

Registration number 03610110

**Sage Holdings Limited**  
**Report and Financial Statements**  
**Year ended 30 September 2019**

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## Contents

Strategic report	3
Directors' report	5
Statement of Directors' responsibilities	7
Independent auditor's report to the shareholders of Sage Holdings Limited	8
Income statement and other comprehensive income	11
Balance sheet	12
Statement of changes in equity	13
Notes	14

## **Strategic report**

The Directors present their Strategic Report on Sage Holdings Limited ("the Company") for the year ended 30 September 2019. The Directors of The Sage Group plc, the ultimate parent company, set the strategy for the whole group ("the Group"). This is set out within the Group's Annual Report, which does not form part of this report.

### **Principal activity and business review**

The principal activity of the Company is that of a holding company. The Company has not traded during the year or prior year and the only amounts included in the income statement relate to the Company's activity as a holding company.

### **Principal risks and uncertainties**

The Global Risk Management Framework has been built to identify, evaluate, analyse, manage and mitigate those risks which threaten the successful achievement of our business strategy and objectives, within tolerable appetites. Risks are owned and managed at a Global level and are formally reviewed on a quarterly basis.

Risk is inherent within our business activities, and the Group as a whole continues to prioritise and develop its risk management capability in recognition of this. Timely identification of risks, combined with their appropriate management and escalation, enables the Group to successfully run each business and deliver strategic change, whilst ensuring that the likelihood and/or impact associated with such risks is understood and managed within our defined risk appetite.

Currently there are ten principal risks which are monitored and reported against at a Global level.

- Understanding Customer Needs
- Product Strategy
- Innovation
- Route to Market
- Customer Success
- Third Party Reliance
- Sustainable Processes and Controls
- Colleague Success
- Values and Behaviours
- Information as an Asset

The detail on the background and management and mitigation process can be seen in detail in the Group's Annual Report and Accounts.

### **Investment risk**

The Company acts as a holding company of investments. The main risk facing the Company is a deterioration in the recoverable amount of its investments in subsidiary undertakings, which reflects their underlying performance and future prospects. The Directors assess the recoverable amounts of investments annually or when indicators of impairment exist, by performing an impairment test annually, comparing for each investment the recoverable amount with its carrying value. Only if there is an impairment loss is the carrying value reduced to the recoverable amount.

**Strategic report** *(Continued)*

Upon performing an impairment review of the Company's investments, the Directors have determined that the investments recoverable amount exceeds its carrying value as at 30 September 2019.

**Key performance indicators**

The directors of The Sage Group plc manage and measure the Group's operations on a regional and segmental basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the Company's business. The key performance indicators used by the directors of The Sage Group plc to manage and measure the performance of the Group are discussed within the Group's annual report.

**Future developments**

It is the intention of the Directors that the company will continue to act as a holding and investment company for the foreseeable future.

Signed on behalf of the directors



J McDonough  
Director

Approved by the directors on 12 December 2019.

## **Directors' report**

The directors present their report and the audited financial statements of Sage Holdings Limited ("the Company") for the year ended 30 September 2019.

### **Principal activity**

The principal activity of the Company throughout the year has been that of an intermediate holding company within The Sage Group plc group of companies ("the Group") and will remain as such for the foreseeable future.

### **Results and dividends**

The profit for the year amounted to £201,784,000 (2018: £21,006,000) and is reflective of the activity during the year. During the year dividends of £201,973,000 were declared and paid (2018 £21,129,000)

### **Directors**

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

J-H F Liepe (resigned 4 April 2019)

A M R Parker

J McDonough (appointed 4 April 2019)

C M Vaughan (resigned on 31 December 2018)

### **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 also 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**

After making enquiries, the Directors have formed a judgement at the time of approving the financial statements that the Company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

### **Auditor**

The Group Audit Committee recommended to the Board that Ernst & Young LLP be appointed as auditors for the financial year ending 30 September 2020. Accordingly, a resolution will be proposed to the shareholders at The Sage Group plc AGM in February 2020.

**Directors' report** (*continued*)


**Disclosure of information to auditors**

Each of the persons 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



J McDonough  
Director

12 December 2019

## **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 prepared the financial statements in accordance with UK Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice), including FRS 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 for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAGE HOLDINGS LIMITED**

### **Opinion**

We have audited the financial statements of Sage Holdings Limited for the year ended 30 September 2019 which comprise the Income statement and other comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes 1 to 11, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 September 2019 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The other information comprises the information included in the annual report set out on pages 3 to 6, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.



Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

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

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Ernst & Young LLP*

Mark Morritt (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Leeds  
13 December 2019

## Income statement and other comprehensive income

	Note	2019 £'000	2018 £'000
Income from participating interests	3	201,973	21,129
<b>Operating profit</b>	4	<b>201,973</b>	21,129
Finance cost	5	(189)	(123)
<b>Profit before income tax</b>		<b>201,784</b>	21,006
Income tax expense	6	-	-
<b>Profit for the year</b>		<b>201,784</b>	21,006
<b>Total comprehensive income</b>		<b>201,784</b>	21,006

All of the activities of the Company are classified as continuing.

The notes on pages 14 to 22 form part of these financial statements.

## Balance sheet

	Note	2019 £'000	2018 £'000
<b>Non-current assets</b>			
Investments	7	602,066	602,066
		<b>602,066</b>	602,066
<b>Current assets</b>			
Trade and other receivables	8	9,005	9,005
Cash and cash equivalents		23	23
		<b>9,028</b>	9,028
<b>Total assets</b>		<b>611,094</b>	611,094
<b>Current liabilities</b>			
Trade and other payables	9	(2,336)	(2,147)
<b>Total liabilities</b>		<b>(2,336)</b>	(2,147)
<b>Net assets</b>		<b>608,758</b>	608,947
<b>Equity attributable to owners of the parent</b>			
Ordinary shares	10	158,075	158,075
Share premium		39,517	39,517
Other reserves		22,438	22,438
Retained earnings		388,728	388,917
<b>Total equity</b>		<b>608,758</b>	608,947

These accounts were approved by the directors and authorised for issue on 12 December 2019, and are signed on their behalf by:



J McDonough  
Director

Company registration number: 03610110

The notes on pages 14 to 22 form part of these financial statements.

## Statement of changes in equity

	Ordinary shares £'000	Share premium £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
Balance at 1 October 2017	158,075	39,517	22,438	389,040	609,070
Profit for the year	-	-	-	21,006	21,006
Total comprehensive income for the year ended 30 September 2018	-	-	-	21,006	21,006
Dividends paid	-	-	-	(21,129)	(21,129)
Balance at 30 September 2018	158,075	39,517	22,438	388,917	608,947
Balance at 1 October 2018	158,075	39,517	22,438	388,917	608,947
Profit for the year	-	-	-	201,784	201,784
Total comprehensive income for the year ended 30 September 2019	-	-	-	201,784	201,784
Dividends paid	-	-	-	(201,973)	(201,973)
Balance at 30 September 2019	158,075	39,517	22,438	388,728	608,758

The notes on pages 14 to 22 form part of these financial statements.

## Notes

### 1. Accounting policies

Sage Holdings Limited (the "Company") is a company incorporated and domiciled in England, it is a private company limited by shares and the Company's registered address is North Park, Newcastle upon Tyne, NE13 9AA.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and the UK Companies Act 2006.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, The Sage Group plc, includes the Company in its consolidated financial statements. The consolidated financial statements of The Sage Group plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the address given in note 11.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes, as required by IAS 7 *Statement of cash flows*;
- Comparative period reconciliations as required by paragraph 38 of IAS 1 *Presentation of financial statements* for share capital (paragraph 79(a)(iv) of IAS 1 *Presentation of financial statements*);
- Disclosures in respect of transactions with wholly owned subsidiaries, as required by IAS 24 *Related party disclosures*;
- Disclosures in respect of capital management, as required by paragraphs 134 to 136 of IAS 1 *Presentation of financial statements*;
- The effects of new but not yet effective IFRSs, as required by paragraphs 30 and 31 of IAS 8 *Accounting policies, changes in accounting estimates and errors*;
- Disclosures in respect of the compensation of Key Management Personnel, as required by paragraph 17 of IAS 24 *Related party disclosures*; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company, as required by paragraph 17 of IAS 24 *Related party disclosures*.

## **Notes (continued)**

### **1. Accounting policies (continued)**

As the consolidated financial statements of The Sage Group plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by paragraphs 91 to 99 of IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

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

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis. Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ("the functional currency"). The financial statements are presented in Great British Pounds, which is the company's functional and presentation currency and is denoted by the symbol "£".

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The financial statements are prepared on a going concern basis. After making enquiries, the Directors have formed a judgement at the time of approving the financial statements that the Company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

#### **Foreign currencies**

Monetary assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are converted into sterling at the rate prevailing at the dates of the transactions. All differences on exchange are taken to the income statement.

#### **Finance income and costs**

Finance income and costs are recognised using the effective interest method. Finance costs are recognised in the income statement simultaneously with the recognition of an increase in a liability or the reduction in an asset.

## **Notes (continued)**

### **1. Accounting policies (continued)**

#### **Income tax expense**

The taxation expense for the year represents the sum of current tax payable and deferred tax. The expense is recognised in the income statement and statement of comprehensive income according to the accounting treatment of the related transaction.

Current tax payable or receivable is based on the taxable income for the period and any adjustment in respect of prior periods. Current tax is measured at the amount expected to be recovered from or paid to the taxation authorities, calculated using tax rates that have been enacted at the end of the reporting period.

The Company and its fellow group undertakings are able to relieve their tax losses by surrendering them to other group companies, within the UK corporation tax group, where capacity to utilise these losses exists.

#### **Investments**

Fixed asset investments are stated at cost less provision for any diminution in value. Any impairment is charged to the profit and loss account as it arises.

#### **Trade and other receivables**

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for expected credit losses.

The Company has accounted for its trade receivables in accordance with IFRS 9 for the first time in the year ended 30 September 2019. No adjustments were required upon transition. Information relating to the year ended 30 September 2018 is presented in accordance with the Group's previous accounting policies under IAS 39. Under IAS 39, a provision for impairment of trade receivables was established when there was objective evidence that the Group would not be able to collect all amounts due according to the original terms of the receivables.

The carrying amounts of trade receivables are reduced by allowances for expected credit losses using the simplified approach under IFRS 9. The Company uses a matrix approach to determine the allowance. The default rates applied are based on the ageing of the receivable, past experience of credit losses and forward looking information. An allowance for a receivable's estimated lifetime expected credit losses is first recorded when the receivable is initially recognised, and subsequently adjusted to reflect changes in credit risk until the balance is collected. In the event that management considers that a receivable cannot be collected, the balance is written off.

#### **Trade and other payables**

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### **Cash and cash equivalents**

Cash and cash equivalents include cash at bank and in hand and short-term deposits with an original maturity period of three months or less. Bank overdrafts that are an integral part of the Company's cash management are included in cash and cash equivalents where they have a legal right of set-off and there is an intention to settle net, against positive cash balances, otherwise bank overdrafts are classified as borrowings.



## **Notes (continued)**

### **1. Accounting policies (continued)**

#### **Financial instruments**

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised (i.e., removed from the Company's balance sheet) when the rights to receive cash flows from the asset have expired; or when the Company has transferred those rights and either has also transferred substantially all the risks and rewards of the asset or has neither transferred nor retained substantially all the risks and rewards of the asset but no longer has control of the asset.

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

#### **Equity**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### **Joint arrangements**

The Company jointly controls, by virtue of its partnership holding, Sage Software North America which is accounted for as a joint venture. The Company accounts for their share of the joint arrangement within its investments under the amortised cost method.

The nature of the Company's joint venture is that of an intermediary holding company.

### **2. Accounting estimates and judgements**

The preparation of financial statements requires the use of accounting estimates and assumptions by management. It also requires management to exercise its judgement in the process of applying the accounting policies. We continually evaluate our estimates, assumptions and judgements based on available information. The areas involving a higher degree of judgement or complexity are described below.

#### *Recoverability of investments*

Determining whether investments are impaired required an estimate of the value-in-use or assessment of the assets and liabilities in the investment group. Where an estimate of the value-in-use is used, the key assumptions applied in the calculation relate to the future performance expectations of the business – average medium-term revenue growth, long term operating margin and long-term growth rate – as well as the discount rate to be applied in the calculation.

The carrying value of investments at 30 September 2019 was £602,066,000 (2018: £602,066,000) and no impairment loss has been recognised (2018: £nil).

#### *Recoverability of amounts owed by group undertakings*

Determining whether amounts owed by group undertakings are recoverable requires a determination of whether the other party is able to repay. This is performed by assessing the assets and liabilities of the other party.

The carrying value of amounts owed by group undertakings at 30 September 2019 was £9,005,000 (2018: £9,005,000) and no impairment loss has been recognised (2018: £nil).

**Notes (continued)**

**3. Income from participating interest**

	2019	2018
	£'000	£'000
Income from partnership interest	201,973	21,129

**4. Operating Profit**

Auditor's 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 (2018: £nil). No other persons were employed by the Company during the year (2018: none).

**5. Finance costs**

	2019	2018
	£'000	£'000
Interest payable to group undertakings	82	78
Foreign exchange losses	107	45
	189	123

**6. Income tax expense**

	2019	2018
	£'000	£'000
Current tax expense	-	-
Total income tax expense recognised	-	-

## Notes (continued)

### 6. Income tax expense (continued)

#### Reconciliation of effective tax rate

The tax charge for the year is lower (2018: lower) than the standard rate of corporation tax in the UK of 19.0% (2018: 19.0%). The differences are explained below:

	2019 £'000	2018 £'000
Profit before income tax	201,784	21,006
Tax calculated at UK standard rate of corporation tax of 19.0% (2018: 19.0%)	38,339	3,991
Non-taxable dividend income	(38,375)	(4,015)
Imputed interest	38	30
Group relief utilised not paid	(2)	(6)
Total income tax expense recognised	-	-

### 7. Investments

	£'000
<b>Cost and net book value</b>	
<b>At 1 October 2018 and 30 September 2019</b>	<b>602,066</b>
	£'000
<b>Cost and net book value</b>	
<b>At 1 October 2017 and 30 September 2018</b>	<b>602,066</b>

Investments represent the Company's direct partnership interest in Sage Software North America.

No impairment is noted from the annual impairment review of US cash-generating units. The directors believe that the carrying value of the investments is supported by their underlying value in use. In assessing the existing value in use management have used a discount rate of 9.00% (2018: 8.90%-10.50%). Cash flows have been projected using management's most recent business forecast over the next three years. Beyond the three years the cash flows are extrapolated using an estimated long-term growth rate.

## Notes (continued)

### 7. Investments (continued)

The following table lists the Company's subsidiary undertakings. All subsidiaries are held through an intermediate company except for the second company listed in the table.

	Country of incorporation	Class of shares held	Ownership	
			2019	2018
Sage Intacct UK Limited <sup>1</sup>	United Kingdom	Ordinary	100%	-
Sage Software North America <sup>2</sup>	USA	Ordinary	99.9%	99.9%
Sage Software Holdings Inc. <sup>2</sup>	USA	Ordinary	100%	100%
Sage Software, Inc. <sup>2</sup>	USA	Ordinary	100%	100%
Sage Software International, Inc. <sup>2</sup>	USA	Ordinary	100%	100%
Sage Tempus, Inc. <sup>2</sup>	USA	Ordinary	100%	-
PAI Services LLC <sup>3</sup>	USA	Ordinary	-	100%
Sage Software Canada Ltd. <sup>4</sup>	Canada	Ordinary	100%	100%
Best Software (Germany) GmbH <sup>5</sup>	Germany	Ordinary	100%	100%
Sage Intacct Inc <sup>6</sup>	USA	Ordinary	100%	100%
Sage Budgeta, Inc. <sup>6</sup>	USA	Ordinary	100%	100%
South Acquisition Corp. <sup>6</sup>	USA	Ordinary	100%	100%
Intacct Software Pvt Limited <sup>7</sup>	India	Ordinary	100%	100%
Intacct Development Romania SRL <sup>8</sup>	Romania	Ordinary	100%	100%
Budgeta Technologies Ltd <sup>9</sup>	Israel	Ordinary	100%	100%
Sage Intacct Australia Pty Limited <sup>10</sup>	Australia	Ordinary	100%	-

The Company also indirectly holds a membership interest in Sage US LLP, a Limited Liability Partnership, registered in the United Kingdom<sup>1</sup>.

<sup>1</sup> Subsidiary registered address is North Park, Newcastle upon Tyne, NE13 9AA, United Kingdom

<sup>2</sup> Subsidiary registered address is 271 17th Street NW, Suite 1100, Atlanta, Georgia 30363, USA

<sup>3</sup> Subsidiary registered address is 305 Fellowship Road, Suite 300, Mt. Laurel, New Jersey 08054, USA

<sup>4</sup> Subsidiary registered address is 111, 5<sup>th</sup> Avenue SW, Suite 3100-C, Calgary, AB, T2P 5L3, Canada

<sup>5</sup> Subsidiary registered address is Franklinstraße 61-63, 60486, Frankfurt am Main, Germany

<sup>6</sup> Subsidiary registered address is 300 Park Avenue, Suite 1400, San Jose, CA 95110, USA

<sup>7</sup> Subsidiary registered address is 3<sup>rd</sup> Floor, Esteem Arcade 26/1, Race course Road, Bangalore 560001, India

<sup>8</sup> Subsidiary registered address is 21 Decembrie 1989 Blvd, no77 The office building, C section, 1<sup>st</sup> floor 400604 Cluj-Napoca, Romania

<sup>9</sup> Subsidiary registered address is Derech Menachem Begin 144, Tel Aviv-Yafo, 6492102, Israel

<sup>10</sup> Subsidiary registered address is Level 11, The Zenith Tower B, 821 Pacific Hwy, Chatswood, 2067, Australia

**Notes (continued)**

**8. Trade and other receivables**

	<b>2019</b>	2018
	<b>£'000</b>	£'000
<b>Current</b>		
Amounts owed by group undertakings	<b>9,005</b>	9,005

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

**9. Trade and other payables**

	<b>2019</b>	2018
	<b>£'000</b>	£'000
<b>Current</b>		
Amounts owed to group undertakings	<b>2,336</b>	2,147

Amounts owed to group undertakings are unsecured, carry an interest charge of 5.19% (2018: 5.19%) per annum and are repayable on demand.

**10. Equity**

		<b>2019</b>		2018
	shares	<b>£'000</b>	shares	£'000
<b>Authorised, Issued and fully paid</b>				
Ordinary shares of £1 each	<b>158,069,212</b>	<b>158,069</b>	158,069,212	158,069
Ordinary shares of £0.00001 each	<b>615,392,267</b>	<b>6</b>	615,392,267	6
		<b>158,075</b>		158,075

Dividends declared and paid during the year totalled 26.1p per share (2018: 2.7p per share).

Retained earnings represent cumulative comprehensive income less dividends paid.

Share premium account represents the premium paid over par value for shares issued.

Other reserves represent non-distributable reserves accumulated following the issue and redemption of convertible loan notes in September 2008.

**Notes** *(continued)*

**11. Immediate and ultimate parent company**

The Company's immediate parent undertaking is Sage Whitley Limited, a company registered in England.

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