

**Sage Holdings Limited**  
**Annual report and financial statements**  
**for the year ended 30 September 2014**

**Registered number: 03610110**

THURSDAY



\*A4230Y00\*

A05

26/02/2015

#173

COMPANIES HOUSE

Sage Holdings Limited

Annual report and financial statements

for the year ended 30 September 2014

Contents	Page
Strategic report for the year ended 30 September 2014.....	1
Directors' report for the year ended 30 September 2014.....	2
Independent auditors' report to the members of Sage Holdings Limited .....	4
Profit and loss account for the year ended 30 September 2014 .....	6
Balance sheet as at 30 September 2014.....	7
Statement of accounting policies .....	8
Notes to the financial statements for the year ended 30 September 2014 .....	9

# Sage Holdings Limited

## Strategic report for the year ended 30 September 2014

The directors present their strategic report on Sage Holdings Limited for the year ended 30 September 2014.

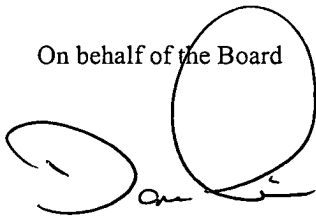
### Review of the business

The results for the year are set out in the profit and loss account on page 6. During the year £246,758,000 was paid as a dividend (2013: £727,650,000). The Company will continue to hold investments in other group companies and anticipates no major changes in the operating environment.

### Principal risks and uncertainties

The directors believe there to be no risks and uncertainties facing the company.

On behalf of the Board

A handwritten signature in black ink, appearing to be 'D M Fisher', is written over a large, empty circular stamp.

D M Fisher

Director

14 January 2015

# **Sage Holdings Limited**

## **Directors' report for the year ended 30 September 2014**

The directors present their report and the audited financial statements of Sage Holdings Limited ("the Company") for year ended 30 September 2014.

### **Principal activities**

The principal activity of the Company continued to be that of a holding company.

### **Directors**

The directors who held office during the year and up to the date of signing of the financial statements are set out below:

D M Fisher

M J Robinson

### **Indemnity provisions**

The ultimate parent company, The Sage Group plc, maintained liability insurance for its directors and officers during the financial year and up to the date of approval of these financial statements. The Sage Group plc has provided an indemnity for its directors and the company secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

### **Going concern**

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of The Sage Group plc. The directors have received confirmation that The Sage Group plc intends to support the company for at least one year after the date on which these financial statements are signed.

### **Statement of 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 prepared 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.

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.

# Sage Holdings Limited

## Directors' report for the year ended 30 September 2014 (continued)

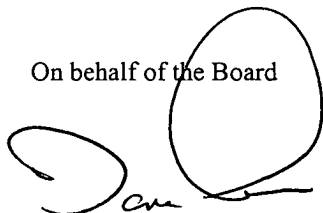
### Disclosure of information to auditors

Each person who is a director at the date of approval of this report confirms that:

- (1) so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (2) the directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

On behalf of the Board

A handwritten signature in black ink, appearing to be 'D M Fisher', written over a large, empty oval shape.

D M Fisher  
Director  
14 January 2015

# **Sage Holdings Limited**

## **Independent auditors' report to the members of Sage Holdings Limited**

### **Our opinion**

In our opinion, Sage Holdings Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 September 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.

### **What we have audited**

The financial statements comprise:

- the balance sheet as at 30 September 2014;
- the profit and loss account for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Other matters on which we are required to report by exception**

#### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

#### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

# Sage Holdings Limited

## Independent auditors' report to the members of Sage Holdings Limited (continued)

### Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### What an audit of financial statements involves

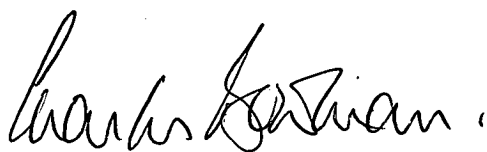
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) (ISAs (UK & Ireland)). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and financial statements 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.



Charles Bowman (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Newcastle upon Tyne  
14 January 2015

# Sage Holdings Limited

## Profit and loss account for the year ended 30 September 2014

		2014	2013
	Note	£'000	£'000
Income from shares in group undertakings	1	246,758	86,203
<b>Operating profit</b>		<b>246,758</b>	<b>86,203</b>
Interest receivable and similar income	2	189	19,639
Interest payable and similar charges	3	(1,249)	(1,415)
<b>Profit on ordinary activities before taxation</b>	4	<b>245,698</b>	<b>104,427</b>
Tax on profit on ordinary activities	5	-	-
<b>Profit for the financial year</b>	12	<b>245,698</b>	<b>104,427</b>

All results refer entirely to continuing operations.

### Recognised gains and losses

The Company has no recognised gains or losses, as defined in FRS 3 "Reporting financial performance", which are not included in the above profit and loss account.

### Historical cost profits

There is no material difference between the reported profits and the historical cost profits for 2014 and 2013.

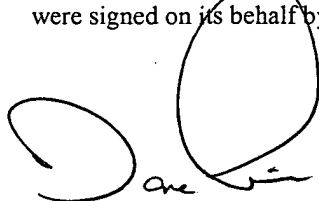


# Sage Holdings Limited

## Balance sheet as at 30 September 2014

	Note	2014 £'000	2013 £'000
<b>Fixed assets</b>			
Investments	6	581,586	581,586
<b>Current assets</b>			
Debtors	7	9,008	9,008
Cash at bank and in hand		1	1
<b>Total current assets</b>		<b>9,009</b>	<b>9,009</b>
<b>Creditors: amounts falling due within one year</b>	8	<b>(440)</b>	<b>(438)</b>
<b>Net current assets</b>		<b>8,569</b>	<b>8,571</b>
<b>Total assets less current liabilities</b>		<b>590,155</b>	<b>590,157</b>
<b>Creditors: amounts falling due after more than one year</b>	8	<b>-</b>	<b>(196,528)</b>
<b>Net assets</b>		<b>590,155</b>	<b>393,629</b>
<b>Capital and reserves</b>			
Called up share capital	9	158,075	6
Share premium account	10	39,517	-
Other reserves	11	22,438	22,438
Profit and loss account	12	370,125	371,185
<b>Total shareholders' funds</b>	13	<b>590,155</b>	<b>393,629</b>

The financial statements on pages 6 to 14 were approved by the board of directors on 14 January 2015 and were signed on its behalf by:



D M Fisher  
Director

# **Sage Holdings Limited**

## **Accounting policies**

### **Accounting convention**

These financial statements are prepared on the going concern basis, under the historical costs convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies applied consistently, are set out below.

### **Cash flow statement**

The Company is a wholly owned subsidiary of The Sage Group plc and is included in the consolidated financial statements of The Sage Group plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1, (revised 1996) "Cash flow statements".

### **Foreign currency**

Monetary assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currency are converted to sterling at the rate ruling at the date of the transaction. All differences on exchange are taken to the profit and loss account.

### **Fixed asset investments**

Fixed asset investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

### **Consolidated financial statements**

The Company is a wholly owned subsidiary of The Sage Group plc and is included in the consolidated financial statements of The Sage Group plc which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006. The Sage Group plc, together with its subsidiaries constitutes the "Group".

### **Joint arrangements**

The Company owns 99.9% of Sage Software North America which is accounted for as a joint arrangement. Under this accounting policy the Company accounts for their share of the assets, liabilities and results of the joint arrangement.

# Sage Holdings Limited

## Notes to the financial statements for the year ended 30 September 2014

### 1 Income from shares in group undertakings

Income from shares in group undertakings comprises 99.9% share of the results of Sage Software North America.

### 2 Interest receivable and similar income

	2014	2013
	£'000	£'000
Interest receivable on loans to group undertakings	-	15,597
Foreign exchange gains	189	4,042
<b>Total interest receivable and similar income</b>	<b>189</b>	<b>19,639</b>

### 3 Interest payable and similar charges

	2014	2013
	£'000	£'000
Interest on loans from group undertakings	1,249	1,415

### 4 Profit on ordinary activities before taxation

Auditors' remuneration is borne by the ultimate parent company, The Sage Group plc, in both the current and prior year.

The directors did not receive any emoluments during the year in respect of their services to the Company (2013: £nil). No other persons were employed during the year (2013: none).

# Sage Holdings Limited

## Notes to the financial statements for the year ended 30 September 2014 (continued)

### 5 Tax on profit on ordinary activities

#### (a) Analysis of charge in the year

There was no tax charge in the current and prior year.

#### (b) Factors affecting tax charge for the year

The tax assessed for the year is lower (2013: lower) than the standard rate of corporation tax in the UK 22% (2013: 23.5%). The differences are explained below.

	2014 £'000	2013 £'000
<b>Profit on ordinary activities before taxation</b>	<b>245,698</b>	<b>104,427</b>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 22% (2013: 23.5%)	<b>54,054</b>	<b>24,540</b>
Effects of:		
Group relief utilised not paid	<b>233</b>	<b>(4,283)</b>
Non-taxable dividend income	<b>(54,287)</b>	<b>(20,257)</b>
<b>Total current tax charge</b>	<b>-</b>	<b>-</b>

No deferred tax has been recognised (2013: £nil).

#### (c) Factors that may affect future tax charges

The main rate of Corporation Tax in the UK changed from 23% to 21% from 1 April 2014 and will change to 20% from 1 April 2015. Accordingly the companies' results for this accounting year are taxed at an effective rate of 22% and should be taxed at 20.5% in the following year.

There are no other factors expected to materially affect future tax charges.

# Sage Holdings Limited

## Notes to the financial statements for the year ended 30 September 2014 (continued)

### 6 Fixed asset investments

	2014	2013
	£'000	£'000
Cost and net book value	581,586	581,586

The Company has the following interests at 30 September 2014:

Company	% ownership of ordinary shares	Country of Incorporation	Principal Activity
<b>Investment via joint arrangement:</b>			
Sage Software Holdings Inc	99.9	USA	Holding company

The investment in Sage Software North America, at a value of £581,586,000, is held by the company indirectly as a result of the company's direct investment in Sage Software Holdings Inc. The investment is included within the financial statements of the company as a result of the company accounting for its share of Sage Software North America.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

### 7 Debtors

	2014	2013
	£'000	£'000
Amounts owed by group undertakings	9,008	9,008

Amounts owed by group undertakings are unsecured, interest free and are repayable on demand.

# Sage Holdings Limited

## Notes to the financial statements for the year ended 30 September 2014 (continued)

### 8 Creditors

	2014 £'000	2013 £'000
<b>Creditors: amounts falling due within one year</b>		
Share of partnership liabilities	440	438
<b>Creditors: amounts falling due after more than one year</b>		
Amounts owed to group undertakings	-	196,528
	440	196,966

### 9 Called up share capital

	2014 £'000	2013 £'000
<b>Allotted and fully paid</b>		
158,069,212 ordinary shares of £1 each (2013: nil)	158,069	-
615,392,267 ordinary shares of 0.001p (2013: 615,392,267)	6	6
	158,075	6

#### Reconciliation of share capital

	£'000
At 1 October 2013	6
158,069,212 ordinary shares of £1 each, issued during the year	158,069
<b>At 30 September 2014</b>	<b>158,075</b>

# Sage Holdings Limited

## Notes to the financial statements for the year ended 30 September 2014 (continued)

### 10 Share premium account

	£'000
At 1 October 2013	-
158,069,212 ordinary shares of £1 each issued at a premium of 25p per share	39,517
<b>At 30 September 2014</b>	<b>39,517</b>

### 11 Other reserves

	£'000
At 1 October 2013 and 30 September 2014	22,438

### 12 Profit and loss account

	£'000
At 1 October 2013	371,185
Profit for the financial year	245,698
Dividends paid (note 16)	(246,758)
<b>At 30 September 2014</b>	<b>370,125</b>

### 13 Reconciliation of movements in shareholders' funds

	2014 £'000	2013 £'000
Profit for the financial year	245,698	104,427
Shares issued during the period	158,069	-
Premium on shares issued during the period	39,517	-
Dividends paid (note 16)	(246,758)	(727,650)
Opening shareholders' funds	393,629	1,016,852
<b>Closing shareholders' funds</b>	<b>590,155</b>	<b>393,629</b>

# Sage Holdings Limited

## Notes to the financial statements for the year ended 30 September 2014 (continued)

### 14 Parent undertaking and controlling party

The Company's immediate parent undertaking is Sage Whitley Limited. The ultimate parent undertaking and controlling party is The Sage Group plc, a company registered in England. The Sage Group plc is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 30 September 2014. Copies of the group financial statements can be obtained from the registered office at North Park, Newcastle upon Tyne, NE13 9AA.

### 15 Related party transactions

As the Company is a wholly owned subsidiary of The Sage Group plc, the Company has taken advantage of the exemption pursuant to paragraph 3(c) of FRS 8, "Related party disclosures", not to include details of transactions with other companies which are subsidiaries of The Sage Group plc. The financial statements of The Sage Group plc are publicly available. There are no other related party transactions.

### 16 Dividends

During the year the following dividend was paid:

	2014	2013
	£'000	£'000
Final paid (£1.561 per share, 2013: £1.182 per share)	246,758	727,650