

Registered number: 03351717

ALTERIAN TECHNOLOGY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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ALTERIAN TECHNOLOGY LIMITED

COMPANY INFORMATION

Directors	Alterian Holdings Limited Robert Cant (appointed 30 August 2019, resigned 1 May 2020) Chris Coker (resigned 30 August 2019) Timothy Everitt (appointed 1 May 2020)
Registered number	03351717
Registered office	New Globe House Vanwall Business Park Vanwall Road Maidenhead Berkshire SL6 4UB
Bankers	HSBC Apex Plaza Reading RG1 1AX
Solicitors	DLA Piper UK LLP 160 Aldersgate Street London EC1A 4HT

ALTERIAN TECHNOLOGY LIMITED

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ALTERIAN TECHNOLOGY LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

Business review

The company is a wholly owned subsidiary of Alterian Holdings Limited, which is part of the SDL Plc group.

In 2019, revenues declined by 19% over the prior year due to continued reduction in new sales. Revenue was predominantly derived from existing contracts with support and maintenance requirements. The movement in net foreign exchange loss of £25k (2018: £128k) arises on balances from group undertakings.

The balance sheet on page 6 of the financial statements shows that the Company's net current liabilities have increased to £11.80m from prior year of £8.64m. Overall net liabilities have decreased to £11.72m from £8.55m in the prior year. The movement in working capital was funded by intercompany transfers by the Group.

Key performance indicators

The directors consider the key performance indicator of the Company to be revenue and profit.

As shown in the Company's Statement of Comprehensive Income on page 5, the Company's revenue has decreased by £90k over the previous year, which is due to the run-off of existing contracts with support and maintenance requirements.

The loss for the year, before taxation, amounted to £3,163k (2018: profit £79k).

The Group manages its operations on a functional basis. For this reason, the Company's directors believe that the Company's key performance indicators are in line with those of the broader Group. The performance of the Group, which includes the Company, is discussed in the Group's Annual Report which does not form part of this Report.

Business risks

Competitive pressure is a continuing risk for the company, which could result in it losing sales to its key competitors. The Company manages this risk by providing added value services to its customers, having fast response times not only in supplying services but in handling all customer queries, and by maintaining strong relationships with customers. The Company and Group manage its cost base to ensure that competitive pricing can be provided to its customer base.

The Company is reimbursed for activities by SDL Plc on a cost plus basis and is therefore expected to remain profitable going forward.

The Company remains dependent on support from the ultimate parent company to continue in operational existence. The Company has received a letter of support for the period of 12 months from the date of signature of these financial statements.

The Group risks are discussed in the group's Annual Report which does not form part of this Report. This annual report can be found at www.sdl.com.

Future developments

The Company expects to continue developing its web content operations as part of the broader Group.

ALTERIAN TECHNOLOGY LIMITED
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Subsequent events

In early 2020, the existence of a new coronavirus (COVID-19) was confirmed which has since spread across a significant number of countries, leading to disruption to businesses and economic activity which has been reflected in recent fluctuations in global stock markets. The Company considers the emergence and spread of COVID-19 to be a non-adjusting post balance sheet event. Given the inherent uncertainties, it is not practicable at this time to determine the exact impact of COVID-19 on the Company or to provide a quantitative estimate of the impact. The Company receives support from the SDL Group which continues to operate as a going concern.

This report was approved by the board on *12 June 2020* and signed on its behalf.



.....
Timothy Everitt
Director

ALTERIAN TECHNOLOGY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Results and dividends

The loss for the year, after taxation, amounted to £3,185,000 (2018: profit £92,000). The directors do not recommend a payment of a dividend for 2019 (2018: £NIL).

Principal activities

The principal activities of the Company is the sale of web content technology and to provide administration and other general back office support to the wider Group.

Directors

The directors who served during the year were:

Alterian Holdings Limited
Robert Cant (appointed 30 August 2019, resigned 1 May 2020)
Chris Coker (resigned 30 August 2019)

Timothy Everitt was appointed as a director subsequent to the year end on 1 May 2020.

None of the directors who held office at the end of the year had any interest in the shares of the Company. SDL Plc indirectly owns 100% of the share capital of the Company.

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its ultimate parent company, SDL Plc, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on SDL Plc providing additional financial support during that period. SDL Plc has indicated its intention to continue to make available such funds as are needed by the Company for the period covered by the forecasts. As with any Company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Further disclosure on the impact of COVID-19 on the Group can be found in the Group consolidated financial statements.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

This report was approved by the board on 12 June 2020 and signed on its behalf.



.....
Timothy Everitt
Director

ALTERIAN TECHNOLOGY LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 judgments 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 to 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.

ALTERIAN TECHNOLOGY LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £000	2018 £000
Turnover	3	386	476
Cost of sales		-	(195)
Gross profit		386	281
Administrative expenses		(3,549)	(202)
Operating (loss)/profit	4	(3,163)	79
Tax on (loss)/profit	7	(22)	13
(Loss)/profit for the financial year		(3,185)	92

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2019 (2018:£000NIL).

The notes on pages 8 to 21 form part of these financial statements.

ALTERIAN TECHNOLOGY LIMITED
REGISTERED NUMBER: 03351717

BALANCE SHEET
AS AT 31 DECEMBER 2019

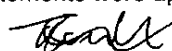
	Note	2019 £000	2018 £000
Fixed assets			
Intangible assets		-	1
Tangible assets	9	5	6
Investments	10	-	-
		<u>5</u>	<u>7</u>
Current assets			
Debtors: amounts falling due within one year	11	5,625	10,030
Cash at bank and in hand	12	-	15
		<u>5,625</u>	<u>10,045</u>
Creditors: amounts falling due within one year	13	(17,426)	(18,684)
Net current liabilities		<u>(11,801)</u>	<u>(8,639)</u>
Total assets less current liabilities		<u>(11,796)</u>	<u>(8,632)</u>
Deferred taxation	14	72	83
		<u>72</u>	<u>83</u>
Net liabilities		<u><u>(11,724)</u></u>	<u><u>(8,549)</u></u>
Capital and reserves			
Called up share capital	15	21,910	21,910
Share premium account	16	280	280
Capital contribution reserve	16	10	-
Profit and loss account	16	(33,924)	(30,739)
		<u><u>(11,724)</u></u>	<u><u>(8,549)</u></u>

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Company was entitled to exemption from the requirement to have an audit under section 479A of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

12 June 2020 

Timothy Everitt
Director

The notes on pages 8 to 21 form part of these financial statements.

ALTERIAN TECHNOLOGY LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £000	Share premium account £000	Capital redemption reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2018	21,910	280	-	(30,831)	(8,641)
Profit for the year	-	-	-	92	92
At 1 January 2019	21,910	280	-	(30,739)	(8,549)
Loss for the year	-	-	-	(3,185)	(3,185)
Addition	-	-	10	-	10
At 31 December 2019	21,910	280	10	(33,924)	(11,724)

The notes on pages 8 to 21 form part of these financial statements.

ALTERIAN TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

Alterian Technology Limited is a company incorporated in England and Wales and is limited by shares.

The address of the registered office is given in the company information of these financial statements.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

The Company's ultimate parent undertaking, SDL Plc, includes the Company in its consolidated financial statements. The consolidated financial statements of SDL Plc are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from the Company Secretary's office, New Globe House, Vanwall Business Park, Vanwall Road, Maidenhead, SL6 4UB.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

ALTERIAN TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.4 Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its ultimate parent company, SDL Plc, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on SDL Plc providing additional financial support during that period. SDL Plc has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Further disclosure on the impact of COVID-19 on the Group can be found in the Group consolidated financial statements.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

2.5 Impact of new international reporting standards, amendments and interpretations

IFRS 16

IFRS 16 supersedes IAS17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluation the Substance of Transactions involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS17. The company has no leases as a lessor.

The transition to IFRS 16 was immaterial to the financial statements as the company does not hold any leases with a third party, accordingly no adjustments to the financial statements have been made on transition.

IFRIC 23

The Company has reviewed the provisions of IFRIC 23 Uncertainty over Tax Treatments and has not identified any impact from the new standard.

ALTERIAN TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.6 Revenue recognition

The Company provides a single, principles based five step model to be applied to all sales contracts as outlined below. It is based on the transfer of control of goods and services to customers and replaces the separate models for goods and services.

1. Identify the contract(s) with a customer.
2. Identify the performance obligations in the contract.
3. Determine the transaction price.
4. Allocate the transaction price to the performance obligations in the contract.
5. Recognise revenue when or as the entity satisfies its performance obligations.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised:

Support and maintenance

Support and maintenance represents a stand ready obligation to provide additional services to the Group's licence customers over the period of support included in the contract. The Group measures the obligation by reference to the standalone selling price, based upon internal list prices subject to discount. The pattern of transfer is deemed to be over time on the basis that this is a continuing obligation over the period of support undertaken and accordingly, recognised as revenue on a straight line basis over the course of the contract.

2.7 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

ALTERIAN TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.9 Intangible assets

Computer software

Computer software licences and other intellectual property assets acquired are held at cost and are amortised on a straight line basis over their estimated useful lives of 2 to 6 years. Costs associated with developing or maintaining computer software programs are recognised as an expense as incurred.

2.10 Tangible fixed assets

Tangible fixed assets are held at cost less accumulated depreciation and any impairment in value.

Depreciation is provided to write off the cost less the estimated residual value based on prices at the balance sheet date of property, plant and equipment over their estimated useful economic lives.

Depreciation is provided on the following basis:

Fixtures and fittings	- 4 - 7 years according to the estimated life of the asset.
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

ALTERIAN TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.11 Research and development

Research costs are expensed as incurred. Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured and technical feasibility and commercial viability can be demonstrated.

2.12 Financial instruments

Short-term trade and other debtors and trade and other creditors are treated as financial assets or liabilities.

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and bank deposits repayable in 90 days or less. Cash and cash equivalents consist of cash in hand and bank deposits net of outstanding bank overdrafts.

2.15 Creditors

Creditors are recognised at cost, which is deemed to be materially the same as the fair value.

2.16 Pensions

Pension obligations

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The company has no legal or constructive obligations to pay further contributions to the fund. The cost of providing these benefits, recognised in the profit and loss account, comprises the amount of contributions payable to the schemes in respect of the year.

In addition to the scheme some UK employees receive an enhancement to salary of between 5% and 10% of gross pay in lieu of company contributions.

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

ALTERIAN TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.17 Leases

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;

The lease liability is included in 'Creditors' on the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in the 'Intangible Assets', 'Tangible Fixed Assets' and 'Investment Property' lines, as applicable, in the Balance Sheet.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 2.10.

ALTERIAN TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.18 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

3. Turnover

Turnover represents the amount invoiced excluding value added tax, derived from the sales and renewals of software licenses to third party customers, including amounts not invoiced and excluding amounts invoiced in advance.

Analysis of turnover by geographical destination was as follows:

	2019 £000	2018 £000
United Kingdom	386	472
Rest of the World	-	4
	<u>386</u>	<u>476</u>

An analysis of the company's turnover by services provided is as follows below:

	2019 £000	2018 £000
Software, support and maintenance	386	476
	<u>386</u>	<u>476</u>

ALTERIAN TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

4. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2019 £000	2018 £000
Research & development charged as an expense	-	312
Depreciation of tangible fixed assets	2	1
Net foreign exchange losses/(gains)	25	128
Operating lease for land and buildings	105	33
	<u>105</u>	<u>33</u>

5. Auditors' remuneration

	2019 £000	2018 £000
Auditor's remuneration	-	11
	<u>-</u>	<u>11</u>

6. Employees

Staff costs were as follows:

	2019 £000	2018 £000
Wages and salaries	1,460	1,464
Social security costs	158	162
Other pension costs	75	75
	<u>1,693</u>	<u>1,701</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	2018 No.
Product development and testing	4	3
Sales and distribution	12	11
Administration	10	12
	<u>26</u>	<u>26</u>

Directors' emoluments

The directors of the company are also directors or employees of SDL Plc. The directors' services to the company do not occupy a significant amount of their time. As such, the directors do not consider that they received any remuneration for their incidental services to the company for the year ended 31 December 2019 (2018 - £NIL)

ALTERIAN TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

7. Taxation

	2019 £000	2018 £000
Corporation tax		
Current tax on profits for the year	22	(13)
	<u>22</u>	<u>(13)</u>
Total current tax	<u>22</u>	<u>(13)</u>
Taxation on profit/(loss) on ordinary activities	<u>22</u>	<u>(13)</u>

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2018: the same as) the standard rate of corporation tax in the UK of 19% (2018: 19%) as set out below:

	2019 £000	2018 £000
(Loss)/profit on ordinary activities before tax	(3,166)	79
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	(602)	15
Effects of:		
Capital allowances for year in excess of depreciation	18	(41)
Adjustments to tax charge in respect of prior periods	40	-
Increase or decrease in pension fund prepayment leading to an increase (decrease) in tax	(18)	13
Expenses not deductible for tax	614	-
Deferred tax recognised	(30)	-
Group relief	20	31
Receipt for group relief	(20)	(31)
Total tax charge for the year	<u>22</u>	<u>(13)</u>

Factors that may affect future tax charges

On 11 March 2020 the UK Budget was held and it was announced that the planned reduction in the UK Corporation Tax Rate from 19% to 17% that was due to be effective 1 April 2020 will no longer be enacted. When the Finance Act receives Royal Assent the carrying value of the deferred tax balances will be revalued.

ALTERIAN TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

8. Intangible assets

	Software £000
Cost	
At 1 January 2019	1
At 31 December 2019	<u>1</u>
Amortisation	
Charge for the year on owned assets	1
At 31 December 2019	<u>1</u>
Net book value	
At 31 December 2019	-
At 31 December 2018	<u><u>1</u></u>

9. Tangible fixed assets

	Fixtures and fittings £000
Cost or valuation	
At 1 January 2019	7
At 31 December 2019	<u>7</u>
Depreciation	
At 1 January 2019	1
Charge for the year on owned assets	1
At 31 December 2019	<u>2</u>
Net book value	
At 31 December 2019	<u><u>5</u></u>
At 31 December 2018	<u><u>6</u></u>

ALTERIAN TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

10. Investments

	Investments in subsidiary company £000
Cost or valuation	
At 1 January 2019	29,748
At 31 December 2019	29,748
Impairment	
At 1 January 2019	29,748
At 31 December 2019	29,748
Net book value	
At 31 December 2019	-
At 31 December 2018	-

11. Debtors

	2019 £000	2018 £000
Amounts owed by group undertakings	5,562	9,962
Other debtors	22	-
Prepayments	41	68
	<u>5,625</u>	<u>10,030</u>

All amounts owed by group companies are interest free, unsecured and repayable on demand.

12. Cash and cash equivalents

	2019 £000	2018 £000
Cash at bank and in hand	-	15
	<u>-</u>	<u>15</u>

ALTERIAN TECHNOLOGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

13. Creditors: Amounts falling due within one year

	2019	<i>2018</i>
	£000	<i>£000</i>
Trade creditors	82	<i>21</i>
Amounts owed to group undertakings	17,053	<i>18,290</i>
Other taxation and social security	42	<i>38</i>
Other creditors	-	<i>12</i>
Accruals	249	<i>323</i>
	17,426	<i>18,684</i>

All amounts owed to group undertakings are interest free, unsecured and repayable on demand.

14. Deferred taxation

	2019	<i>2018</i>
	£000	<i>£000</i>
At beginning of year	83	<i>83</i>
Utilised in year	(11)	
At end of year	72	<i>83</i>

The deferred tax balance is made up as follows:

	2019	<i>2018</i>
	£000	<i>£000</i>
Accelerated capital allowances	63	<i>81</i>
Other short term timing differences	9	<i>2</i>
	72	<i>83</i>
Comprising:		
Liability	72	<i>83</i>
	72	<i>83</i>

As at 31 December 2019 the company had unrecognised tax losses carried forward of £32,849,108 (2018: £32,849,108).

No deferred tax is recognised in relation to these losses as the company does not have sufficient evidence to support an expectation that taxable profits will be generated in the foreseeable future.

ALTERIAN TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

15. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
21,010,073 (2018: 21,010,073) Ordinary shares of £0.01 each	210,101	210,101
21,700,001 (2018: 21,700,001) 6% Redeemable Preference shares of £1.00 each	21,700,001	21,700,001
	<u>21,910,102</u>	<u>21,910,102</u>

The preference shares carry a non-cumulative dividend of 6% per annum on par value and are redeemable only at the company's option. Dividends on these preference shares are payable at the company's discretion and no dividends have been declared in either year presented.

16. Reserves

Share premium account

The share premium reserve represents cumulative amounts paid in excess of the issued share capital above par.

Capital contribution reserve

The Company received a capital contribution of £10,000 during the year.

Profit and loss account

The profit and loss account represents profits and losses.

17. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £75,267 (2018: £75,145). Contributions totalling £12,644 (2018: £11,509) were payable to the fund at the balance sheet date and are included in creditors.

18. Post balance sheet events

In early 2020, the existence of a new coronavirus (COVID-19) was confirmed which has since spread across a significant number of countries, leading to disruption to businesses and economic activity which has been reflected in recent fluctuations in global stock markets. The Company considers the emergence and spread of COVID-19 to be a non-adjusting post balance sheet event. Given the inherent uncertainties, it is not practicable at this time to determine the exact impact of COVID-19 on the Company or to provide a quantitative estimate of the impact. The Company receives support from the SDL Group which continues to operate as a going concern as disclosed under 'going concern' in the Directors' report.

ALTERIAN TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

19. Controlling party

The Company is a subsidiary undertaking of Alterian Holdings Ltd. The ultimate controlling party is SDL Plc.

The largest group in which the results of the Company are consolidated is that headed by SDL Plc, incorporated in England, registered at New Globe House, Vanwall Business Park, Maidenhead, Berkshire, SL6 4UB. The consolidated financial statements of the group are available to the public and may be obtained from New Globe House, Vanwall Business Park, Vanwall Road, Maidenhead, Berkshire, SL6 4UB.

20. Subsidiary undertakings

The subsidiary undertakings as at 31 December 2019 are shown below. The subsidiary undertakings prepare accounts to 31 December unless stated otherwise below:

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Holding
Directly held			
SDL (Newbury) Ltd	New Globe House, Vanwall Business Park, Vanwall Road, Maidenhead, SL6 4UB England	Holding company	100%
Indirectly held			
SDL Technologies India Private Limited (Year ended 31 March)	Building 4 , Block A, 7th Floor, 77 Town Centre Yemalur Main Road, Off Old Airport Road, Bangalore 560 037 India	Technology	100%