidiaries in the year and post year end, all of which were funded from previous investment activities.

The company is dependent upon the continuing support of Sword Group SE, its ultimate parent undertaking, who has confirmed its continued support and has also agreed to inject further funds to meet any liabilities falling due within one year if the company does not have adequate working capital. Sword Group SE has agreed to continue this support for a period of at least twelve months from the date of approval of the financial statements. The company has no formal bank overdraft facilities.

After making inquiries, the director has a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the director continues to adopt the going concern basis in preparing the annual report and accounts.

Consolidation

The company was, at the end of the year, a subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is a subsidiary and its ultimate parent publishes a consolidated cash flow statement.

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 director considers 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.

Foreign currencies

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

SWORD SOFT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2014

1. ACCOUNTING POLICIES (continued)**Financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

2. OPERATING LOSS

Operating loss is stated after charging/(crediting):

	2014 €	2013 €
Directors' remuneration	-	-
Net loss/(profit) on foreign currency translation	229,343	(351,415)
Auditor's remuneration - audit of the financial statements	10,000	10,000
Auditor's remuneration - other fees	<u>19,084</u>	<u>35,218</u>

A legal claim was settled in the prior year resulting in an exceptional credit of €41,750.

	2014 €	2013 €
Auditor's remuneration - audit of the financial statements	<u>10,000</u>	<u>10,000</u>

Auditor's remuneration - other fees:

- Taxation services	2,400	2,400
- Accounting and other review assignments	<u>16,684</u>	<u>32,818</u>
	<u>19,084</u>	<u>35,218</u>

3. PARTICULARS OF EMPLOYEES

The company had no employees during the year, other than the 2 directors who served during the year.

No salaries or wages have been paid to employees, including the directors, during the year.

4. EXCEPTIONAL COSTS

A legal claim was settled in the prior year resulting in an exceptional credit of €41,750.

5. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2014 €	2013 €
Income from group undertakings	<u>12,500,000</u>	<u>20,770,200</u>

SWORD SOFT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2014

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2014 €	2013 €
Interest payable on bank borrowing	–	1,404
Interest on other loans with group undertakings	<u>249,904</u>	<u>211,788</u>
	<u>249,904</u>	<u>213,192</u>

7. TAXATION ON ORDINARY ACTIVITIES**(a) Analysis of charge in the year**

	2014 €	2013 €
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 21.50% (2013 - 23.25%)	6,294	333,578
Over/under provision in prior year	<u>(96,551)</u>	<u>-</u>
	(90,257)	333,578
Subvention receipt	<u>-</u>	<u>(101,389)</u>
Total current tax	<u>(90,257)</u>	<u>232,189</u>
Deferred tax:		
Origination and reversal of timing differences		
Losses	<u>-</u>	<u>101,389</u>
Tax on profit on ordinary activities	<u>(90,257)</u>	<u>333,578</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 21.50% (2013 - 23.25%).

	2014 €	2013 €
Profit on ordinary activities before taxation	<u>12,218,285</u>	<u>21,074,238</u>
Profit on ordinary activities by rate of tax	2,626,931	4,899,760
UK dividend income not taxable	<u>(2,687,500)</u>	<u>(4,829,072)</u>
Subvention receipt	-	(101,389)
Expenses not allowed for tax purposes	66,863	262,890
Over provision of tax in prior year	<u>(96,551)</u>	<u>-</u>
Total current tax (note 7(a))	<u>(90,257)</u>	<u>232,189</u>

SWORD SOFT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2014

8. DIVIDENDS**Equity dividends**

	2014 €	2013 €
Paid		
Equity dividends on ordinary shares	<u>—</u>	<u>140,000,000</u>

9. INVESTMENTS

	Shares in group companies €
Cost	
Balance brought forward	64,499,090
Additions	7,406,066
Disposals at cost	(8,729,075)
Balance carried forward	<u>63,176,081</u>
Amounts provided	
Balance carried forward	<u>—</u>
Net book value	
Balance carried forward	<u>63,176,081</u>
Balance brought forward	<u>64,499,090</u>

At 31st December 2014 the company held or had beneficial interest in 20% or more of the share capital of the following principal companies:

	Country of registration or incorporation	Class of share	Proportion held	Business
APAK Group Limited	England and Wales	Ordinary	95%	Computer Software Development
APAK Beam Limited	Cyprus	Ordinary	95%	Computer Software Development
APAK Inc	United States of America	Common Stock	95%	Computer Software Development
Sword APAK Aurius Limited	England and Wales	Ordinary	95%	Computer Software Development
BuildOnline Inc	United States of America	Common Stock	100%	Dormant Company
Sword Technology Solutions Limited	England and Wales	Ordinary	100%	Computer Software Development
Sword General Partner Limited	England and Wales	Ordinary	100%	Dormant Company

SWORD SOFT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2014

9. INVESTMENTS (continued)

Sword Charteris Limited	England and Wales	Ordinary	99%	Computer Software Development
Sword India Pvt Limited	India	Ordinary	100%	Computer Software Development
Active Risk Group Limited	England and Wales	Ordinary	93%	Sale of risk management software
Active Risk Limited	England and Wales	Ordinary	93%	Sale of risk management software
Active Risk Proprietary Limited	Australia	Ordinary	93%	Sale of risk management software
Active Risk Inc	United States of America	Ordinary	93%	Sale of risk management software
Sword Achiever Limited	England and Wales	Ordinary	93%	Sale of risk management software
Mobile Productivity Limited	England and Wales	Ordinary	100%	Computer Software Development

During the year the company transferred its investment in Sword Achiever Limited to Active Risk Group Limited, a subsidiary undertaking.

On 3rd January 2014 Sword Soft Limited acquired Sword Charteris Limited (formerly Charteris Limited, formerly Charteris Plc) for £2.26m (£2.31m taking into account vested options).

On 6th January 2014 Sword Soft Ltd disposed its 2% holding in KANA Software Inc. for sale proceeds of \$5,688,074.

During the year the company acquired 100% of the share capital of Mobile Productivity Limited for consideration of €3,171,040.

The company is not required to disclose the aggregate capital and reserves, and the profit and loss account under the Companies Act 2006 for the principal subsidiary undertakings as it is exempt by virtue of Section 400 of the Companies Act 2006 from preparing group accounts as it is part of a larger group preparing consolidated accounts. The information in the financial statements are for the company only.

10. DEBTORS

	2014	2013
	€	€
Amounts owed by group undertakings	39,824,115	20,445,994
Corporation tax repayable	74,261	–
VAT recoverable	8,694	30,455
Other debtors	375,524	2,646,450
	<u>40,282,594</u>	<u>23,122,899</u>

SWORD SOFT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2014

10. DEBTORS (continued)

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

	2014 €	2013 €
Amounts owed by group undertakings	<u>39,493,876</u>	<u>19,432,965</u>

11. CREDITORS: Amounts falling due within one year

	2014 €	2013 €
Trade creditors	149,675	278,293
Corporation tax	–	358,683
Other creditors	2,446,142	149,063
Accruals and deferred income	<u>47,500</u>	<u>–</u>
	<u>2,643,317</u>	<u>786,039</u>

12. CREDITORS: Amounts falling due after more than one year

	2014 €	2013 €
Amounts owed to group undertakings	<u>17,225,813</u>	<u>16,558,230</u>

13. RELATED PARTY TRANSACTIONS**Control**

Control of the company vested with the ultimate parent undertaking as disclosed in note 18.

Transactions

Included within creditors are aggregated amounts due to group undertakings of €17,225,813 (2013: €16,558,230). Interest was charged on these liabilities of €249,904 (2013: €211,788) and foreign exchange losses of €1,127,618 (2013: gains of €354,015).

Included within debtors are aggregated amounts due from group undertakings of €19,735,168 (2013: €276,075). Interest was receivable on these advances of €132,385 (2013: €4,079) and foreign exchange gains of €624,653 (2013: €Nil).

Included within debtors is amounts due from Sword Group SE, the ultimate parent undertaking, of €20,006,377 (2013: €20,169,919). During the year funding was received from this company of €Nil (2013: €8,991,886) and funding was repaid to this company of €544,926 (2013: €Nil). Interest was receivable on this balance of €381,384 (2013: €160,678).

SWORD SOFT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2014

14. SHARE CAPITAL

Allotted, called up and fully paid:

	2014		2013	
	No	€	No	€
A Ordinary shares of €0.10 each	940,000	94,000	940,000	94,000
B Ordinary shares of €0.10 each	59,999	6,000	59,999	6,000
C Ordinary shares of €0.10 each	1	-	1	-
D Ordinary shares of €0.10 each	60,000	6,000	60,000	6,000
	<u>1,060,000</u>	<u>106,000</u>	<u>1,060,000</u>	<u>106,000</u>

15. SHARE PREMIUM ACCOUNT

There was no movement on the share premium account during the financial year.

16. PROFIT AND LOSS ACCOUNT

	2014	2013
	€	€
Balance brought forward	70,534,790	189,794,130
Profit for the financial year	12,308,542	20,740,660
Equity dividends	-	(140,000,000)
Balance carried forward	<u>82,843,332</u>	<u>70,534,790</u>

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014	2013
	€	€
Profit for the financial year	12,308,542	20,740,660
Equity dividends	-	(140,000,000)
Net addition/(reduction) to shareholders' funds	12,308,542	(119,259,340)
Opening shareholders' funds	71,288,789	190,548,129
Closing shareholders' funds	<u>83,597,331</u>	<u>71,288,789</u>

18. ULTIMATE PARENT COMPANY

The largest and smallest group in which the results of the company are consolidated is that headed by Sword Group SE, a company incorporated in Luxembourg. The directors consider Sword Group SE to be the ultimate parent company and ultimate controlling party.

The ultimate parent undertaking of Sword Soft Limited is Sword Group SE, a company incorporated in Luxembourg. Copies of the accounts of Sword Group SE can be obtained from 105 Route d'Arlon, L-8009 Strassen, Luxembourg.