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REG'D NUMBER SC 205735

RHETORICAL SYSTEMS LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2009

COMPANY
NUMBER :

SC 205735

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RHETORICAL SYSTEMS LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2009

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RHETORICAL SYSTEMS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS : Jan Anthierens
Stephen Miller (terminated as of 10/27/2009)

SECRETARY: Jan Anthierens

**REGISTERED
OFFICE :** 24 Great King Street
Edinburgh
EH3 6QN

AUDITORS: BDO LLP
Emerald House
East Street
Epsom
Surrey
KT17 1HS

SOLICITORS : Shepherd & Wedderburn WS
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2ET

**COMPANY
NUMBER :** SC 205735

RHETORICAL SYSTEMS LIMITED

DIRECTORS' REPORT

YEAR ENDED 30 SEPTEMBER 2009

The directors present their report and the audited financial statements for the year ended 30 September 2009.

1 ACTIVITIES

In October 2005 the parent undertaking decided to terminate the activities of the company and consequently for the company to cease trading. No decision has been made as to the future of the company post cessation of trade.

2 RESULTS, DIVIDENDS AND FUTURE PROSPECTS

The results for the period are disclosed on page 6. No dividend is proposed.

3 DIRECTORS

The directors who served during the period were as follows:-

Stephen Miller (terminated as of 10/27/2009)

Jan Anthierens

4 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.

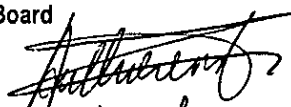
BDO LLP were appointed as auditors of the group on 7 January 2005 and are the current auditors of the Company's ultimate parent Nuanco Communications Inc.

By Order of the Board

J Anthierens

Secretary

Date:


25 March 2010

RHETORICAL SYSTEMS LIMITED
STATEMENT OF 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 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;
- 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

RHETORICAL SYSTEMS LIMITED
INDEPENDENT AUDITOR'S REPORT

To the shareholders of Rhetorical Systems Ltd

We have audited the financial statements of Rhetorical Systems Ltd for the year ended 30 September 2009 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 sections 495 and 496 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 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 the directors; and the overall presentation of the financial statements.

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 2009 and of its result 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.

RHETORICAL SYSTEMS LIMITED
INDEPENDENT AUDITOR'S REPORT

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.

BDO LLP.

Mr Kevin Cook (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Epsom
United Kingdom
30 March 2010

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

RHETORICAL SYSTEMS LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 SEPTEMBER 2009

	Year ended 30.9.2009 £ '000	Year ended 30.9.2008 £ '000
Administrative expenses	-	2
	-----	-----
LOSS ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION	- =====	(2) =====

All recognised gains and losses in the current and prior year are included in the profit and loss account.

RHETORICAL SYSTEMS LIMITED

BALANCE SHEET

AT 30 SEPTEMBER 2009

COMPANY
NUMBER :

SC 205735

	Note	30.9.2009 £ '000	30.09.2008 £ '000
CURRENT ASSETS			
Debtors	3	981	981
		<u>981</u>	<u>981</u>
CREDITORS: Amounts falling due within one year	4	7,365	7,365
NET CURRENT LIABILITIES		<u>(6,384)</u>	<u>(6,384)</u>
		<u>(6,384)</u>	<u>(6,384)</u>
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	5	1	1
Share premium account	6	199	199
Profit and loss account	6	(6,584)	(6,584)
SHAREHOLDERS' FUNDS	7	<u>(6,384)</u>	<u>(6,384)</u>
		=====	=====

These financial statements were approved by the Directors and authorised for issue on *15 March* 2010

Anthierens Jan
Director



RHETORICAL SYSTEMS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2009

1 ACCOUNTING POLICIES

a) Accounting Convention

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

b) Going concern

The accounts have been prepared on a going concern basis which assumes that continued financial support will be made available by the parent company, Rhetorical Group plc. The continued financial support of Rhetorical Group plc is dependent on it receiving support from its parent Nuance Communications Inc. Nuance Communications Inc have indicated that they will provide support to Rhetorical Group for the foreseeable future and at least twelve months.

At the date of approval of these accounts, the directors of Rhetorical Group plc. have confirmed that continued support will be made available.

c) Consolidated accounts

The company is exempt under section 398 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings qualify as a small group. These financial statements therefore present information about the company as an individual undertaking and not about its group.

2 INVESTMENTS

Rhetorical Systems Limited holds the entire issued share capital of Rhetorical Inc. Rhetorical Inc. markets and sells Rhetorical products and services throughout North America. The investment of \$10 in Rhetorical Inc., a company registered in the United States, is held at no value in the accounts.

3 DEBTORS

	30.09.2009	30.09.2008
	£ '000	£ '000
Amounts due by related parties	981	981
	-----	-----
	981	981
	=====	=====

RHETORICAL SYSTEMS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2009

4 CREDITORS: Amounts falling due within one year

	30.09.2009 £ '000	30.09.2008 £ '000
Amounts due to related parties	7,365	7,365
	-----	-----
	7,365	7,365
	=====	=====

5 CALLED UP SHARE CAPITAL

	30.09.2009 £ '000	30.09.2008 £ '000
Allotted called up and fully paid		
102,000 Ordinary shares of £0.01 each	1	1
	=====	=====

6 RESERVES

	Share Premium Account £ '000	Profit & Loss Account £ '000	Total £ '000
At 30 September 2008 and 30 September 2009	199	(6,583)	(6,384)
	=====	=====	=====

7 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30.09.2009 £ '000	30.09.2008 £ '000
Loss for the financial year	-	(2)
Opening shareholders' funds	(6,384)	(6,382)
	-----	-----
Closing shareholders' funds	(6,384)	(6,384)
	=====	=====

8 RELATED PARTY TRANSACTIONS

There were no transactions during the period with other group companies. At the year end the company was owed £980,628 (2008 - £980,628) by Rhetorical Inc and owed Rhetorical Group PLC £5,840,925 (2008 - £5,840,925) and Nuance Communications International bvba £1,523,730 (2008 - £1,523,730).

9 SUBSEQUENT EVENT

The company employed no more employees and ceased trading as from October 2005. The intention is to formally liquidate both Rhetorical Group Plc and Rhetorical Systems Ltd although no concrete timeframe is foreseen for this process.

RHETORICAL SYSTEMS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2009

10 IMMEDIATE AND ULTIMATE PARENT UNDERTAKING

The company is a wholly owned subsidiary of Rhetorical Group Plc, a company incorporated in Scotland, United Kingdom.

The ultimate parent company undertaking is Nuance Communications, Inc. (formerly Scansoft, Inc) a company incorporated in the United States of America.

The group accounts of Nuance Communications, Inc. can be obtained from:
Nuance Communications Inc.
1 Wayside Road
Burlington
MA 01803
USA