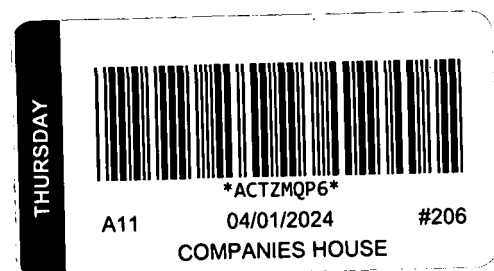


Registered number: 03610110

SAGE HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023



SAGE HOLDINGS LIMITED

CONTENTS

	Page
Strategic Report	1 - 3
Directors' Report	4 - 5
Directors' Responsibilities Statement	6
Independent Auditor's Report	7 - 9
Statement of Comprehensive Income	10
Balance Sheet	11
Statement of Changes in Equity	12
Notes to the Financial Statements	13 - 22

SAGE HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2023

Introduction

The Directors of Sage Holdings Limited (the "Directors") present their Strategic Report on Sage Holdings Limited (the "Company") for the year ended 30 September 2023. The Directors of The Sage Group plc, the ultimate parent company, set the strategy for the whole Sage group of companies ("Sage" or the "Group"). This is set out within The Sage Group plc's Annual Report and Accounts for the year ended 30 September 2023 (the "Plc Annual Report and Accounts"), 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 twelve principal risks which are monitored and reported against at a Global level.

- Understanding Customer Needs
- Execution of Product Strategy
- Developing and Exploiting New Business Models
- Route to Market
- Customer Experience
- Third Party Reliance
- People and Performance
- Culture
- Cyber Security & Data Privacy
- Data Strategy
- Readiness to Scale
- Environmental, Social & Governance

The background, management and mitigation process are disclosed in the Plc 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.

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 2023.

SAGE HOLDINGS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

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 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 Plc Annual Report and Accounts.

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.

Section 172(1) Statement

As per Section 172(1) of the Companies Act 2006 ("Section 172(1)"), a director of a company must act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a. the likely consequences of any decision in the long term;
- b. the interests of the company's employees;
- c. the need to foster the company's business relationships with suppliers, customers and others;
- d. the impact of the company's operations on the community and the environment;
- e. the desirability of the company maintaining a reputation for high standards of business conduct; and
- f. the need to act fairly as between members of the company.

This statement describes how the Directors have had regard to the matters set out above when performing their duty to promote the success of the Company for the benefit of its members as a whole, having regard to the interests of its stakeholders and the wider society.

The Directors are responsible for monitoring and upholding the culture, values, standards, ethics and reputation of the Company to ensure that their obligations to the Company's stakeholders, including its shareholder, are met. The Company follows Sage's policies and procedures, including those relating to standards of business conduct, colleagues, society and other stakeholders. However, in considering items of business, the Company makes autonomous decisions based on each transaction's own merits, after due consideration of the long-term sustainable success of the Company, Section 172(1) factors where relevant, and the stakeholders impacted. Board meetings are held as and when required to discuss matters of business.

In the year ended 30 September 2023 the Directors approved, amongst other decisions, the acquisition of the entire issued share capital of Sage Hibernia Limited. The decision was made after a thorough assessment of the terms and implications of the acquisition to ascertain that it would promote the Company's long-term success and was in the best interests of its stakeholders. The acquisition adds value to the Company, provides strategic advantages, and offers growth opportunities, which, in turn, benefits the Company and all its stakeholders.

The Board approved the appointment of a new member of the Board in strict compliance with the legal duties imposed by the Companies Act 2006. The appointment was predicated on the new appointee's qualifications and the potential contributions they could make to the Company's long-term success. The Board ensured that the appointment was in the best interests of the Company and its stakeholders and also strengthens the expertise of the Company's leadership and enriches its diversity.

As is typical for a company which is part of a large, listed group, the Directors fulfil their duties partly through a governance framework determined at Group level that delegates day-to-day decision-making to Sage's management. Such delegation forms part of Sage's robust governance structure which encompasses the principles of Section 172(1) so that they ultimately become embedded within the business and everything Sage does as a Group.

SAGE HOLDINGS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

Section 172(1) Statement (continued)

The Directors recognise that Sage, including the Company, has a wide range of stakeholders and balancing their respective needs and expectations is important. The decision-making process is structured to enable Directors to evaluate the merit of proposed business activities in view of competing priorities and the likely consequences of decisions on our stakeholders over the short, medium and longer term. The Directors are committed to effective engagement with all stakeholders of the Company and acknowledge that, as part of Sage, engagement activities are mostly carried out at Group level. The values and behaviours upheld when engaging with stakeholders are consistent across Sage, irrespective of which member of the Group is communicating with any and all of Sage's stakeholders.

After due consideration, the Directors have determined the Company's key stakeholders to be largely consistent with those set out in the Plc Annual Report and Accounts.

Colleagues

The Company has no employees itself. The Directors are cognisant that colleagues are crucial to Sage's success and effective engagement is maintained at Group level.

Customers

The Company has no customers itself. The Directors are cognisant that customers are crucial to Sage's success and effective engagement is maintained at Group level.

Society

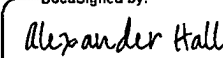
The Directors recognise that Sage is committed to managing the Group's use of resources proactively to minimise environmental impact and investing in education, technology, and environmental change to give individuals, small and mid-sized businesses and our planet the opportunity to thrive.

The Directors of the Company also support Sage's culture and commitment to doing business the right way. Sage's culture and commitment are demonstrated through the work of the Sage Foundation, which combines charitable giving and supporting colleague engagement with non-profit organisations delivering change.

Shareholders

The Directors consider the long-term impact of corporate actions and decisions on and for the benefit of the Company's direct and indirect shareholders. Engagement with other Sage Group undertakings, including the Company's shareholder is conducted through internal Sage management activities and ongoing meetings and dialogue. The Company's ultimate parent is The Sage Group plc. and effective engagement with the Sage Group's shareholders is maintained at Group level.

This report was approved by the board on 18 December 2023 and signed on its behalf.

DocuSigned by:

8F00F44E7FA44AD...
Alexander Hall
Director

SAGE HOLDINGS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

The Directors present their report and the financial statements for the year ended 30 September 2023.

Principal activity

The principal activity of the Company throughout the year has been that of an intermediate holding company within the Group and will remain as such for the foreseeable future.

Results and dividends

The profit for the year amounted to £78,000 (2022: £472,000 loss) and is reflective of the activity during the year. During the year dividends of £nil were declared and paid (2022: £nil).

Directors

The Directors who served during the year and to the date of this report were:

Mark Parry
Ditmir Xhaferi (resigned 1 December 2022)
Alexander Hall (appointed 1 December 2022)

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

The Directors have robustly tested the going concern assumption in preparing the financial statements ensuring that the Company can continue to pay its liabilities as they fall due through a forecasted period to 31 December 2024 ("the going concern assessment period"). This included reviewing the Company's cash position, net current asset position and obligations under debt arrangements with other Sage Group companies.

Based on the above, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence throughout the going concern assessment period. For this reason, they have adopted the going concern basis in preparing the financial statements.

Streamlined Energy and Carbon Reporting

In line with the Streamlined Energy and Carbon Reporting (SECR) requirements of the Companies Act 2006 for large quoted and unlisted companies, the Company has taken the exemption available to not disclose its energy and carbon information within the Directors' report due to the disclosure being included in the Plc Annual Report and Accounts.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.


SAGE HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

Auditor

The auditor, Ernst & Young, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 18 December 2023 and signed on its behalf.

DocuSigned by:

BF00F44E7FA44AD...

Alexander Hall
Director

SAGE HOLDINGS LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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.

SAGE HOLDINGS LIMITED

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

Opinion

We have audited the financial statements of Sage Holdings Limited (the 'Company') for the year ended 30 September 2023 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 14, including material accounting policy information. 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 2023 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. 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the period to 31 December 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

SAGE HOLDINGS LIMITED

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

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 6, 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

SAGE HOLDINGS LIMITED

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (FRS 101 and the Companies Act 2006), the relevant direct and indirect tax compliance regulation in the jurisdictions in which the company operates and the EU General Data Protection Regulation (GDPR). In addition, the company has to comply with laws and regulations relating to its operations, data protection and anti-bribery and corruption.

- We understood how the Sage Holdings Limited is complying with those frameworks by making enquiries of management and legal counsel being those responsible for legal and compliance procedures to understand how the company maintains and communicates its policies and procedures in these areas and corroborated this by reviewing supporting documentation such as the group Code of Conduct and correspondence from local legal counsel.

- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override, performance targets and their influence on efforts made by management to manage the financial result. We incorporated data analytics into our testing of other income and expense accounts and manual journals, including segregation of duties. We performed audit procedures to address each potential risk factor, including testing manual journals which were designed to provide reasonable assurance that the financial statements were free from material misstatement, whether due to fraud or error. We tested specific transactions back to source documentation or independent confirmations as appropriate.

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved reviewing minutes from the Board of Directors, enquiries of management and journal entry testing, with a focus on manual journals and journals indicating significant unusual transactions identified by specific risk criteria based on our understanding of the business.

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

Christopher Atkinson (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Cambridge, United Kingdom
18 December 2023

SAGE HOLDINGS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Note	2023 £000	2022 £000
Finance income	4	206	-
Finance costs	5	(128)	(472)
Profit/(loss) before tax	6	<u>78</u>	<u>(472)</u>
Profit/(loss) for the financial year		<u><u>78</u></u>	<u><u>(472)</u></u>
 Total comprehensive income/(loss) for the year		 <u><u>78</u></u>	 <u><u>(472)</u></u>


The notes on pages 13 to 22 form part of these financial statements.

SAGE HOLDINGS LIMITED
REGISTERED NUMBER: 03610110

BALANCE SHEET
AS AT 30 SEPTEMBER 2023

	Note	2023 £000	2022 £000
Non-current assets			
Investments	8	602,066	602,066
		<u>602,066</u>	<u>602,066</u>
Current assets			
Trade and other receivables	9	9,024	9,024
Cash and cash equivalents	10	24	24
		<u>9,048</u>	<u>9,048</u>
Trade and other payables	11	(2,741)	(2,819)
Net current assets		<u>6,307</u>	<u>6,229</u>
Net assets		<u>608,373</u>	<u>608,295</u>
Equity attributable to the owners of the parent			
Ordinary shares	12	158,075	158,075
Share premium		39,517	39,517
Other reserves		22,438	22,438
Retained earnings		388,343	388,265
		<u>608,373</u>	<u>608,295</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 December 2023.

DocuSigned by:

8F00F44E7FA44AD...
Alexander Hall
Director

The notes on pages 13 to 22 form part of these financial statements.

SAGE HOLDINGS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Ordinary shares £000	Share premium £000	Other reserves £000	Retained earnings £000	Total equity £000
At 1 October 2021	158,075	39,517	22,438	388,737	608,767
Loss for the year	-	-	-	(472)	(472)
Total comprehensive loss for the year	-	-	-	(472)	(472)
At 1 October 2022	158,075	39,517	22,438	388,265	608,295
Profit for the year	-	-	-	78	78
Total comprehensive income for the year	-	-	-	78	78
At 30 September 2023	158,075	39,517	22,438	388,343	608,373

The notes on pages 13 to 22 form part of these financial statements.

SAGE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

1. General information

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 C23 - 5 & 6 Cobalt Park Way, Cobalt Park, Newcastle upon Tyne, NE28 9EJ.

2. Accounting policies

2.1 Basis of preparation of financial statements

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 accounting standards in conformity with the requirements of the 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 14.

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 3.

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 (GBP), 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 Directors have robustly tested the going concern assumption in preparing the financial statements ensuring that the Company can continue to pay its liabilities as they fall due through a forecasted period to 31 December 2024 ("the going concern assessment period"). This included reviewing the Company's cash position, net current asset position and obligations under debt arrangements with other Sage Group companies.

Based on the above, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence throughout the going concern assessment period. For this reason, they have adopted 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.

SAGE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

2. Accounting policies (continued)

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

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;
- 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 and 18A of IAS 24 Related party disclosures.

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.

2.3 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.

2.4 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 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.

SAGE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

2. Accounting policies (continued)

2.7 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.

2.8 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 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.

2.9 Trade and other payables

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

2.10 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.

2.11 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.

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

SAGE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

2. Accounting policies (continued)

2.11 Financial instruments (continued)

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

2.12 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.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

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 2023 was £602,066,000 (2022: £602,066,000) and no impairment loss has been recognised (2022: £nil).

Recoverability of amounts owed by group undertakings

Determining whether amounts owed by group undertakings are recoverable requires a consideration 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 2023 was £9,024,000 (2022: £9,024,000) and no impairment loss has been recognised (2022: £nil).

4. Finance income

	2023	2022
	£000	£000
Foreign exchange gain	206	-
	206	-

SAGE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

5. Finance costs

	2023	2022
	£000	£000
Loans from group undertakings	128	67
Foreign exchange expense	-	405
	128	472

6. Profit after income tax

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 (2022: £nil). No other persons were employed by the Company during the year (2022: none).

7. Taxation

	2023	2022
	£000	£000
Current tax expense		
Current year		
Taxation on profit on ordinary activities	-	-

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - *higher than*) the hybrid rate of corporation tax in the UK of 22% (2022 - 19%). The differences are explained below:

	2023	2022
	£000	£000
Profit/(loss) on ordinary activities before tax	78	(472)
Profit/(loss) on ordinary activities multiplied by a blended rate of corporation tax in the UK of 22% (2022 - standard rate of 19%)	17	(90)
Effects of:		
Imputed interest	101	25
Group relief (utilised)/surrendered not paid	(118)	65
Total tax charge for the year	-	-

SAGE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

7. Taxation (continued)**Factors that may affect future tax charges**

The main UK corporation tax rate has increased from 19% to 25% on 1 April 2023. Due to this change occurring during the current year, a blended corporation tax rate of 22% has been applied.

8. Investments

	£000
Cost or valuation	
At 1 October 2022	602,066
At 30 September 2023	<u>602,066</u>
Net book value	
At 30 September 2023	<u>602,066</u>
At 30 September 2022	<u>602,066</u>

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 the Directors have used a discount rate between 9.40% and 18.10% (2022: between 8.73% and 16.52%). 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 of between 0.80% and 1.40% (2022: between 1% and 3%).

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Sage Software North America *	c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle, Delaware, 19808, USA	Ordinary	99.9%
Sage Software Holdings Inc.	c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle, Delaware, 19808, USA	Ordinary	100%

SAGE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

8. Investments (continued)**Subsidiary undertakings (continued)**

Name	Registered office	Class of shares	Holding
Sage Software, Inc.	Corporation Service Company, 100 Shockoe Slip, 2nd Floor, Richmond, 23219, Richmond City, Virginia, United States	Ordinary	100%
Sage Software International, Inc.	Corporation Service Company, 100 Shockoe Slip, 2nd Floor, Richmond, 23219, Richmond City, Virginia, United States	Ordinary	100%
Sage Tempus, Inc.	c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle, Delaware, 19808, USA	Ordinary	100%
Sage US LLP	C23 - 5 & 6 Cobalt Park Way, Cobalt Park, Newcastle upon Tyne, NE28 9EJ.	Membership	100%
Sage Software Canada Ltd.	111, 5th Avenue SW, Suite 3100-C, Calgary, AB, T2P 5L3, Canada	Ordinary	100%
Best Software (Germany) GmbH	Franklinstraße 61-63, 60486, Frankfurt am Main, Germany	Ordinary	100%
Sage Intacct, Inc.	c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle, Delaware, 19808, USA	Ordinary	100%
Sage Budgeta, Inc.	c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle, Delaware, 19808, USA	Ordinary	100%
South Acquisition Corp.	c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle, Delaware, 19808, USA	Ordinary	100%
Intacct Software Pvt Limited	No 501 & 502, Tower C, 5th Floor, The Millenia, No. 1 & 2 Murphy Road, Bangalore, Karnataka, 560 008, India	Ordinary	100%

SAGE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

8. Investments (continued)**Subsidiary undertakings (continued)**

Name	Registered office	Class of shares	Holding
Intacct Development Romania SRL	Cluj-Napoca, Bd. 21 Decembrie 1989 no. 77, 1st floor, room C.1.2 building C-D, The Office, Cluj county, Romania	Ordinary	100%
Budgeta Technologies Ltd	32 HaBarzel St., Tel Aviv, 6971046, Israel	Ordinary	100%
Sage Intacct Australia Pty Limited	PricewaterhouseCoopers, Level 17, 100 Barangaroo Avenue, Barangaroo NSW 2000, Australia	Ordinary	100%
Lockstep Network India Pvt. Ltd.	1st and 2nd Flr Sky Loft, Creaticity Mall Opp Golf Course, Shastrinagar, Yerwada, Pune, 411006, India	Ordinary	99.99%
VV Finly Technology Pvt. Ltd.	#S-204, Wilson Court Apts, 6th Cross, 2nd Main, Wilson Garden, Bangalore, 560027, India	Ordinary	99.9%
Corecon Technologies, Inc.	NORMAN JOHN WENDL 5912 BOLSA AVENUE SUITE 109 HUNTINGTON BEACH CA 92649 United States	Ordinary	100%
Corecon Technologies India Private Limited	B-M.C.F-97/B, ARYA NAGAR MOHNA ROAD, BALLABGARH FARIDABAD, Haryana 121004, India	Ordinary	96.59%

* Direct subsidiary

SAGE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

9. Trade and other receivables

	2023	2022
	£000	£000
Amounts owed by group undertakings	9,024	9,024
	<u>9,024</u>	<u>9,024</u>

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

10. Cash and cash equivalents

	2023	2022
	£000	£000
Cash at bank and in hand	24	24
	<u>24</u>	<u>24</u>

11. Trade and other payables

	2023	2022
	£000	£000
Amounts owed to group undertakings	2,741	2,819
	<u>2,741</u>	<u>2,819</u>

Amounts owed to Group undertaking are unsecured and attract a rate of between 0% and 6.91%. (2022: 5.19%) per annum and are repayable on demand.

12. Equity

	2023	2022
	£000	£000
Authorised, issued and fully paid		
158,069,212 (2022 - 158,069,212) Ordinary shares of £1.00000 each	158,069	158,069
615,392,267 (2022 - 615,392,267) Ordinary shares of £0.00001 each	6	6
	<u>158,075</u>	<u>158,075</u>

SAGE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

12. Equity (continued)

No dividends were declared and paid during the year (2022: none).

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.

13. Financial instruments

As the consolidated financial statements of The Sage Group plc include the equivalent disclosures, the Company has taken the exemptions under FRS 101 available in respect of certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures. The disclosures below cover statutory balances in relation to Amounts owed by / to group undertakings that are not covered in The Sage Group plc consolidated financial statements.

Fair value measurement of financial assets and financial liabilities

Amounts owed by group undertakings and amounts owed to group undertakings are initially measured at fair value and are subsequently measured at amortised cost. The Directors of the Company consider that the carry amounts of the financial assets and financial liabilities recognised in the financial statements approximate their fair values.

14. Immediate and ultimate parent company

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

The ultimate parent undertaking and ultimate controlling party is The Sage Group plc a company registered in England and Wales. 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, C23 - 5 & 6 Cobalt Park Way, Cobalt Park, Newcastle upon Tyne, NE28 9EJ.

Registered number: 08318558

SAGE HOLDING COMPANY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

SAGE HOLDING COMPANY LIMITED

CONTENTS

	Page
Strategic Report	1 - 3
Directors' Report	4 - 5
Directors' Responsibilities Statement	6
Independent Auditor's Report	7 - 9
Statement of Comprehensive Income	10
Balance Sheet	11
Statement of Changes in Equity	12
Notes to the Financial Statements	13 - 29

SAGE HOLDING COMPANY LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2023

Introduction

The Directors of Sage Holding Company Limited (the "Directors") present their Strategic Report on Sage Holding Company Limited (the "Company") for the year ended 30 September 2023. The directors of The Sage Group plc., the ultimate parent company, set the strategy for the whole Sage group of companies ("Sage", or the "Group"). This is set out within The Sage Group plc. Annual Report and Accounts for the year ended 30 September 2023 (the "Plc Annual Report and Accounts"), 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 twelve principal risks which are monitored and reported against at a Global level.

- Understanding Customer Needs
- Execution of Product Strategy
- Developing and Exploiting New Business Models
- Route to Market
- Customer Experience
- Third Party Reliance
- People and Performance
- Culture
- Cyber Security & Data Privacy
- Data Strategy
- Readiness to Scale
- Environmental, Social & Governance

The detail on the background, management and mitigation process can be seen in detail in the Plc 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.

No impairment losses have been recognised for the year (2022: £34,620,768).

SAGE HOLDING COMPANY LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

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 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 Plc Annual Report and Accounts.

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.

Section 172(1) statement

As per Section 172(1) of the Companies Act 2006 ("Section 172(1)"), a director of a company must act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a. the likely consequences of any decision in the long term;
- b. the interests of the company's employees;
- c. the need to foster the company's business relationships with suppliers, customers and others;
- d. the impact of the company's operations on the community and the environment;
- e. the desirability of the company maintaining a reputation for high standards of business conduct; and
- f. the need to act fairly as between members of the company.

This statement describes how the Directors have had regard to the matters set out above when performing their duty to promote the success of the Company for the benefit of its members as a whole, having regard to the interests of its stakeholders and the wider society.

The Directors are responsible for monitoring and upholding the culture, values, standards, ethics and reputation of the Company to ensure that their obligations to the Company's stakeholders, including its shareholder, are met. The Company follows Sage's policies and procedures, including those relating to standards of business conduct, colleagues, society and other stakeholders. However, in considering items of business, the Company makes autonomous decisions based on each transaction's own merits, after due consideration of the long-term sustainable success of the Company, Section 172(1) factors where relevant, and the stakeholders impacted. Board meetings are held as and when required to discuss matters of business.

In the year ended 30 September 2023 the Directors approved, amongst other decisions, the acquisition of Sage Technologies Limited. The Board's decision was made after meticulous evaluation of the terms and implications of the acquisition, ensuring that it would promote the long-term success of the Company and be in the best interests of its stakeholders. The acquisition provides strategic value, diversification, and potential for growth, ultimately benefiting the Company's business and its various stakeholders.

The Board approved the repayment and reclassification of a dividend received from one of the Company's subsidiaries, Sage Spain, S.L. The subsequent reclassification of the dividend as receivable by the subsidiary was undertaken with a view to ensuring the accuracy and integrity of financial reporting. This action was in the best interests of the Company and all its stakeholders, as it upholds transparency, accountability, and the sound management of financial affairs.

As is typical for a company which is part of a large, listed group, the Directors fulfil their duties partly through a governance framework determined at Group level that delegates day-to-day decision-making to Sage's management. Such delegation forms part of Sage's robust governance structure which encompasses the principles of Section 172(1) so that they ultimately become embedded within the business and everything Sage does as a Group.

SAGE HOLDING COMPANY LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

Section 172(1) statement (continued)

The Directors recognise that Sage, including the Company, has a wide range of stakeholders and balancing their respective needs and expectations is important. The decision-making process is structured to enable Directors to evaluate the merit of proposed business activities in view of competing priorities and the likely consequences of decisions on our stakeholders over the short, medium and longer term. The Directors are committed to effective engagement with all stakeholders of the Company and acknowledge that, as part of Sage, engagement activities are mostly carried out at Group level. The values and behaviours upheld when engaging with stakeholders are consistent across Sage, irrespective of which member of the Group is communicating with any and all of Sage's stakeholders.

After due consideration, the Directors have determined the Company's key stakeholders to be largely consistent with those set out in the Plc Annual Report and Accounts.

Colleagues

The Company has no employees itself. The Directors are cognisant that colleagues are crucial to Sage's success and effective engagement is maintained at Group level.

Customers

The Company has no customers itself. The Directors are cognisant that customers are crucial to Sage's success and effective engagement is maintained at Group level.

Society

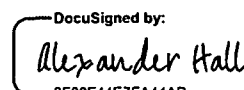
The Directors recognise that Sage is committed to managing the Group's use of resources proactively to minimise environmental impact and investing in education, technology, and environmental change to give individuals, small and mid-sized businesses and our planet the opportunity to thrive.

The Directors of the Company also support Sage's culture and commitment to doing business the right way. Sage's culture and commitment are demonstrated through the work of the Sage Foundation, which combines charitable giving and supporting colleague engagement with non-profit organisations delivering change.

Shareholders

The Directors consider the long-term impact of corporate actions and decisions on and for the benefit of the Company's direct and indirect shareholders. Engagement with other Sage Group undertakings, including the Company's shareholder is conducted through internal Sage management activities and ongoing meetings and dialogue. The Company's ultimate parent is The Sage Group plc. and effective engagement with the Sage Group's shareholders is maintained at Group level.

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

DocuSigned by:

8F00F44E7FA44AD...
Alexander Hall
Director

Date: 18 December 2023

SAGE HOLDING COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2023

The Directors present their report and the financial statements for the year ended 30 September 2023.

Principal activity

The principal activity of Sage Holding Company Limited 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.

Directors

The Directors who served during the year, and to the date of this report, were:

Victoria Louise Bradin
Jacqui Cartin
Alexander Hall (appointed 1 September 2023)

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.

Employment policy

The Company and Sage continue to give full and fair consideration to applications for employment made by disabled persons, having regard to their respective aptitudes and abilities. This includes, where practicable, the continued employment of those who may become disabled during their employment, and the provision of training and career development and promotion opportunities, where appropriate. For further information please refer to the Plc Annual Report and Accounts available on Sage's website at [sage.com](https://www.sage.com).

Engagement with colleagues

Sage has continued its policy of colleague involvement by making information available and consulting, where appropriate, with colleagues on matters of concern to them. Colleagues regularly receive updates on the financial and economic factors affecting the Group, and conversely the Group regularly seeks feedback from colleagues, including through pulse surveys. Many colleagues participate in Sage's share option schemes and a long-term Performance Share Plan. Further details of colleague engagement and how the Directors have had regard to employee interests and the effect of that regard on principal decisions taken during the year ended 30 September 2023 are provided on page 3 of the Strategic Report of the Company as the Directors consider them to be of strategic importance.

Greenhouse gas emissions, energy consumption and energy efficiency action

The Company is exempt from providing the information required by Schedule 7A to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) in respect of greenhouse gas emissions, energy consumption and action taken to increase its energy efficiency in the UK, as the Company is included in the annual report and accounts of The Sage Group plc. for the year ended 30 September 2023 which include the required disclosures.

SAGE HOLDING COMPANY LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

Going concern

The Directors have robustly tested the going concern assumption in preparing the financial statements ensuring that the Company can continue to pay its liabilities as they fall due. This included reviewing the Company's cash position, net current asset position and obligations under debt arrangements with other Group companies.

Based on the above and having closely reviewed the current performance and forecasts, the Directors remain satisfied that the Company has adequate resources to continue its operations for a period of 12 months after this report. However, given the high level of uncertainty a letter of support from the Company's ultimate parent, The Sage Group plc. has been provided for a period of 12 months after this report, to enable the Company to meet its liabilities as and when they become due, as a means to provide the Directors with further confidence that the going concern basis of preparation is appropriate.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is 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.

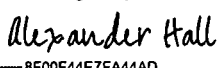
Auditor

The auditor, Ernst & Young, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

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

DocuSigned by:

8F00F44E7FA44AD...
Alexander Hall
Director

Date: 18 December 2023

SAGE HOLDING COMPANY LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

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;
- 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 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.

SAGE HOLDING COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAGE HOLDING COMPANY LIMITED

Opinion

We have audited the financial statements of Sage Holding Company Limited (the 'company') for the year ended 30 September 2023 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and the related notes 1 to 15, 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 2023 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. 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorized for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

SAGE HOLDING COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAGE HOLDING COMPANY LIMITED

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 6, 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

SAGE HOLDING COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAGE HOLDING COMPANY LIMITED

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 101 and the Companies Act 2006), the relevant direct and indirect tax compliance regulation in the jurisdictions in which the company operates and the EU General Data Protection Regulation (GDPR). In addition, the company has to comply with laws and regulations relating to its operations, data protection and anti-bribery and corruption.
- We understood how Sage Holding Company Limited is complying with those frameworks by making enquiries of management and legal counsel being those responsible for legal and compliance procedures to understand how the company maintains and communicates its policies and procedures in these areas and corroborated this by reviewing supporting documentation such as the group Code of Conduct and correspondence from local legal counsel.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override, performance targets and their influence on efforts made by management to manage the financial result. We incorporated data analytics into our testing of other income and expense accounts and manual journals, including segregation of duties. We performed audit procedures to address each potential risk factor, including testing manual journals which were designed to provide reasonable assurance that the financial statements were free from material misstatement, whether due to fraud or error. We tested specific transactions back to source documentation or independent confirmations as appropriate.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved reviewing minutes from the Board of Directors, enquiries of management and journal entry testing, with a focus on manual journals and journals indicating significant unusual transactions identified by specific risk criteria based on our understanding of the business.

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

Christopher Atkinson (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Cambridge, United Kingdom
18 December 2023

SAGE HOLDING COMPANY LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Note	2023 £000	2022 £000
Income from shares in group companies		148,880	366,378
Selling and administrative expenses		(15,785)	(51,041)
Other operating income		7,107	11,065
Operating profit	5	140,202	326,402
Finance income	6	-	149
Finance costs	7	(79,803)	(33,330)
Profit before tax		60,399	293,221
Tax on profit	8	(1,378)	(58)
Profit for the financial year		59,021	293,163
Total comprehensive income for the year		59,021	293,163


The notes on pages 13 to 29 form part of these financial statements.

SAGE HOLDING COMPANY LIMITED
REGISTERED NUMBER: 08318558

BALANCE SHEET
AS AT 30 SEPTEMBER 2023

	Note	2023 £000	2022 £000
Non-current assets			
Investments	9	3,702,047	3,541,713
		<u>3,702,047</u>	<u>3,541,713</u>
Current assets			
Trade and other receivables	10	2,112	12,547
Cash and cash equivalents		246	11,568
		<u>2,358</u>	<u>24,115</u>
Total assets		<u>3,704,405</u>	<u>3,565,828</u>
Current liabilities			
Trade and other payables	11	(1,593,327)	(1,511,852)
Non-current liabilities			
Trade and other payables	12	(3,048)	(4,967)
		<u>(1,596,375)</u>	<u>(1,516,819)</u>
Net assets		<u>2,108,030</u>	<u>2,049,009</u>
Equity attributable to the owners of the parent			
Ordinary shares	13	809,295	809,295
Share premium		361,454	361,454
Retained earnings		937,281	878,260
		<u>2,108,030</u>	<u>2,049,009</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 December 2023.

DocuSigned by:

8F00F44E7FA44AD...
Alexander Hall
Director

The notes on pages 13 to 29 form part of these financial statements.

SAGE HOLDING COMPANY LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Ordinary shares £000	Share premium £000	Retained earnings £000	Total equity £000
At 1 October 2021	809,295	361,454	555,248	1,725,997
Profit for the year	-	-	293,163	293,163
Brightpearl acquisition adjustment	-	-	29,849	29,849
Total comprehensive income for the year	-	-	323,012	323,012
At 1 October 2022	809,295	361,454	878,260	2,049,009
Profit for the year	-	-	59,021	59,021
Total comprehensive income for the year	-	-	59,021	59,021
At 30 September 2023	809,295	361,454	937,281	2,108,030

The notes on pages 13 to 29 form part of these financial statements.

SAGE HOLDING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

1. General information

Sage Holding Company 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 C23 - 5 & 6 Cobalt Park Way, Cobalt Park, Newcastle upon Tyne, NE28 9EJ.

2. Accounting policies

2.1 Basis of preparation of financial statements

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 UK ("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 15.

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 3.

The financial statements have been prepared on the historical cost basis. All amounts are presented in Great British Pounds (GBP) and are round to the nearest £'000.

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 and in accordance with the Companies Act 2006.

The Directors have robustly tested the going concern assumption in preparing the financial statements ensuring that the Company can continue to pay its liabilities as they fall due. This included reviewing the Company's cash position, net current asset position and obligations under debt arrangements with other Group companies.

Based on the above and having closely reviewed the current performance and forecasts, the Directors remain satisfied that the Company has adequate resources to continue its operations for a period of 12 months after this report. However, given the high level of uncertainty a letter of support from the Company's ultimate parent, The Sage Group plc. has been provided for a period of 12 months after this report, to enable the Company to meet its liabilities as and when they become due,

SAGE HOLDING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

2. Accounting policies (continued)
2.1 Basis of preparation of financial statements (continued)

as a means to provide the Directors with further confidence that the going concern basis of preparation is appropriate.

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

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

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

- a Cash Flow Statement and related notes, as required by IAS 7 Statement of cash flows;
- 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.

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.

2.3 Foreign currency translation

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.

2.4 Finance income

Interest income is recognised in profit or loss using the effective interest method.

2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

SAGE HOLDING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

2. Accounting policies (continued)

2.6 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.

2.7 Investments

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.

2.8 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.

Financial assets and financial liabilities are initially measured at fair value.

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

2.9 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.

2.10 Dividends

Dividends are recognised through equity when approved by the Company's shareholders or on payment, whichever is earlier.

SAGE HOLDING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities within the next year.

Recoverability of investments

Recoverable amount represents the higher of value in use and the fair value less costs of disposal. 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 fair value less costs of disposal approach considers comparable market transactions to estimate a revenue or profit based multiple, which is applied to the respective metrics of the subsidiary.

The carrying value of investments at 30 September 2023 was £3,702,047,000 (2022: £3,541,713,000) and an impairment loss of £nil has been recognised (2022: £34,620,768). Please see note 9 for further details.

Recoverability of amounts owed by group undertakings

Amounts owed by group undertakings to which IFRS 9's general approach to recognising expected credit losses applies requires determination of whether the amounts are recoverable based on whether the other party is able to repay. This is performed by assessing the assets and liabilities of the other party and the period over which it would be able to repay the amount due if required. A provision is recognised for any shortfall in the amounts that the counterparty would be able to repay compared to the outstanding balance. Where a balance attracts interest, the amount to be repaid is discounted at the applicable interest rate.

The carrying value of amounts owed by group undertakings at 30 September 2023 was £1,734,000 (2022: £12,048,000) and no impairment loss has been recognised (2022: £nil).

4. Income from shares in group undertakings

Income from shares in group undertakings comprises dividend income from subsidiaries.

5. Operating profit

Auditors' remuneration is borne by the ultimate parent company, The Sage Group plc., for the year.

The Directors did not receive any emoluments during the year in respect of their services to the Company (2022: Nil). No other persons were employed during the year (2022: None).

SAGE HOLDING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

6. Finance income

	2023 £000	2022 £000
Net foreign exchange gains	-	149
	<u>-</u>	<u>149</u>
	<u>-</u>	<u>149</u>

7. Finance costs

	2023 £000	2022 £000
Interest payable to group undertakings	79,474	33,330
Net foreign exchange loss	329	-
	<u>79,803</u>	<u>33,330</u>
	<u>79,803</u>	<u>33,330</u>

The increase in finance costs is driven by the Interest rate increasing from 3.42% in October 2022 to 6.77% in September 2023, which was a gradual increase throughout the year.

8. Taxation

	2023 £000	2022 £000
Corporation tax		
Current tax on profits for the year	42	58
Adjustments in respect of previous periods	1,336	-
	<u>1,378</u>	<u>58</u>
	<u>1,378</u>	<u>58</u>
Total current tax	<u>1,378</u>	<u>58</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>1,378</u>	<u>58</u>
	<u>1,378</u>	<u>58</u>

SAGE HOLDING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

8. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2022 - *lower than*) the blended rate of corporation tax in the UK of 22% (2022 - 19%). The differences are explained below:

	2023 £000	2022 £000
Profit on ordinary activities before tax	60,399	293,220
Profit on ordinary activities multiplied by a blended rate of 22% (2022 - standard rate of 19%)	13,288	55,712
Effects of:		
Expenses not deductible for tax purposes	1,151	9,511
Non taxable disposals	-	(1,925)
Imputed interest	(132)	(43)
Non-taxable foreign exchange (gain)/loss	-	(149)
Non-taxable dividend income	(32,754)	(69,612)
Withholding tax	42	58
Group relief utilised not paid	18,447	6,506
Provision	1,336	-
Total tax charge for the year	1,378	58

Factors that may affect future tax charges

The main UK corporation tax rate has increased from 19% to 25% on 1 April 2023. Due to this change occurring during the current year, a blended corporation tax rate of 22% has been applied.

SAGE HOLDING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

9. Investments

	Investments in subsidiary companies £000	Equity investments £000	Total £000
Cost			
At 1 October 2022	3,572,192	4,142	3,576,334
Additions	160,334	-	160,334
At 30 September 2023	3,732,526	4,142	3,736,668
Impairment			
At 1 October 2022	34,621	-	34,621
At 30 September 2023	34,621	-	34,621
Net book value			
At 30 September 2023	3,697,905	4,142	3,702,047
At 30 September 2022	3,537,571	4,142	3,541,713

SAGE HOLDING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

9. Investments (continued)

On 9 December 2022, the company completed the acquisition of Spherics Technology Ltd for £11,460k.

On 22 February 2023, the Company acquired the entire issued share capital of Sage Technologies Limited comprising 3,479,536 ordinary shares with a nominal value of €1.27 each from Tonwomp Unlimited Company for £3,290k.

On 22 February 2023, the Company acquired the entire issued share capital of Sage Hibernia Limited comprising 4 ordinary shares with a nominal value of €1.25 each from TAS Software Limited for £45,580k.

On 9 May 2023, the company completed the acquisition of 3.5% of shares in Corecon Technologies India Private Limited for £4.26k.

On 28 September 2023, the Company capitalised Sage Global Services Limited by subscribing for one ordinary share of Sage Global Services Limited for the aggregate subscription price of £100,000k.

Recoverable amount represents the higher of value in use and the fair value less costs of disposal. In assessing the existing value in use management have used a discount rate of between 8.20% and 9.66% (2022: 6.95% and 8.91%). Cash flows have been projected using management's most recent business forecast over the next five years. Beyond the five years the cash flows are extrapolated using an estimated long-term growth rate 0.8% - 1.40%. The fair value less costs of disposal approach considers comparable market transactions to estimate a revenue or profit based multiple, which is applied to the respective metrics of the subsidiary.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Brightpearl Pty Limited	Suite 60 Level 2, 2 O'Connell Street, Parramatta NSW 2150, Australia	Ordinary	100%
HAMY (Australia) Pty Limited	C/ - Fincorp Accountants, Suite 7, 2-4 Northumberland Road, Caringbah NSW 2229, Australia	Ordinary	100%
Ocrex Australia Pty Ltd	Level 17, 100 Barangaroo Ave, Barangaroo NSW 2000, Australia	Ordinary	100%
Sage Business Solutions Pty Ltd *	Level 17, 100 Barangaroo Avenue, Barangaroo NSW 2000, Australia	Ordinary	100%
Sage Intacct Australia Pty Ltd	Level 17, 100 Barangaroo Ave, Barangaroo NSW 2000, Australia	Ordinary	100%

SAGE HOLDING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

9. Investments (continued)**Subsidiary undertakings (continued)**

Name	Registered office	Class of shares	Holding
Snowdrop Systems Pty Ltd	Level 17, 100 Barangaroo Ave, Barangaroo NSW 2000, Australia	Ordinary	100%
Sage GmbH	Stella-Klein-Löw-Weg 15, 1020 Wien, Austria	Ordinary	100%
Intelligent Apps Holdings Ltd	2 Bayside Executive Park, West Bay Street & Blake Road, Nassau, Bahamas	Ordinary	100%
Sage S.A.	Buro & Design Center, Esplanade 1, 1020, Brussels, Belgium	Ordinary	100%
Sage Software Canada Ltd.	111, 5th Avenue SW, Suite 3100-C, Calgary AB T2P 5L3, Canada	Ordinary	100%
Inventory Planner SAS	10 Place de Belgique, La Garenne-Colombes, 92250, Paris, France	Ordinary	100%
Sage Holding France SAS	10 Place de Belgique, La Garenne-Colombes, 92250, Paris, France	Ordinary	100%
Sage Overseas Limited (Branch Registration)	10 Place de Belgique, La Garenne-Colombes, 92250, Paris, France	Ordinary	100%
Sage SAS	10 Place de Belgique, 92250, La Garenne Colombes, Paris, France	Ordinary	100%
Best Software (Germany) GmbH	Franklinstraße 61-63, 60486, Frankfurt am Main, Germany	Ordinary	100%
eWare GmbH	Untere Weidenstr. 5, c/o RAè Becker & Koll., 81543, München, Germany	Ordinary	100%
Sage bäurer GmbH	Josefstraße 10, 78166 Donauerschingen, Germany	Ordinary	100%
Sage GmbH	Franklinstraße 61-63, 60486, Frankfurt am Main, Germany	Ordinary	100%
Sage Management & Services GmbH *	Franklinstraße 61-63, 60486, Frankfurt am Main, Germany	Ordinary	100%
Sage Services GmbH	Karl-Heine-Straße 109-111, 04229, Leipzig, Germany	Ordinary	100%
Sage Business Technology (India) Private Limited	House No 546, Sector-10D, Chandigarh 160011, Chandigarh, India	Ordinary	100%

SAGE HOLDING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

9. Investments (continued)**Subsidiary undertakings (continued)**

Name	Registered office	Class of shares	Holding
Intacct Software Private Limited	No 501 & 502, Tower C, 5th Floor, The Millenia, No 1 & 2, Murphy Road, Bangalore, 560 008 Karnataka, India	Ordinary	100%
Lockstep Network India Pvt. Ltd	1st and 2nd Flr Sky Loft , Creaticity Mall Opp Golf Course, Shastrinagar Yerwada, Pune , 411006 , India	Ordinary	100%
Sage Software India Private Ltd (In Liquidation)	N-34, Lower Ground Floor, Kalkaji, New Delhi, 110 019, India	Ordinary	100%
VV Finly Technology Pvt. Ltd.	#S-204, Wilson Court Apts, 6th Cross, 2nd Main, Wilson Garden, Bangalore, 560027, India	Ordinary	100%
Sage Hibernia Investments No. 1 Limited (in liquidation)	Field Court Gray's Inn London WC1R 5EF United Kingdom	Ordinary	100%
Sage Hibernia Investments No. 2 Limited (in liquidation)	3 Field Court Gray's Inn London WC1R 5EF United Kingdom	Ordinary	100%
Protx Group Limited (in liquidation)	3 Field Court Gray's Inn London WC1R 5EF United Kingdom	Ordinary	100%
Tonwomp Unlimited Company (in liquidation)	eloitte House- 29 Earlsfort Terrace Dublin, Dublin 2, D02 AY28, Ireland	Ordinary	100%
TAS Software Limited (in liquidation)	Deloitte House 29 Earlsfort Terrace Dublin Dublin 2 D02 AY28 Ireland	Ordinary	100%
Ocrex Limited *	Number One, Central Park, Leopardstown, Dublin 18, Ireland	Ordinary	100%
Sage Global Services (Ireland) Limited	Number One, Central Park, Leopardstown, Dublin 18, Ireland	Ordinary	100%
Sage Hibernia Limited *	Number One, Central Park, Leopardstown, Dublin 18, Ireland	Ordinary	100%
Sage Technologies Limited *	Number One, Central Park, Leopardstown, Dublin 18, Ireland	Ordinary	100%

SAGE HOLDING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

9. Investments (continued)**Subsidiary undertakings (continued)**

Name	Registered office	Class of shares	Holding
Budgeta Technologies Ltd	32 Habarzel St., Tel Aviv, Israel	Ordinary	100%
CakeHR SIA	Brivibas iela 40-27, Riga, LV-1050, Latvia	Ordinary	100%
Sage Malaysia Business Solutions Sdn. Bhd. *	Level 11,1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia	Ordinary	99.9%
Sage Software SARL	Tour Crystal 1, Niveau 9, Bd Sidi Mohammed Ben Abdellah, Casablanca, 20030, Morocco	Ordinary	100%
Sage Software Poland sp. z o.o. *	Aleje Jerozolimskie 132, 02-305 Warsaw, Poland	Ordinary	100%
Sage Portugal – Software, S.A. *	Edificio Olympus II, Av. Dom Afonso Henriques 1462, 4450 013, Matosinhos, Portugal	Ordinary	100%
Intacct Development Romania SRL	Cluj-Napoca, Bd. 21 Decembrie 1989 no. 77, 1st floor, room C.1.2 building C-D, The Office, Cluj county, Romania	Ordinary	100%
Sage Singapore Pte. Ltd. *	7 Straits View, #12-00, Marina One East Tower, 018936, Singapore	Ordinary	100%
Sage Spain Holdco, S.L.U. *	Moraleja Building One - Planta 1, Parque Empresarial de La Moraleja, Avenida de Europa no19, 28108 Alcobendas, Madrid, Spain	Ordinary	100%
Sage Spain, S.L.*	Moraleja Building One - Planta 1, Parque Empresarial de La Moraleja, Avenida de Europa no19, 28108 Alcobendas, Madrid, Spain	Ordinary	99.99%
Sage Bäurer AG	Platz 10, Root D4, CH-6039, Switzerland	Ordinary	100%

SAGE HOLDING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

9. Investments (continued)**Subsidiary undertakings (continued)**

Name	Registered office	Class of shares	Holding
Sage Software Middle East FZ-LLC	Suite 118, Building No. 11, Dubai Internet City, Dubai (U.A.E)	Ordinary	100%
Brightpearl Limited *	C23 - 5 & 6 Cobalt Park Way, Cobalt Park, Newcastle upon Tyne, NE28 9EJ, United Kingdom	Ordinary	100%
FUTRLI LTD *	C23 - 5 & 6 Cobalt Park Way, Cobalt Park, Newcastle upon Tyne, NE28 9EJ, United Kingdom	Ordinary	100%
GoProposal Ltd * (in liquidation)	C23 - 5 & 6 Cobalt Park Way, Cobalt Park, Newcastle upon Tyne, NE28 9EJ, United Kingdom	Ordinary	100%
HR Bakery Ltd *	C23 - 5 & 6 Cobalt Park Way, Cobalt Park, Newcastle upon Tyne, NE28 9EJ, United Kingdom	Ordinary	100%
Ocrex UK Ltd	C23 - 5 & 6 Cobalt Park Way, Cobalt Park, Newcastle upon Tyne, NE28 9EJ, United Kingdom	Membership Interest	100%
Sage (UK) Ltd *	C23 - 5 & 6 Cobalt Park Way, Cobalt Park, Newcastle upon Tyne, NE28 9EJ, United Kingdom	Ordinary	100%
Sage Far East Investments Limited *	C23 - 5 & 6 Cobalt Park Way, Cobalt Park, Newcastle upon Tyne, NE28 9EJ, United Kingdom	Ordinary	100%
Sage Global Services Limited *	C23 - 5 & 6 Cobalt Park Way, Cobalt Park, Newcastle upon Tyne, NE28 9EJ, United Kingdom	Ordinary	100%
Sage Holdings Limited	C23 - 5 & 6 Cobalt Park Way, Cobalt Park, Newcastle upon Tyne, NE28 9EJ, United Kingdom	Ordinary	100%
Sage Online Holdings Limited *	C23 - 5 & 6 Cobalt Park Way, Cobalt Park, Newcastle upon Tyne, NE28 9EJ, United Kingdom	Ordinary	100%
Sage Overseas Limited *	C23 - 5 & 6 Cobalt Park Way, Cobalt Park, Newcastle upon Tyne, NE28 9EJ, United Kingdom	Ordinary	99.99%

SAGE HOLDING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

9. Investments (continued)**Subsidiary undertakings (continued)**

Name	Registered office	Class of shares	Holding
Sage People Limited *	C23 - 5 & 6 Cobalt Park Way, Cobalt Park, Newcastle upon Tyne, NE28 9EJ, United Kingdom	Ordinary	100%
Sage US LLP	North Park, Newcastle upon Tyne, NE13 9AA, United Kingdom	Ordinary	100%
Sage Whitley Limited	C23 - 5 & 6 Cobalt Park Way, Cobalt Park, Newcastle upon Tyne, NE28 9EJ, United Kingdom	Ordinary	100%
Sagesoft *	C23 - 5 & 6 Cobalt Park Way, Cobalt Park, Newcastle upon Tyne, NE28 9EJ, United Kingdom	Ordinary	100%
Snowdrop Systems Limited	C23 - 5 & 6 Cobalt Park Way, Cobalt Park, Newcastle upon Tyne, NE28 9EJ, United Kingdom	Ordinary	100%
Brightpearl, Inc.	C23 - 5 & 6 Cobalt Park Way, Cobalt Park, Newcastle upon Tyne, NE28 9EJ, United Kingdom	Ordinary	100%
Ocrex, Inc.	C/O Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle, Delaware, 19808, United States	Ordinary	100%
Sage Budgeta, Inc.	C/O Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle, Delaware, 19808, United States	Ordinary	100%
Sage Global Services US, Inc.	C/O Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle, Delaware, 19808, United States	Ordinary	100%
Sage Intacct, Inc.	C/O Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle, Delaware, 19808, United States	Ordinary	100%

SAGE HOLDING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

9. Investments (continued)**Subsidiary undertakings (continued)**

Name	Registered office	Class of shares	Holding
Sage People, Inc.	C/O Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle, Delaware, 19808, United States	Ordinary	100%
Sage Software Holdings, Inc.	C/O Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle, Delaware, 19808, United States	Ordinary	100%
Sage Software International, Inc.	C/O Corporation Service Company, 100 Shockoe Slip, 2nd Floor, Richmond, VA, 23219, United States	Ordinary	100%
Sage Software North America	C/O Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle, Delaware, 19808, United States	Ordinary	100%
Sage Software, Inc.	C/O Corporation Service Company, 100 Shockoe Slip, 2nd Floor, Richmond, VA, 23219, United States	Ordinary	100%
Sage Tempus, Inc.	C/O Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle, Delaware, 19808, United States	Ordinary	100%
South Acquisition Corp.	C/o Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle DE 19808, United States	Ordinary	100%
Spherics Technologies Ltd	C23 - 5 & 6 Cobalt Park Way Cobalt Park Newcastle upon Tyne NE28 9EJ United Kingdom	Ordinary	100%
Corecon Technologies India Private Limited	B-M.C.F-97/B, ARYA NAGAR MOHNA ROAD, BALLABGARH FARIDABAD Haryana 121004 India	Ordinary	100%

SAGE HOLDING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

9. Investments (continued)**Subsidiary undertakings (continued)**

Name	Registered office	Class of shares	Holding
Corecon Technologies, Inc.	NORMAN JOHN WENDL 5912 BOLSA AVENUE SUITE 109 HUNTINGTON BEACH CA 92649 United States	Ordinary	100%

* Direct Subsidiary

10. Trade and other receivables

	2023 £000	2022 £000
Amounts owed by group undertakings	1,734	12,048
Other debtors	378	499
	2,112	12,547

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

SAGE HOLDING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

11. Trade and other payables

	2023 £000	2022 £000
Trade creditors	-	2
Amounts owed to group undertakings	1,581,496	1,502,220
Corporation tax payable	1,336	-
Other taxation and social security	14	14
Other payables	9,630	7,575
Accruals	851	2,041
	<u>1,593,327</u>	<u>1,511,852</u>

Amounts owed to group undertakings are unsecured and attract an interest rate of between 0% and 6.77% (2022: 0% to 3.42%).

Other payables primarily relate to consideration owed for the acquisition of GoProposal Limited and employee retention as part of the acquisition of Ocrex Limited plus the employee retentions as a part of acquisitions of Brightpearl Limited, Spherics Technology Ltd and FUTRLI Limited.

Accruals relate to costs of acquisition and disposal activity.

12. Trade and other payables - non current

	2023 £000	2022 £000
Accruals	3,048	4,967
	<u>3,048</u>	<u>4,967</u>

Accruals due after more than one year relate to deferred consideration and the non-current element of the retentions accrual relating to the acquisitions of FUTRLI Limited and Spherics Technology Ltd (2022: deferred consideration on the acquisition of FUTRLI Limited and non current element of the retentions accrual related to GoProposal Limited, Brightpearl Limited and FUTRLI Limited acquisitions).

13. Equity

	2023 £000	2022 £000
Allotted, called up and fully paid		
1,618,589,822 (2022 - 1,618,589,822) Ordinary shares of £0.50 each	<u>809,295</u>	<u>809,295</u>

SAGE HOLDING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

13. Equity (continued)

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

Retained earnings represents cumulative comprehensive income less dividends paid.

Dividends of £nil were declared and paid during the year (2022: £nil).

14. Financial instruments

As the consolidated financial statements of The Sage Group plc. include the equivalent disclosures, the Company has taken the exemptions under FRS 101 available in respect of certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures. The disclosures below cover statutory balances in relation to Amounts owed by / to group undertakings that are not covered in The Sage Group plc. consolidated financial statements.

Fair value measurement of financial assets and financial liabilities

Amounts owed by group undertakings and amounts owed to group undertakings are initially measured at fair value and are subsequently measured at amortised cost. The Directors consider that the carry amounts of the financial assets and financial liabilities recognised in the financial statements approximate their fair values.

15. Immediate and ultimate parent company

The immediate and ultimate parent undertaking is The Sage Group plc. a company registered in England and Wales. 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., C23 - 5 & 6 Cobalt Park Way, Cobalt Park, Newcastle upon Tyne, NE28 9EJ.

Registered number: 05126343

SAGE FAR EAST INVESTMENTS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

SAGE FAR EAST INVESTMENTS LIMITED

CONTENTS

	Page
Directors' Report	1 - 2
Directors' Responsibilities Statement	3
Independent Auditor's Report	4 - 6
Statement of Comprehensive Income	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10 - 17

SAGE FAR EAST INVESTMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2023

The Directors of Sage Far East Investments Limited (the "Directors") present their report and the financial statements for the year ended 30 September 2023.

Principal activity

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

Dividends

The profit for the year, after taxation, amounted to £295,000 (2022: £73,000).

The Directors do not recommend payment of a dividend in respect of the current year (2022: £nil).

Directors

The Directors who served during the year and to the date of this report were:

Mark Parry
Alexander Hall (appointed 1 December 2022)
Ditmir Xhaferi (resigned 1 December 2022)

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.

Greenhouse gas emissions, energy consumption and energy efficiency action

The Company is exempt from providing the information required by Schedule 7A to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) in respect of greenhouse gas emissions, energy consumption and action taken to increase its energy efficiency in the UK, as the Company is included in the annual report and accounts of The Sage Group plc. for the year ended 30 September 2023 which include the required disclosures.

Going concern

The Directors have robustly tested the going concern assumption in preparing the financial statements ensuring that the Company can continue to pay its liabilities as they fall due through a forecasted period to 31 December 2024 ("the going concern assessment period"). This included reviewing the Company's cash position, net current asset position and obligations under debt arrangements with other Sage Group companies.

Based on the above, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence throughout the going concern assessment period. For this reason, they have adopted the going concern basis in preparing the financial statements.

Strategic Report

This report has been prepared in accordance with the special provision relating to small companies within Part 15 of the Companies Act 2006 (section 414B) and the Company is therefore exempt from the requirement to prepare a Strategic Report.

SAGE FAR EAST INVESTMENTS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

Auditor

The auditor, Ernst & Young, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There have been no significant subsequent events identified at the date of this report which would impact the Company.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

DocuSigned by:

Alexander Hall
8F00F44E7FA44AD...

Alexander Hall
Director

Date: 18 December 2023

SAGE FAR EAST INVESTMENTS LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with 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;
- 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 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.

SAGE FAR EAST INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAGE FAR EAST INVESTMENTS LIMITED

Opinion

We have audited the financial statements of Sage Far East Investments Limited (the 'company') for the year ended 30 September 2023 which comprise the Statement of Comprehensive Income, Balance Sheet, 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 2023 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. 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the period to 31 December 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

SAGE EURO HEDGE CO 1

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAGE EURO HEDGE CO 1

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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has 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 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; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

SAGE FAR EAST INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAGE FAR EAST INVESTMENTS LIMITED

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS101 and the Companies Act 2006), the relevant direct and indirect tax compliance regulation in the jurisdictions in which the company operates and the EU General Data Protection (GDPR). In addition, the company has to comply with laws and regulations relating to its operations, data protection and anti-bribery and corruption.
- We understood how Sage Far East Investments Limited is complying with those frameworks by making enquiries of management and legal counsel being those responsible for legal and compliance procedures to understand how the company maintains and communicates its policies and procedures in these areas and corroborated this by reviewing supporting documentation such as the group Code of Conduct and correspondence from local legal counsel.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override, performance targets and their influence on efforts made by management to manage the financial result. We incorporated data analytics into our testing of other income and expense accounts and manual journals, including segregation of duties. We performed audit procedures to address each potential risk factor, including testing manual journals which were designed to provide reasonable assurance that the financial statements were free from material misstatement, whether due to fraud or error. We tested specific transactions back to source documentation or independent confirmations as appropriate.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved reviewing minutes from the Board of Directors, enquiries of management and journal entry testing, with a focus on manual journals and journals indicating significant unusual transactions identified by specific risk criteria based on our understanding of the business.

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

Christopher Atkinson (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Cambridge, United Kingdom
18 December 2023

SAGE FAR EAST INVESTMENTS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Note	2023 £000	2022 £000
Selling and administrative expenses		(4)	-
Operating (loss)/profit	4	(4)	-
Finance income	5	299	86
Finance costs	6	-	(13)
Profit before tax		295	73
Tax on profit	7	-	-
Profit for the financial year		295	73
Total comprehensive income for the year		295	73


The notes on pages 10 to 17 form part of these financial statements.

SAGE FAR EAST INVESTMENTS LIMITED
REGISTERED NUMBER: 05126343

BALANCE SHEET
AS AT 30 SEPTEMBER 2023

	Note	2023 £000	2022 £000
Non current assets			
Investments	8	-	-
		-	-
Current assets			
Trade and other receivables	9	5,938	5,641
Cash at bank and in hand		-	2
		5,938	5,643
Total assets less current liabilities		5,938	5,643
Net current assets		5,938	5,643
Net assets		5,938	5,643
Equity attributable to the owners of the parent			
Ordinary shares	10	9,716	9,716
Share premium		166	166
Retained earnings		(3,944)	(4,239)
		5,938	5,643

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 December 2023.

DocuSigned by:

 BF00F44E7FA44AD...
Alexander Hall
 Director

The notes on pages 10 to 17 form part of these financial statements.

SAGE FAR EAST INVESTMENTS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Ordinary shares £000	Share premium £000	Retained earnings £000	Total equity £000
At 1 October 2021	9,716	166	(4,312)	5,570
Comprehensive income for the year				
Profit for the year	-	-	73	73
Total comprehensive income for the year	-	-	73	73
At 1 October 2022	9,716	166	(4,239)	5,643
Comprehensive income for the year				
Profit for the year	-	-	295	295
Total comprehensive income for the year	-	-	295	295
At 30 September 2023	9,716	166	(3,944)	5,938

The notes on pages 10 to 17 form part of these financial statements.

SAGE FAR EAST INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

1. General information

Sage Far East Investments 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 C23 - 5 & 6, Cobalt Park Way, Cobalt Park, Newcastle upon Tyne NE28 9EJ.

2. Accounting policies

2.1 Basis of preparation of financial statements

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 UK ("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.

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 3.

The financial statements have been prepared on the historical cost basis. All amounts are presented in Great British Pounds (GBP).

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

The Directors have robustly tested the going concern assumption in preparing the financial statements ensuring that the Company can continue to pay its liabilities as they fall due through a forecasted period to 31 December 2024 ("the going concern assessment period"). This included reviewing the Company's cash position, net current asset position and obligations under debt arrangements with other Sage Group companies.

Based on the above, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence throughout the going concern assessment period. For this reason, they have adopted 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.

SAGE FAR EAST INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

2. Accounting policies (continued)

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

In these financial statements, the Company, as a qualifying entity under FRS 101, has applied the exemptions available under the standard 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.

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.

2.3 Foreign currency translation

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.

2.4 Finance income

Interest income is recognised in profit or loss using the effective interest method.

2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

SAGE FAR EAST INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

2. Accounting policies (continued)

2.6 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.

2.7 Investments

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.

2.8 Trade and other receivables

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.

2.9 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.

2.10 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.

Financial assets and financial liabilities are initially measured at fair value.

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

SAGE FAR EAST INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

2. Accounting policies (continued)

2.11 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.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities within the next year.

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 2023 was £nil (2022: £nil) and a reversal of impairment of £nil has been recognised (2022: £nil).

4. Operating loss

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 (2022: £nil). No other persons were employed by the Company during the year (2022: none).

5. Finance income

	2023	2022
	£000	£000
Interest receivable from group companies	299	86
	299	86

SAGE FAR EAST INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

6. Finance cost

	2023	2022
	£000	£000
Interest payable to group undertakings	-	13
	<u>-</u>	<u>13</u>

7. Taxation

	2023	2022
	£000	£000
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - *lower than*) the hybrid rate of corporation tax in the UK of 22% (2022 - 19%). The differences are explained below:

	2023	2022
	£000	£000
Profit on ordinary activities before tax	<u>295</u>	<u>73</u>
Profit on ordinary activities multiplied by the hybrid rate of corporation tax in the UK of 22% (2022 - 19%)	<u>65</u>	<u>14</u>
Effects of:		
Non-deductible expenses	-	1
Imputed interest	-	6
Group relief utilised not paid	(65)	(21)
Total tax charge for the year	<u>-</u>	<u>-</u>

SAGE FAR EAST INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

7. Taxation (continued)

Factors that may affect future tax charges

The main UK corporation tax rate has increased from 19% to 25% on 1 April 2023. Due to this change occurring during the current year, a blended corporation tax rate of 22% has been applied.

8. Investments

	Investments in subsidiary companies £000
Cost	
At 1 October 2022	1,240
At 30 September 2023	<u>1,240</u>
Impairment	
At 1 October 2022	1,240
At 30 September 2023	<u>1,240</u>
Net book value	
At 30 September 2023	<u><u>-</u></u>
At 30 September 2022	<u><u>-</u></u>

SAGE FAR EAST INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

8. Investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Sage Software India Private Limited (in liquidation) *	N-34, Lower Ground Floor, Block M, Rampuri, Kalkaji, New Delhi 110019, India	Ordinary	99.99%
Sage Software Middle East FZ-LLC *	Suite 118, Building No. 11, Dubai Internet City, Dubai, United Arab Emirates	Ordinary	100%

* Direct subsidiary

9. Trade and other receivables

	2023 £000	2022 £000
Amounts owed by group undertakings	5,938	5,641
	5,938	5,641

All amounts owed by group undertakings are interest bearing, unsecured and repayable upon demand.

10. Equity

	2023 £000	2022 £000
Allotted, called up and fully paid		
9,716,050 (2022 - 9,716,050) Ordinary shares of £1.00 each	9,716	9,716

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

Retained earnings represents cumulative comprehensive income less dividends paid.

SAGE FAR EAST INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

11. Immediate and ultimate parent company

The immediate parent company is Sage Holding Company Limited a company registered in England and Wales.

The ultimate parent undertaking and ultimate controlling party is The Sage Group plc, a company registered in England and Wales. 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, C23 - 5 & 6, Cobalt Park Way, Cobalt Park, Newcastle upon Tyne NE28 9EJ

SAGE EURO HEDGE CO 1

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

SAGE EURO HEDGE CO 1

CONTENTS

	Page
Directors' Report	1 - 2
Directors' Responsibilities Statement	3
Independent Auditor's Report	4 - 6
Statement of Comprehensive Income	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10 - 15

SAGE EURO HEDGECO 1

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2023

The Directors of Sage Euro Hedgeco 1 (the "Directors") present their report and the financial statements for the year ended 30 September 2023.

Principal activity

The principal activity of Sage Euro Hedgeco 1 (the "Company") throughout the year has been to mitigate Euro related foreign currency risks within the Sage group of companies ("Sage", or the "Group") and will remain as such for the foreseeable future.

Results and dividends

The profit for the year amounted to £74,409 (2022: £3,948,402) and is reflective of the activity during the period. The Directors do not recommend the payment of a dividend.

Directors

The Directors who served during the year and to the date of this report were:

Mark Parry
Ditmir Xhaferi (resigned 1 December 2022)
Alexander Hall (appointed 1 December 2022)

Indemnity provisions

The ultimate parent company, The Sage Group plc., maintained liability insurance for its directors and officers during the financial period 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 secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

Greenhouse gas emissions, energy consumption and energy efficiency action

The Company is exempt from providing the information required by Schedule 7A to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) in respect of greenhouse gas emissions, energy consumption and action taken to increase its energy efficiency in the UK, as the Company is included in the annual report and accounts of The Sage Group plc. for the year ended 30 September 2023 which include the required disclosures.

Going concern

The Directors have robustly tested the going concern assumption in preparing the financial statements ensuring that the Company can continue to pay its liabilities as they fall due through a forecasted period to 31 December 2024 ("the going concern assessment period"). This included reviewing the Company's cash position, net current asset position and obligations under debt arrangements with other Sage Group companies.

Based on the above, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence throughout the going concern assessment period. For this reason, they have adopted the going concern basis in preparing the financial statements.

Strategic Report

This report has been prepared in accordance with the special provision relating to small companies within Part 15 of the Companies Act 2006 (section 414B) and the Company is therefore exempt from the requirement to prepare a Strategic Report.

SAGE EURO HEDGECO 1

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There have been no significant subsequent events identified at the date of this report which would impact the Company.


Auditor

The auditor, Ernst & Young, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

DocuSigned by:

8F00F44E7FA44AD...

Director

Date: 18 December 2023

SAGE EURO HEDGE CO 1

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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.

SAGE EURO HEDGE CO 1

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAGE EURO HEDGE CO 1

Opinion

We have audited the financial statements of Sage Euro Hedgeco 1 (the 'company') for the year ended 30 September 2023 which comprise the Statement of Comprehensive Income, Balance Sheet, 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 2023 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. 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the period to 31 December 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

SAGE EURO HEDGE CO 1

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAGE EURO HEDGE CO 1

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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has 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 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; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

SAGE EURO HEDGECO 1

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAGE EURO HEDGECO 1

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS101 and the Companies Act 2006), the relevant direct and indirect tax compliance regulation in the jurisdictions in which the company operates and the EU General Data Protection (GDPR). In addition, the company has to comply with laws and regulations relating to its operations, data protection and anti-bribery and corruption.
- We understood how Sage Euro Hedgeco 1 is complying with those frameworks by making enquiries of management and legal counsel being those responsible for legal and compliance procedures to understand how the company maintains and communicates its policies and procedures in these areas and corroborated this by reviewing supporting documentation such as the group Code of Conduct and correspondence from local legal counsel.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override, performance targets and their influence on efforts made by management to manage the financial result. We incorporated data analytics into our testing of other income and expense accounts and manual journals, including segregation of duties. We performed audit procedures to address each potential risk factors, including testing manual journals which were designed to provide reasonable assurance that the financial statements were free from material misstatement, whether due to fraud or error. We tested specific transactions back to source documentation or independent confirmations as appropriate.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved reviewing minutes from the Board of Directors, enquiries of management and journal entry testing, with a focus on manual journals and journals indicating significant unusual transactions identified by specific risk criteria based on our understanding of the business.

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

Christopher Atkinson (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Cambridge, United Kingdom
18 December 2023

SAGE EURO HEDGE CO 1

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Note	2023 £	2022 £
Foreign exchange gain		74,409	3,948,402
Operating profit		<u>74,409</u>	<u>3,948,402</u>
Profit before tax	4	<u>74,409</u>	<u>3,948,402</u>
Income tax expense	6	-	-
Profit for the financial year		<u><u>74,409</u></u>	<u><u>3,948,402</u></u>
 Total comprehensive income for the year		 <u><u>74,409</u></u>	 <u><u>3,948,402</u></u>

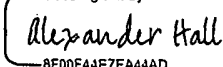
The notes on pages 10 to 15 form part of these financial statements.

SAGE EURO HEDGE CO 1
REGISTERED NUMBER: 08680618

BALANCE SHEET
AS AT 30 SEPTEMBER 2023

	Note	2023 £	2022 £
Non-current assets			
Investments	7	-	-
		<u>-</u>	<u>-</u>
Current assets			
Trade and other receivables	8	2,382,487	113,593,958
Total assets		<u>2,382,487</u>	<u>113,593,958</u>
Net assets		<u>2,382,487</u>	<u>113,593,958</u>
Equity attributable to the owners of the parent			
Ordinary and redeemable shares	10	175	111,286,055
Retained earnings		2,382,312	2,307,903
		<u>2,382,487</u>	<u>113,593,958</u>

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

DocuSigned by:

 8F00F43E7FA44AD...
Alexander Hall
 Director

Date: 18 December 2023

The notes on pages 10 to 15 form part of these financial statements.

SAGE EURO HEDGECO 1

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Ordinary and redeemable shares £	Retained earnings £	Total equity £
At 1 October 2021	65,364,706	(1,640,499)	63,724,207
Profit for the year	-	3,948,402	3,948,402
Total comprehensive income for the year	-	3,948,402	3,948,402
Redeemable shares redeemed during the year	45,921,349	-	45,921,349
At 1 October 2022	111,286,055	2,307,903	113,593,958
Profit for the year	-	74,409	74,409
Total comprehensive income for the year	-	74,409	74,409
Redeemable shares redeemed during the year	(111,285,880)	-	(111,285,880)
At 30 September 2023	175	2,382,312	2,382,487

The notes on pages 10 to 15 form part of these financial statements.

SAGE EURO HEDGECO 1

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

1. General information

Sage Euro Hedgeco 1 (the "Company") is a company incorporated and domiciled in England, it is a private unlimited company and the Company's registered address is C23 - 5 & 6 Cobalt Park Way, Cobalt Park, Newcastle upon Tyne, NE28 9EJ.

2. Accounting policies

2.1 Basis of preparation of financial statements

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 UK ("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.

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 3.

The financial statements have been prepared on the historical cost basis. All amounts are presented in Great British Pounds (GBP).

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

The Directors have robustly tested the going concern assumption in preparing the financial statements ensuring that the Company can continue to pay its liabilities as they fall due through a forecasted period to 31 December 2024 ("the going concern assessment period"). This included reviewing the Company's cash position, net current asset position and obligations under debt arrangements with other Sage Group companies.

Based on the above, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence throughout the going concern assessment period. For this reason, they have adopted 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.

SAGE EURO HEDGECO 1

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. Accounting policies (continued)

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

In these financial statements, the Company, as a qualifying entity under FRS 101, has applied the exemptions available under the standard 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 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.

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.

2.3 Foreign currency translation

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.

2.4 Amounts owed by group undertakings

Amounts owed by group undertakings are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for expected credit losses.

For amounts owed by group undertakings that are trade receivables, the Company applies the simplified approach using a provision matrix as for external trade receivables. For other amounts, the Company applies IFRS 9's general approach under which a provision for 12-month expected credit losses is recognised unless the credit risk associated with the receivable is deemed to have increased significantly since its initial recognition, in which case lifetime expected credit losses are recognised.

SAGE EURO HEDGECO 1

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. Accounting policies (continued)

2.5 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. There is an agreement between members of the group that losses will not be paid for by the recipient company.

2.6 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.

Financial assets and financial liabilities are initially measured at fair value.

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

2.7 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.

SAGE EURO HEDGE CO 1

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities within the next year.

Recoverability of amounts owed by group undertakings

Amounts owed by group undertakings to which IFRS 9's general approach to recognising expected credit losses applies requires determination of whether the amounts are recoverable based on whether the other party is able to repay. This is performed by assessing the probability of default and a provision is recognised for any shortfall. Where a balance attracts interest, the amount to be repaid is discounted at the applicable interest rate.

The carrying value of amounts owed by group undertakings at 30 September 2023 was £2,382,487 (2022: £113,593,958) and no impairment loss has been recognised (2022: £nil).

4. Profit before income tax

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 (2022: £nil). No other persons were employed by the Company during the year (2022: none).

5. Auditor's remuneration

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

6. Taxation

	2023 £	2022 £
Current tax		
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	-

SAGE EURO HEDGECO 1

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

6. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2022 - *lower than*) the hybrid rate of corporation tax in the UK of 22% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	74,409	3,948,402
Profit on ordinary activities multiplied by blended rate of corporation tax in the UK of 22% (2021 - 19%)	16,370	750,196
Effects of:		
Non-taxable foreign exchange gains	(16,370)	(750,196)
Imputed interest	397,813	139,791
Group relief utilised not paid	(397,813)	(139,791)
Total tax charge for the year	-	-

Factors that may affect future tax charges

The main UK corporation tax rate has increased from 19% to 25% on 1 April 2023. Due to this change occurring during the current year, a blended corporation tax rate of 22% has been applied.

7. Investments

The Company's wholly owned subsidiary is Sage Euro Hedgeco 2. The registered address is C23 - 5 & 6 Cobalt Park Way, Cobalt Park, Newcastle upon Tyne, NE28 9EJ, England.

8. Trade and other receivables

	2023 £	2022 £
Amounts owed by group undertakings	2,382,487	113,593,958
	2,382,487	113,593,958

Amounts owed by group undertakings are non-interest bearing, unsecured and repayable upon demand.

SAGE EURO HEDGE CO 1

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

9. Financial instruments

As the consolidated financial statements of The Sage Group plc. include the equivalent disclosures, the Company has taken the exemptions under FRS 101 available in respect of certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures. The disclosures below cover statutory balances in relation to Amounts owed by / to group undertakings that are not covered in The Sage Group plc. consolidated financial statements.

Fair value measurement of financial assets and financial liabilities

Amounts owed by group undertakings and amounts owed to group undertakings are initially measured at fair value and are subsequently measured at amortised cost. The Directors consider that the carry amounts of the financial assets and financial liabilities recognised in the financial statements approximate their fair values.

10. Equity

	2023 £	2022 £
Allotted, called up and fully paid		
200 (2022 - 200) Ordinary shares of €1.000 each	175	175
nil (2022 - 111,285,880) Redeemable shares of £1.000 each*	-	111,285,880
	<u>175</u>	<u>111,286,055</u>

Retained earnings represent cumulative comprehensive income less dividends paid.

*Decrease in a year relates to the redemption of shares by Sage Treasury Company Limited in Sage Euro Hedgco 1 to mitigate the company's tax foreign currency exposure.

11. Immediate and ultimate parent company

The Company's immediate parent company is Sage Treasury Company Limited, a company registered in England and Wales.

The ultimate parent undertaking and ultimate controlling party is The Sage Group plc. a company registered in England and Wales. 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., C23 - 5 & 6 Cobalt Park Way, Cobalt Park, Newcastle upon Tyne, NE28 9EJ.

Registered number: 02470736

SAGESOFT

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

SAGESOFT

CONTENTS

	Page
Strategic Report	1 - 3
Directors' Report	4 - 5
Directors' Responsibilities Statement	6
Independent Auditor's Report	7 - 9
Statement of Comprehensive Income	10
Balance Sheet	11
Statement of Changes in Equity	12
Notes to the Financial Statements	13 - 22

SAGESOFT

STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2023

Introduction

The Directors of Sagesoft (the "Directors") present their Strategic Report on Sagesoft (the "Company") for the year ended 30 September 2023. The Directors of The Sage Group plc, the ultimate parent company, set the strategy for the whole Sage group of companies ("Sage", or the "Group"). This is set out within The Sage Group plc's Annual Report and Accounts for the year ended 30 September 2023 (the "Plc Annual Report and Accounts"), 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 twelve principal risks which are monitored and reported against at a Global level.

- Understanding Customer Needs
- Execution of Product Strategy
- Developing and Exploiting New Business Models
- Route to Market
- Customer Experience
- Third Party Reliance
- People and Performance
- Culture
- Cyber Security & Data Privacy
- Data Strategy
- Readiness to Scale
- Environmental, Social & Governance

The background, management and mitigation process are disclosed in the Plc 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.

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 2023.

SAGESOFT

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

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 Plc Annual Report and Accounts.

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.

Section 172(1) Statement

As per Section 172(1) of the Companies Act 2006 ("Section 172(1)"), a director of a company must act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a. the likely consequences of any decision in the long term;
- b. the interests of the company's employees;
- c. the need to foster the company's business relationships with suppliers, customers and others;
- d. the impact of the company's operations on the community and the environment;
- e. the desirability of the company maintaining a reputation for high standards of business conduct; and
- f. the need to act fairly as between members of the company.

This statement describes how the Directors have had regard to the matters set out above when performing their duty to promote the success of the Company for the benefit of its members as a whole, having regard to the interests of its stakeholders and the wider society.

The Directors are responsible for monitoring and upholding the culture, values, standards, ethics and reputation of the Company to ensure that their obligations to the Company's stakeholders, including its shareholder, are met. The Company follows Sage's policies and procedures, including those relating to standards of business conduct, colleagues, society and other stakeholders. However, in considering items of business, the Company makes autonomous decisions based on each transaction's own merits, after due consideration of the long-term sustainable success of the Company, Section 172(1) factors where relevant, and the stakeholders impacted. Board meetings are held as and when required to discuss matters of business.

In the year ended 30 September 2023 the Directors approved, amongst other decisions, the appointment of Alexander Hall as a director of the Company. This decision was reached after a comprehensive assessment of Mr. Hall's qualifications, experience, and expertise. The appointment contributes to the diversification and strengthening of the Board's leadership, which is essential for effective corporate governance. The decision to appoint Mr. Hall is beneficial to the Company and its stakeholders as it enhances the Board's capabilities, knowledge, and perspectives, ultimately fostering sound decision-making, sustainable growth, and long-term value creation.

The Board, in alignment with principles of corporate transparency and accountability, resolved to reappointment of the auditors of the Company for the financial year ending 30 September 2023. This decision was reached following a rigorous evaluation of the Auditors' independence, and performance history. The reappointment ensures continuity in financial oversight and enhances the integrity of financial reporting, which is critical for maintaining the trust of the Company's stakeholders, including shareholders, creditors, and the general public. The Board remains steadfast in its commitment to upholding the highest standards of corporate governance, transparency, and accountability in all its actions, ensuring the Company's sustainable success and its positive impact on all stakeholders and the wider community.

As is typical for a company which is part of a large, listed group, the Directors fulfil their duties partly through a

SAGESOFT

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

Section 172(1) Statement (continued)

governance framework determined at Group level that delegates day-to-day decision-making to Sage's management. Such delegation forms part of Sage's robust governance structure which encompasses the principles of Section 172(1) so that they ultimately become embedded within the business and everything Sage does as a Group.

The Directors recognise that Sage, including the Company, has a wide range of stakeholders and balancing their respective needs and expectations is important. The decision-making process is structured to enable Directors to evaluate the merit of proposed business activities in view of competing priorities and the likely consequences of decisions on our stakeholders over the short, medium and longer term. The Directors are committed to effective engagement with all stakeholders of the Company and acknowledge that, as part of Sage, engagement activities are mostly carried out at Group level. The values and behaviours upheld when engaging with stakeholders are consistent across Sage, irrespective of which member of the Group is communicating with any and all of Sage's stakeholders.

After due consideration, the Directors have determined the Company's key stakeholders to be largely consistent with those set out in the Plc Annual Report and Accounts.

Colleagues

The Company has no employees itself. The Directors are cognisant that colleagues are crucial to Sage's success and effective engagement is maintained at Group level.

Customers

The Company has no customers itself. The Directors are cognisant that customers are crucial to Sage's success and effective engagement is maintained at Group level.

Society

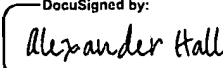
The Directors recognise that Sage is committed to managing the Group's use of resources proactively to minimise environmental impact and investing in education, technology, and environmental change to give individuals, small and mid-sized businesses and our planet the opportunity to thrive.

The Directors of the Company also support Sage's culture and commitment to doing business the right way. Sage's culture and commitment are demonstrated through the work of the Sage Foundation, which combines charitable giving and supporting colleague engagement with non-profit organisations delivering change.

Shareholders

The Directors consider the long-term impact of corporate actions and decisions on and for the benefit of the Company's direct and indirect shareholders. Engagement with other Sage Group undertakings, including the Company's shareholder is conducted through internal Sage management activities and ongoing meetings and dialogue. The Company's ultimate parent is The Sage Group plc. and effective engagement with the Sage Group's shareholders is maintained at Group level.

This report was approved by the board on 18 December 2023 and signed on its behalf.

DocuSigned by:

8F00F44E7FA44AD...
Alexander Hall
Director

SAGESOFT

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

The Directors present their report and the financial statements for the year ended 30 September 2023.

Principal activity

The principal activity of the Company throughout the year has been that of an intermediate holding company within the Group and will remain as such for the foreseeable future.

Results and dividends

The loss for the year amounted to \$67,000 (2022: profit \$139,000) and is reflective of the activity during the period. During the year dividends of \$nil were declared and paid (2022: \$nil).

Directors

The Directors who served during the year and to the date of this report were:

Ditmir Xhaferi (resigned 1 December 2022)
Alexander Hall (appointed 1 December 2022)
Mark Parry

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. Following shareholder approval, the Company 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

The Directors have robustly tested the going concern assumption in preparing the financial statements ensuring that the Company can continue to pay its liabilities as they fall due through a forecasted period to 31 December 2024 ("the going concern assessment period"). This included reviewing the Company's cash position, net current asset position and obligations under debt arrangements with other Sage Group companies.

Based on the above, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence throughout the going concern assessment period. For this reason, they have adopted the going concern basis in preparing the financial statements.

Streamlined Energy and Carbon Reporting

In line with the Streamlined Energy and Carbon Reporting (SECR) requirements of the Companies Act 2006 for large quoted and unlisted companies, the Company has taken the exemption available to not disclose its energy and carbon information within the Directors' report due to the disclosure being included in the Plc Annual Report and Accounts.

Auditor

The auditor, Ernst & Young, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

SAGESOFT

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**


Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is 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.

This report was approved by the board on 18 December 2023 and signed on its behalf.

DocuSigned by:

8F00F44E7FA44AD...
Alexander Hall
Director

SAGESOFT

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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.

SAGESOFT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAGESOFT

Opinion

We have audited the financial statements of Sagesoft (the 'Company') for the year ended 30 September 2023 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 13, including material accounting policy information. 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 2023 and of its loss 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. 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the period to 31 December 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

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

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

SAGESOFT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAGESOFT

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.

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.

- 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 6, 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

SAGESOFT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAGESOFT

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (FRS 101 and the Companies Act 2006), the relevant direct and indirect tax compliance regulation in the jurisdictions in which the company operates and the EU General Data Protection Regulation (GDPR). In addition, the company has to comply with laws and regulations relating to its operations, data protection and anti-bribery and corruption.
- We understood how the Company is complying with those frameworks by making enquiries of management and legal counsel being those responsible for legal and compliance procedures to understand how the company maintains and communicates its policies and procedures in these areas and corroborated this by reviewing supporting documentation such as the group Code of Conduct and correspondence from local legal counsel.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override, performance targets and their influence on efforts made by management to manage the financial result. We incorporated data analytics into our testing of other income and expense accounts and manual journals, including segregation of duties. We performed audit procedures to address each potential risk factor, including testing manual journals which were designed to provide reasonable assurance that the financial statements were free from material misstatement, whether due to fraud or error. We tested specific transactions back to source documentation or independent confirmations as appropriate.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved reviewing minutes from the Board of Directors, enquiries of management and journal entry testing, with a focus on manual journals and journals indicating significant unusual transactions identified by specific risk criteria based on our understanding of the business.

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

Christopher Atkinson (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Cambridge, United Kingdom
18 December 2023

SAGESOFT

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Note	2023 \$000	2022 \$000
Finance income	6	-	141
Finance costs	5	(67)	(2)
(Loss)/profit before tax		(67)	139
Tax on (loss)/profit	7	-	-
(Loss)/profit for the financial year		(67)	139
Total comprehensive (loss)/income for the year		(67)	139

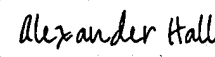
The notes on pages 13 to 22 form part of these financial statements.

SAGESOFT
REGISTERED NUMBER: 02470736

BALANCE SHEET
AS AT 30 SEPTEMBER 2023

	Note	2023 \$000	2022 \$000
Non-current assets			
Investments	8	1,975,038	1,975,038
		<u>1,975,038</u>	<u>1,975,038</u>
Current assets			
Trade and other receivables	9	4,459	4,149
Cash and cash equivalents		1	1
		<u>4,460</u>	<u>4,150</u>
Trade and other payables	10	(4,307)	(3,930)
Net current assets		<u>153</u>	<u>220</u>
Net assets		<u>1,975,191</u>	<u>1,975,258</u>
Equity attributable to the owners of the parent			
Ordinary shares	11	563,551	563,551
Other reserves		310,310	310,310
Retained earnings		1,101,330	1,101,397
		<u>1,975,191</u>	<u>1,975,258</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 December 2023.

DocuSigned by:

 BF00F44E7FA44AD...
Alexander Hall
 Director

The notes on pages 13 to 22 form part of these financial statements.

SAGESOFT**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Ordinary shares \$000	Other reserves \$000	Retained earnings \$000	Total equity \$000
At 1 October 2021	563,551	310,310	1,101,258	1,975,119
Profit for the year	-	-	139	139
Total comprehensive income for the year	-	-	139	139
At 1 October 2022	563,551	310,310	1,101,397	1,975,258
Loss for the year	-	-	(67)	(67)
Total comprehensive loss for the year	-	-	(67)	(67)
At 30 September 2023	563,551	310,310	1,101,330	1,975,191

The notes on pages 13 to 22 form part of these financial statements.

SAGESOFT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

1. General information

Sagesoft (the "Company") is a company incorporated and domiciled in England, it is a private unlimited company and the Company's registered address is C23 - 5 & 6 Cobalt Park Way, Cobalt Park, Newcastle upon Tyne, NE28 9EJ.

2. Accounting policies

2.1 Basis of preparation of financial statements

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 accounting standards in conformity with the requirements of the 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 13.

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 3.

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 US Dollars (USD), 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 Directors have robustly tested the going concern assumption in preparing the financial statements ensuring that the Company can continue to pay its liabilities as they fall due through a forecasted period to 31 December 2024 ("the going concern assessment period"). This included reviewing the Company's cash position, net current asset position and obligations under debt arrangements with other Sage Group companies.

Based on the above, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence throughout the going concern assessment period. For this reason, they have adopted 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.

SAGESOFT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

2. Accounting policies (continued)

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

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;
- 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 and 18A of IAS 24 Related party disclosures.

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.

2.3 Foreign currency translation

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.

2.4 Finance income

Finance income represents foreign currency gains in the period.

2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 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.

SAGESOFT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

2. Accounting policies (continued)

2.7 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 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.

2.8 Trade and other payables

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

2.9 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.

2.10 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.

Financial assets and financial liabilities are initially measured at fair value.

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

2.11 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.

SAGESOFT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities within the next year.

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 2023 was \$1,975,038,000 (2022: \$1,975,038,000) and no impairment loss has been recognised during the year (2022: \$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 2023 was \$4,459,000 (2022: \$4,149,000) and no impairment loss has been recognised (2022: \$nil).

4. (Loss)/profit before tax

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 (2022: \$nil). No other persons were employed by the Company during the year (2022: none).

5. Finance Cost

	2023 \$000	2022 \$000
Loans from group undertakings	3	2
Foreign exchange loss	64	-
	<u>67</u>	<u>2</u>

SAGESOFT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

6. Finance Income

	2023 \$000	2022 \$000
Foreign exchange income	-	141
	<u>-</u>	<u>141</u>

7. Taxation

	2023 \$000	2022 \$000
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - *lower than*) the hybrid rate of corporation tax in the UK of 22% (2022 - 19%). The differences are explained below:

	2023 \$000	2022 \$000
(Loss)/profit on ordinary activities before tax	<u>(67)</u>	<u>139</u>
(Loss)/profit on ordinary activities multiplied by blended rate of corporation tax in the UK of 22% (2022 - standard rate of 19%)	(14)	26
Effects of:		
Imputed interest	(9)	(1)
Group relief surrendered/(utilised) not paid	23	(25)
Total tax charge for the year	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

The main UK corporation tax rate has increased from 19% to 25% on 1 April 2023. Due to this change occurring during the current year, a blended corporation tax rate of 22% has been applied.

SAGESOFT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

8. Investments

	\$000
Cost	
At 1 October 2022	1,975,038
At 30 September 2023	1,975,038
Net book value	
At 30 September 2023	1,975,038
At 30 September 2022	1,975,038

Investments represent shares in subsidiary undertakings and partnership interest.

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, the Directors have used a discount rate between 9.40% and 18.10% (2022: between 8.73% and 16.52%). 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 of between 0.80% and 1.40% (2022: between 1% and 3%).

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Sage Whitley Limited *	C23 - 5 & 6 Cobalt Park Way, Cobalt Park, Newcastle upon Tyne, NE28 9EJ, United Kingdom	Ordinary	100%
Sage Holdings Limited	C23 - 5 & 6 Cobalt Park Way, Cobalt Park, Newcastle upon Tyne, NE28 9EJ, United Kingdom	Ordinary	100%
Sage Software North America	c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle, Delaware, 19808, United States	Ordinary	100%
Sage Software Holdings Inc.	c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle, Delaware, 19808, United States	Ordinary	100%

SAGESOFT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

8. Investments (continued)**Subsidiary undertakings (continued)**

Name	Registered office	Class of shares	Holding
Sage Software, Inc.	c/o Corporation Service Company, 100 Shockoe Slip, 2nd Floor, Richmond, 23219, Richmond City, Virginia, USA	Ordinary	100%
Sage Software International, Inc.	c/o Corporation Service Company, 100 Shockoe Slip, 2nd Floor, Richmond, 23219, Richmond City, Virginia, USA	Ordinary	100%
Sage Tempus, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle, Delaware, 19808, United States	Ordinary	100%
Sage US LLP	C23 - 5 & 6 Cobalt Park Way, Cobalt Park, Newcastle upon Tyne, NE28 9EJ, United Kingdom	Membership	100%
Sage Software Canada Ltd	111, 5th Avenue SW, Suite 3100-C, Calgary, AB, T2P 5L3, Canada	Ordinary	100%
Best Software (Germany) GmbH	Franklinstraße 61-63, 60486, Frankfurt am Main, Germany	Ordinary	100%
Sage Intacct, Inc.	c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle, Delaware, 19808, United States	Ordinary	100%
Sage Budgeta, Inc.	c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle, Delaware, 19808, United States	Ordinary	100%
South Acquisition Corp.	c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle, Delaware, 19808, United States	Ordinary	100%

SAGESOFT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

8. Investments (continued)**Subsidiary undertakings (continued)**

Name	Registered office	Class of shares	Holding
Intacct Software Pvt Limited	No 501 & 502, Tower C, 5th Floor, The Millenia, No. 1 & 2 Murphy Road, Bangalore, Karnataka, 560 008, India	Ordinary	100%
Intacct Development Romania SRL	Cluj-Napoca, Bd. 21 Decembrie 1989 no. 77, 1st floor, room C.1.2 building C-D, The Office, Cluj county, Romania	Ordinary	100%
Budgeta Technologies Ltd	32 HaBarzel St., Tel Aviv, 6971046, Israel	Ordinary	100%
Sage Intacct Australia Pty Limited	PricewaterhouseCoopers, Level 17, 100 Barangaroo Avenue, Barangaroo NSW 2000, Australia	Ordinary	100%
Lockstep Network India Pvt. Ltd.	1st and 2nd Flr Sky Loft, Creaticity Mall Opp Golf Course, Shastrinagar, Yerwada, Pune, 411006, India	Ordinary	99.99%
VV Finly Technology Pvt. Ltd.	#S-204, Wilson Court Apts, 6th Cross, 2nd Main, Wilson Garden, Bangalore, 560027, India	Ordinary	99.99%
Corecon Technologies, Inc.	NORMAN JOHN WENDL 5912 BOLSA AVENUE SUITE 109 HUNTINGTON BEACH CA 92649 United States	Ordinary	100%
Corecon Technologies India Private Limited	B-M.C.F-97/B, ARYA NAGAR MOHNA ROAD, BALLABGARH FARIDABAD, Haryana 121004, India	Ordinary	96.59%

* Direct subsidiary

SAGESOFT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

9. Trade and other receivables

	2023	2022
	\$000	\$000
Amounts owed by group undertakings	4,459	4,149
	<u>4,459</u>	<u>4,149</u>

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

10. Trade and other payables

	2023	2022
	\$000	\$000
Amounts owed to group undertakings	4,307	3,930
	<u>4,307</u>	<u>3,930</u>

Amounts owed to group undertakings are unsecured, repayable on demand and attract an interest rate of between 0% and 5.19%.

11. Equity

	2023	2022
	\$000	\$000
Allotted, called up and fully paid		
300 (2022 - 300) Ordinary shares of \$1.69 each	1	1
563,549,998 (2022 - 563,549,998) Redeemable ordinary shares of \$1.00 each	563,550	563,550
	<u>563,551</u>	<u>563,551</u>

No dividends were declared and paid during the year (2022: none).

The redeemable ordinary shares are redeemable at par on demand of the Company and are ranked pari passu with ordinary shares in all respects.

Retained earnings represent cumulative comprehensive income less dividends paid.

Other reserves represent non distributable reserves following the redemption or purchase of the Company's own shares.

SAGESOFT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

12. Financial instruments

As the consolidated financial statements of The Sage Group plc include the equivalent disclosures, the Company has taken the exemptions under FRS 101 available in respect of certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures. The disclosures below cover statutory balances in relation to Amounts owed by / to group undertakings that are not covered in The Sage Group plc consolidated financial statements.

Fair value measurement of financial assets and financial liabilities

Amounts owed by group undertakings and amounts owed to group undertakings are initially measured at fair value and are subsequently measured at amortised cost. The Directors of the Company consider that the carry amounts of the financial assets and financial liabilities recognised in the financial statements approximate their fair values.

13. Immediate and ultimate parent Company

The Company's immediate parent undertaking is Sage Holding Company Limited, a Company registered in England and Wales.

The ultimate parent undertaking and ultimate controlling party is The Sage Group plc a Company registered in England and Wales. 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, C23 - 5 & 6 Cobalt Park Way, Cobalt Park, Newcastle upon Tyne, NE28 9EJ.

SAGE WHITLEY LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

SAGE WHITLEY LIMITED

CONTENTS

	Page
Directors' Report	1
Directors' Responsibilities Statement	2
Balance Sheet	3
Statement of Changes in Equity	4
Notes to the Financial Statements	5 - 12

SAGE WHITLEY LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

The Directors present their report and the financial statements for the year ended 30 September 2023.

Principal activity

The principal activity of Sage Whitley Limited ("the Company") during the year continues to be as an indirect holding company for investments held within the USA and will remain as such for the foreseeable future.

Directors

The Directors who served during the year were:

Mark Parry
Ditmir Xhaferi (resigned 1 December 2022)
Alexander Hall (appointed 1 December 2022)

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.

This report was approved by the board on 18 December 2023 and signed on its behalf.

DocuSigned by:

8F00F44E7FA44AD...
Alexander Hall
Director

SAGE WHITLEY LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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.

SAGE WHITLEY LIMITED
REGISTERED NUMBER: 05698248

BALANCE SHEET
AS AT 30 SEPTEMBER 2023

	Note	2023 £000	2022 £000
Non-current assets			
Investments	5	1,101,688	1,101,688
		<u>1,101,688</u>	<u>1,101,688</u>
Current assets			
Trade and other receivables	6	6,581	6,581
		<u>6,581</u>	<u>6,581</u>
Trade and other payables	7	(3,490)	(3,490)
		<u>3,091</u>	<u>3,091</u>
Net current assets		<u>3,091</u>	<u>3,091</u>
Net assets		<u>1,104,779</u>	<u>1,104,779</u>
Equity attributable to the owners of the parent			
Ordinary shares	8	16,471	16,471
Share premium		4,118	4,118
Other reserves		178,647	178,647
Retained earnings		905,543	905,543
		<u>1,104,779</u>	<u>1,104,779</u>

For the year ending 30 September 2023 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies and its members have not required the Company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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 have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 December 2023.

DocuSigned by:

 8F00F44E7FA44AD...
Alexander Hall
 Director

The notes on pages 5 to 12 form part of these financial statements.

SAGE WHITLEY LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Ordinary shares £000	Share premium account £000	Other reserves £000	Retained earnings £000	Total equity £000
At 1 October 2021	16,471	4,118	178,647	905,543	1,104,779
Total comprehensive income for the year	-	-	-	-	-
At 1 October 2022	16,471	4,118	178,647	905,543	1,104,779
Total comprehensive income for the year	-	-	-	-	-
At 30 September 2023	16,471	4,118	178,647	905,543	1,104,779

The notes on pages 5 to 12 form part of these financial statements.

SAGE WHITLEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

1. General information

Sage Whitley 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 C23 - 5 & 6 Cobalt Park Way, Cobalt Park, Newcastle upon Tyne, NE28 9EJ.

2. Accounting policies

2.1 Basis of preparation of financial statements

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 accounting standards in conformity with the requirements of the 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 10.

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 3.

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

SAGE WHITLEY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

2. Accounting policies (continued)
2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

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;
- 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 and 18A of IAS 24 Related party disclosures.

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.

2.3 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.

2.4 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 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.

2.5 Trade and other payables

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

2.6 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.

SAGE WHITLEY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

2. Accounting policies (continued)

2.6 Financial instruments (continued)

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

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

2.7 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.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities within the next year.

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 2023 was £1,101,688,000 (2022: £1,101,688,000) with no impairment loss of being recognised (2022: £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 2023 was £6,581,000 (2022: £6,581,000) and no impairment loss has been recognised (2022: £nil).

SAGE WHITLEY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

4. Taxation
Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - *lower than*) the hybrid rate of corporation tax in the UK of 22% (2022 - 19%). The differences are explained below:

	2023 £000	2022 £000
Effects of:		
Imputed interest	36	9
Group relief	(36)	(9)
Total tax charge for the year	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

The main UK corporation tax rate has increased from 19% to 25% on 1 April 2023. Due to this change occurring during the current year, a blended corporation tax rate of 22% has been applied.

5. Investments

	£000
Cost	
At 1 October 2022	1,101,688
At 30 September 2023	<u>1,101,688</u>
Net book value	
At 30 September 2023	<u>1,101,688</u>
At 30 September 2022	<u>1,101,688</u>

Investments represent shares in subsidiary undertakings.

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 the Directors have used a discount rate between 9.40% and 18.10% (2022: between 8.73% and 16.52%). 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 of between 1.40%.

SAGE WHITLEY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

5. Investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Sage Holdings Limited *	C23 - 5 & 6 Cobalt Park Way, Cobalt Park, Newcastle upon Tyne, NE28 9EJ, United Kingdom	Ordinary	100%
Sage Software North America	c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle, Delaware, 19808, USA	Ordinary	99.9%
Sage Software Holdings Inc.	c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle, Delaware, 19808, USA	Ordinary	100%
Sage Software, Inc.	Corporation Service Company, 100 Shockoe Slip, 2nd Floor, Richmond, 23219, Richmond City, Virginia, USA	Ordinary	100%
Sage Software International, Inc.	c/o Corporation Service Company, 100 Shockoe Slip, 2nd Floor, Richmond, 23219, Richmond City, Virginia, USA	Ordinary	100%
Sage Tempus, Inc	c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle, Delaware, 19808, USA	Ordinary	100%
Sage US LLP	C23 - 5 & 6 Cobalt Park Way, Cobalt Park, Newcastle upon Tyne, NE28 9EJ, United Kingdom	Membership	100%
Sage Software Canada Ltd	111, 5th Avenue SW, Suite 3100-C, Calgary, AB, T2P 5L3, Canada	Ordinary	100%
Best Software (Germany) GmbH	Franklinstraße 61-63, 60486, Frankfurt am Main, Germany	Ordinary	100%

SAGE WHITLEY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

5. Investments (continued)**Subsidiary undertakings (continued)**

Name	Registered office	Class of shares	Holding
Sage Intacct Inc	c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle, Delaware, 19808, USA	Ordinary	100%
Sage Budgeta, Inc.	c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle, Delaware, 19808, USA	Ordinary	100%
South Acquisition Corp.	c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle, Delaware, 19808, USA	Ordinary	100%
Intacct Software Private Limited	No 501 & 502, Tower C, 5th Floor, The Millenia, No. 1 & 2 Murphy Road, Bangalore, Karnataka, 560 008, India	Ordinary	100%
Intacct Development Romania SRL	Cluj-Napoca, Bd. 21 Decembrie 1989 no. 77, 1st floor, room C.1.2 building C-D, The Office, Cluj county, Romania	Ordinary	100%
Budgeta Technologies Ltd	32 HaBarzel St., Tel Aviv, 6971046, Israel	Ordinary	100%
Sage Intacct Australia Pty Limited	PricewaterhouseCoopers, Level 17, 100 Barangaroo Avenue, Barangaroo NSW 2000, Australia	Ordinary	100%
Lockstep Network Holdings, Inc.	C/o Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle DE 19808, United States	Ordinary	100%
Lockstep Network India Pvt. Ltd.	1st and 2nd Flr Sky Loft, Creaticity Mall Opp Golf Course, Shastrinagar, Yerwada, Pune, 411006, India	Ordinary	99.99%
VV Finly Technology Pvt. Ltd.	#S-204, Wilson Court Apts, 6th Cross, 2nd Main, Wilson Garden, Bangalore, 560027, India	Ordinary	99.99%

SAGE WHITLEY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

5. Investments (continued)**Subsidiary undertakings (continued)**

Name	Registered office	Class of shares	Holding
Corecon Technologies, Inc.	NORMAN JOHN WENDL, 5912 BOLSA AVENUE SUITE, 109 HUNTINGTON BEACH, CA, 92649, United States	Ordinary	100%
Corecon Technologies India Private Limited	B-M.C.F-97/B, ARYA NAGAR MOHNA ROAD, BALLABGARH FARIDABAD, Haryana, 121004, India	Ordinary	100%

*Direct subsidiary

6. Trade and other receivables

	2023 £000	2022 £000
Amounts owed by group undertakings	6,581	6,581
	6,581	6,581

Amounts owed by group undertakings are unsecured, interest free and carry no fixed repayment date.

7. Trade and other payables

	2023 £000	2022 £000
Amounts owed to group undertakings	3,490	3,490
	3,490	3,490

Amounts owed to group undertakings are unsecured, interest free and carry no fixed repayment date.

SAGE WHITLEY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

8. Equity

	2023	2022
	£000	£000
Allotted, called up and fully paid		
16,470,807 (2022 - 16,470,807) Ordinary shares of £1.00 each	16,471	16,471

No dividends were declared and paid during the year (2022: none).

The share premium represents the excess paid for ordinary share capital above its nominal value.

Other reserves represent non-distributable reserves accumulated following the redemption or purchase of the Company's own shares.

Retained earnings represent cumulative comprehensive income less dividends paid.

9. Financial instruments

As the consolidated financial statements of The Sage Group plc include the equivalent disclosures, the Company has taken the exemptions under FRS 101 available in respect of certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures. The disclosures below cover statutory balances in relation to Amounts owed by / to group undertakings that are not covered in The Sage Group plc consolidated financial statements.

Fair value measurement of financial assets and financial liabilities

Amounts owed by group undertakings and amounts owed to group undertakings are initially measured at fair value and are subsequently measured at amortised cost. The Directors of the Company consider that the carry amounts of the financial assets and financial liabilities recognised in the financial statements approximate their fair values.

10. Immediate and ultimate parent company

The Company's immediate parent undertaking is Sagesoft, a company registered in England and Wales.

The ultimate parent undertaking and ultimate controlling party is The Sage Group plc, a company registered in England and Wales. 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, C23 - 5 & 6 Cobalt Park Way, Cobalt Park, Newcastle upon Tyne, NE28 9EJ.

Registration number 08682616

Sage Euro Hedgeco 2

Report and Financial Statements

Year ended 30 September 2023

Sage Euro Hedgeco 2
Year ended 30 September 2023
Report and Financial Statements

Contents

Directors’ report 3

Balance Sheet 4

Notes..... 5

Sage Euro Hedgeco 2
Year ended 30 September 2023
Report and Financial Statements

Directors' report

The directors present their report and the audited financial statements of Sage Euro Hedgeco 2 ("the Company") for the year ended 30 September 2023.

Principal activities

The principal activity of the Company is that of a finance company.

The Company has been dormant for the current financial year as defined in section 480(1)(b) of the Companies Act 2006 and did not trade during the year ended 30 September 2023.

Directors

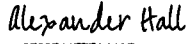
The directors who served during the year and up to the date of signing of the financial statements are set out below:

M Parry
D Xhaferi (resigned 1 December 2022)
A Hall (appointed 1 December 2022)

Indemnity provisions

The ultimate parent company, The Sage Group plc, maintained liability insurance for its directors and officers during the financial period 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 secretary, which is a qualifying third-party indemnity provision for the purposes of the Companies Act 2006.

On behalf of the Board

DocuSigned by:

A Hall
8F00F44E7FA44AD...

Director
18 December 2023

Sage Euro Hedgeco 2
 Year ended 30 September 2023
 Report and Financial Statements

Balance Sheet

	Note	2023 £	2022 £
Current assets			
Debtors	4	2,370,503	2,370,503
Net assets		2,370,503	2,370,503
Equity attributable to owners of the parent			
Ordinary shares	5	100	100
Retained earnings		2,370,403	2,370,403
Total equity		2,370,503	2,370,503

For the year ending 30 September 2023 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies and its members have not required the Company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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 have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

These financial statements were approved by the directors and authorised for issue on 18 December 2023, and are signed on their behalf by:

DocuSigned by:

Alexander Hall
 8F00F44E7FA44AD...

A Hall

Director

Company registration number: 08682616

The notes on page 5 to 8 form part of these financial statements.

Registered number 08682616

Sage Euro Hedgeco 2
Year ended 30 September 2023
Report and Financial Statements

Notes

1. Accounting policies

Sage Euro Hedgeco 2 (the "Company") is a private unlimited company incorporated and domiciled in England and Wales. The Company's registered address is C23 - 5 & 6 Cobalt Park Way, Cobalt Park, Newcastle upon Tyne, NE28 9EJ.

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 6.

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 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 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*.

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.

Sage Euro Hedgeco 2
Year ended 30 September 2023
Report and Financial Statements

Notes *(continued)*

1. Accounting policies *(continued)*

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. All amounts are presented in Great British Pounds (GBP).

The financial statements are prepared on a going concern basis and in accordance with the Companies Act 2006.

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

Financial instruments

Financial assets and 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.

2. Accounting estimates and judgements

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities within the next year.

Sage Euro Hedgeco 2
 Year ended 30 September 2023
 Report and Financial Statements

Notes (continued)

2. Accounting estimates and judgements (continued)

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 2023 was £2,370,503 (2022: £2,370,503) and no impairment loss has been recognised (2022: £nil).

3. Operating profit

The company has not traded during the year or the preceding financial period. During this time the Company received no income and incurred no expenditure and therefore no Income statement is presented in these financial statements.

4. Amounts owed by group undertakings

	2023	2022
	£	£
Current		
Amounts owed by group undertakings	2,370,503	2,370,503

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

5. Equity

Issued and fully paid		2023		2022
	Shares	£	Shares	£
Ordinary shares of £1 each	100	100	100	100

6. Financial instruments

As the consolidated financial statements of The Sage Group plc include the equivalent disclosures, the Company has taken the exemptions under FRS 101 available in respect of certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures. The disclosures below cover statutory balances in relation to Amounts owed by / to group undertakings that are not covered in The Sage Group plc consolidated financial statements.

Fair value measurement of financial assets and financial liabilities

Amounts owed by group undertakings and amounts owed to group undertakings are initially measured at fair value and are subsequently measured at amortised cost. The directors of the Company consider that the carry amounts of the financial assets and financial liabilities recognised in the financial statements approximate their fair values.

Sage Euro Hedgeco 2
Year ended 30 September 2023
Report and Financial Statements

Notes *(continued)*

7. Immediate and ultimate parent company

The Company's immediate parent undertaking is Sage Euro Hedgeco 1, a company registered in England and Wales.

The ultimate parent undertaking and ultimate controlling party is The Sage Group plc, a company registered in England and Wales. 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 C23 - 5 & 6 Cobalt Park Way, Cobalt Park, Newcastle upon Tyne, NE28 9EJ.

SAGE ONLINE HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

SAGE ONLINE HOLDINGS LIMITED

CONTENTS

	Page
Directors' Report	1 - 2
Directors' Responsibilities Statement	3
Independent Auditor's Report	4 - 6
Statement of Comprehensive Income	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10 - 16

SAGE ONLINE HOLDINGS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

The Directors of Sage Online Holdings Limited (the "Directors") present their report and the financial statements for the year ended 30 September 2023.

Principal activity

The principal activity of Sage Online Holdings Limited (the "Company") throughout the year has been to mitigate interest rate differential fair value movements on Cross Currency interest Rate Swaps within the Sage group of companies ("Sage", or the "Group") and will remain as such for the foreseeable future.

Dividends

The loss for the year, after taxation, amounted to £8,515,000 (2022: profit £3,048,000).

The Directors recommend the payment of a dividend of £nil to Sage Holding Company Limited (2022: £221,000,000).

Directors

The Directors who served during the year and to the date of this report, were:

Mark Parry
Ditmir Xhaferi (resigned 1 December 2022)
Alexander Hall (appointed 1 December 2022)

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.

Greenhouse gas emissions, energy consumption and energy efficiency action

The Company is exempt from providing the information required by Schedule 7A to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) in respect of greenhouse gas emissions, energy consumption and action taken to increase its energy efficiency in the UK, as the Company is included in the annual report and accounts of The Sage Group plc. for the year ended 30 September 2023 which include the required disclosures.

Going concern

The Directors have robustly tested the going concern assumption in preparing the financial statements ensuring that the Company can continue to pay its liabilities as they fall due through a forecasted period to 31 December 2024 ("the going concern assessment period"). This included reviewing the Company's cash position, net current asset position and obligations under debt arrangements with other Sage Group companies.

Based on the above, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence throughout the going concern assessment period. For this reason, they have adopted the going concern basis in preparing the financial statements.

SAGE ONLINE HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

Strategic Report

This report has been prepared in accordance with the special provision relating to small companies within Part 15 of the Companies Act 2006 (section 414B) and the Company is therefore exempt from the requirement to prepare a Strategic Report.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Ernst & Young, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

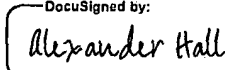
Post balance sheet events

There have been no significant subsequent events identified at the date of this report which would impact the Company.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

DocuSigned by:

8F00F44E7FA44AD...
Alexander Hall
Director

Date: 18 December 2023

SAGE ONLINE HOLDINGS LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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.

SAGE ONLINE HOLDINGS LIMITED

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

Opinion

We have audited the financial statements of Sage Online Holdings Limited (the 'company') for the year ended 30 September 2023 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 12, including material accounting policy information. 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 2023 and of its loss 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. 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the period to 31 December 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

SAGE ONLINE HOLDINGS LIMITED

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

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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the 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 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 3, 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management

SAGE ONLINE HOLDINGS LIMITED

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 101 and the Companies Act 2006), the relevant direct and indirect tax compliance regulation in the jurisdictions in which the company operates and the EU General Data Protection Regulation (GDPR). In addition, the company has to comply with laws and regulations relating to its operations, data protection and anti-bribery and corruption.
- We understood how Sage Online Holdings Limited is complying with those frameworks by making enquiries of management and legal counsel being those responsible for legal and compliance procedures to understand how the company maintains and communicates its policies and procedures in these areas and corroborated this by reviewing supporting documentation such as the group Code of Conduct and correspondence from local legal counsel.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override, performance targets and their influence on efforts made by management to manage the financial result. We incorporated data analytics into our testing of other income and expense accounts and manual journals, including segregation of duties. We performed audit procedures to address each potential risk factors, including testing manual journals which were designed to provide reasonable assurance that the financial statements were free from material misstatement, whether due to fraud or error. We tested specific transactions back to source documentation or independent confirmations as appropriate.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved reviewing minutes from the Board of Directors, enquiries of management and journal entry testing, with a focus on manual journals and journals indicating significant unusual transactions identified by specific risk criteria based on our understanding of the business.

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

Christopher Atkinson (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Cambridge, United Kingdom
18 December 2023

SAGE ONLINE HOLDINGS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Note	2023 £000	2022 £000
Finance income	4	11,055	3,051
Finance costs	5	(19,570)	(3)
(Loss)/profit before tax		(8,515)	3,048
Tax on (loss)/profit	6	-	-
(Loss)/profit for the financial year		(8,515)	3,048
 Total comprehensive (loss)/income for the year		 (8,515)	 3,048


The notes on pages 10 to 16 form part of these financial statements.

SAGE ONLINE HOLDINGS LIMITED
REGISTERED NUMBER: 07571843

BALANCE SHEET
AS AT 30 SEPTEMBER 2023

	Note	2023 £000	2022 £000
Non current assets			
Loans to group undertakings	7	614,413	-
		<u>614,413</u>	<u>-</u>
Current assets			
Trade and other receivables	7	116,282	110,432
		<u>116,282</u>	<u>110,432</u>
Trade and other payables: amounts falling due within one year	8	(18,354)	(2,523)
Net current assets		<u>97,928</u>	<u>107,909</u>
Total assets less current liabilities		<u>712,341</u>	<u>107,909</u>
Trade and other payables: amounts falling due after more than one year	9	(612,947)	-
		<u>99,394</u>	<u>107,909</u>
Net assets		<u><u>99,394</u></u>	<u><u>107,909</u></u>
Capital and reserves			
Called up share capital	11	83,393	83,393
Share premium		20,849	20,849
Retained earnings		(4,848)	3,667
		<u>99,394</u>	<u>107,909</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 December 2023.

DocuSigned by:

 BF00F44E7FA44AD...
Alexander Hall
 Director

The notes on pages 10 to 16 form part of these financial statements.

SAGE ONLINE HOLDINGS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Ordinary shares £000	Share premium £000	Retained earnings £000	Total equity £000
At 1 October 2021	83,393	20,849	221,619	325,861
Comprehensive income for the year				
Profit for the year	-	-	3,048	3,048
Dividends declared	-	-	(221,000)	(221,000)
At 1 October 2022	83,393	20,849	3,667	107,909
Comprehensive income for the year				
Loss for the year	-	-	(8,515)	(8,515)
Total comprehensive expense for the year	-	-	(8,515)	(8,515)
At 30 September 2023	83,393	20,849	(4,848)	99,394

The notes on pages 10 to 16 form part of these financial statements.

SAGE ONLINE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

1. General information

Sage Online 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 C23 - 5 & 6 Cobalt Park Way, Cobalt Park, Newcastle upon Tyne, NE28 9EJ.

2. Accounting policies

2.1 Basis of preparation of financial statements

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 UK ("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 12.

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.

The financial statements have been prepared on the historical cost basis. All amounts are presented in Great British Pounds (GBP).

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

The Directors have robustly tested the going concern assumption in preparing the financial statements ensuring that the Company can continue to pay its liabilities as they fall due through a forecasted period to 31 December 2024 ("the going concern assessment period"). This included reviewing the Company's cash position, net current asset position and obligations under debt arrangements with other Sage Group companies.

Based on the above, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence throughout the going concern assessment period. For this reason, they have adopted 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.

SAGE ONLINE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

2. Accounting policies (continued)

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

In these financial statements, the Company, as a qualifying entity under FRS 101, has applied the exemptions available under the standard 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.

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 12.

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.

2.3 Finance income

Finance income is recognised in profit or loss using the effective interest method.

2.4 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

SAGE ONLINE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

2. Accounting policies (continued)

2.5 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.

2.6 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.

2.7 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.

2.8 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Directors' remuneration

The Directors did not receive any emoluments during the year in respect of their services to the Company (2022: £nil). No other persons were employed by the Company during the year (2022: none).

SAGE ONLINE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

4. Finance income

	2023	2022
	£000	£000
Interest receivable from group companies	5,852	3,051
Fair value movements on internal swaps	5,203	-
	<u>11,055</u>	<u>3,051</u>

On 17 March 2023, two cross currency interest rate swaps were executed by Sage Online Holdings Limited (SOHL) with Sage Treasury Company Limited (STCL), both GBP/USD swaps.

The first internal GBP/USD swap for USD 429m/GBP 354m has a GBP receivable and a USD payable for SOHL, and will match the tenor on the external swap executed in June 2022.

The second internal GBP/USD swap for USD 321m/GBP 264m also has a GBP receivable and a USD payable for SOHL and has identical maturity and interest rate terms as the external swap executed in March 2023.

5. Finance costs

	2023	2022
	£000	£000
Interest payable to group companies	15,839	-
Net foreign exchange loss	3,731	3
	<u>19,570</u>	<u>3</u>

6. Taxation

	2023	2022
	£000	£000
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>-</u>

SAGE ONLINE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

6. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2022 - *higher than*) the hybrid rate of corporation tax in the UK of 22% (2022 - 19%). The differences are explained below:

	2023 £000	2022 £000
(Loss)/profit on ordinary activities before tax	(8,515)	3,048
(Loss)/profit on ordinary activities multiplied by a blended rate of 22% (2022 - standard rate of 19%)	(1,873)	579
Effects of:		
Non taxable foreign exchange (gains)/ losses	(368)	-
Group relief utilised not paid	(1,835)	(572)
Imputed interest	4,076	(7)
Total tax charge for the year	-	-

Factors that may affect future tax charges

The main UK corporation tax rate has increased from 19% to 25% on 1 April 2023. Due to this change occurring during the current year, a blended corporation tax rate of 22% has been applied.

7. Trade and other receivables

	2023 £000	2022 £000
Due after more than one year		
Amounts owed by group undertakings	614,413	-
Due within one year		
Amounts owed by group undertakings	116,282	110,431
	730,695	110,431

The amounts owed by group undertakings due within one year are unsecured, interest bearing (SONIA +1.6%) and repayable on demand.

The amounts owed by group undertakings due after more than one year are non interest bearing, unsecured and repayable on 15 February 2028 and 25 February 2031.

SAGE ONLINE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

8. Trade and other payables: Amounts falling due within one year

	2023 £000	2022 £000
Amounts owed to group undertakings	18,354	2,523
	<u>18,354</u>	<u>2,523</u>

The amounts owed to group undertakings due within one year are unsecured, non interest bearing and repayable on demand.

9. Trade and other payables: Amounts falling due after more than one year

	2023 £000	2022 £000
Amounts owed to group undertakings due after more than a year	612,947	-
	<u>612,947</u>	<u>-</u>

In March 2023, SOHL undertook changes to effect the FX hedging position for both the consolidated accounts and entity level tax position.

As part of this exercise, on 17 March 2023, SOHL issued two sterling denominated loans repayable on 15 February 2028 and 25 February 2031, £353,729,750 to STCL at a fixed interest rate of 4.98% and £264,420,000 at a fixed rate of 4.38%.

10. Financial instruments

As the consolidated financial statements of The Sage Group plc. include the equivalent disclosures, the Company has taken the exemptions under FRS 101 available in respect of certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures. The disclosures below cover statutory balances in relation to Amounts owed by / to group undertakings that are not covered in The Sage Group plc. consolidated financial statements.

Fair value measurement of financial assets and financial liabilities

Amounts owed by group undertakings and amounts owed to group undertakings are initially measured at fair value and are subsequently measured at amortised cost. The Directors consider that the carry amounts of the financial assets and financial liabilities recognised in the financial statements approximate their fair values.

SAGE ONLINE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

11. Equity

	2023	2022
	£000	£000
Allotted, called up and fully paid		
83,393,355 (2022 - 83,393,355) Ordinary shares of £1.00 each	83,393	83,393

Retained earnings represents cumulative comprehensive income less dividends paid.

12. Immediately and ultimate parent company

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

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., C23 - 5 & 6 Cobalt Park Way, Cobalt Park, Newcastle upon Tyne, NE28 9EJ.

SAGE USD HEDGE CO 1

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

SAGE USD HEDGECO 1

CONTENTS

	Page
Directors' Report	1 - 2
Directors' Responsibilities Statement	3
Independent Auditors' Report	4 - 6
Statement of Comprehensive Income	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10 - 17

SAGE USD HEDGECO 1

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2023

The Directors of Sage USD Hedgeco 1 (the "Directors") present their report and the financial statements for the year ended 30 September 2023.

Principal activity

The principal activity of Sage USD Hedgeco 1 (the "Company") throughout the year has been to mitigate USD related foreign currency risks within the Sage group of companies ("Sage", or the "Group") and will remain as such for the foreseeable future.

Results and dividends

The profit for the year amounted to £65,103,262 (2022: loss £97,816,057) and is reflective of the activity during the period. The Directors do not recommend the payment of a dividend.

Directors

The Directors who served during the year, and to the date of this report, were:

Mark Parry
Ditmir Xhaferi (resigned 1 December 2022)
Alexander Hall (appointed 1 December 2022)

Indemnity provisions

The ultimate parent company, The Sage Group plc., maintained liability insurance for its directors and officers during the financial period 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 secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

Going concern

The Directors have robustly tested the going concern assumption in preparing the financial statements ensuring that the Company can continue to pay its liabilities as they fall due. This included reviewing the Company's cash position, net current asset position and obligations under debt arrangements with other Sage Group companies.

Based on the above and having closely reviewed the current performance and forecasts, the Directors remain satisfied that the Company has adequate resources to continue its operations for a period of 12 months after this report. However, given the high level of uncertainty a letter of support from the Company's parent, Sage Treasury Company Limited, has been provided for a period of 12 months from the date of this report, to enable the Company to meet its liabilities as and when they become due, as a means to provide the Directors with further confidence that the going concern basis of preparation is appropriate.

Greenhouse gas emissions, energy consumption and energy efficiency action

The Company is exempt from providing the information required by Schedule 7A to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) in respect of greenhouse gas emissions, energy consumption and action take to increase its energy efficiency in the UK, as the Company is included in the annual report and accounts of The Sage Group plc. for the year ended 30 September 2023 which include the required disclosures.

SAGE USD HEDGECO 1

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

Strategic Report

This report has been prepared in accordance with the special provision relating to small companies within Part 15 of the Companies Act 2006 (section 414B) and the Company is therefore exempt from the requirement to prepare a Strategic Report.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There have been no significant subsequent events identified at the date of this report which would impact the Company.

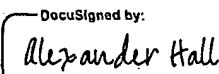
Auditor

The auditor, Ernst & Young, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

DocuSigned by:

8F00F44E7FA44AD...

Alexander Hall
Director

Date: 18 December 2023

SAGE USD HEDGE CO 1

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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.

SAGE USD HEDGE CO 1

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAGE USD HEDGE CO 1

Opinion

We have audited the financial statements of Sage USD Hedgeco 1 (the 'company') for the year ended 30 September 2023 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and the related notes 1 to 13, 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 2023 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. 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

SAGE USD HEDGECO 1

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAGE USD HEDGECO 1

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 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
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

SAGE USD HEDGECO 1

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAGE USD HEDGECO 1

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS101 and the Companies Act 2006), the relevant direct and indirect tax compliance regulation in the jurisdictions in which the company operates and the EU General Data Protection (GDPR). In addition, the company has to comply with laws and regulations relating to its operations, data protection and anti-bribery and corruption.
- We understood how Sage USD Hedgeco 1 is complying with those frameworks by making enquiries of management and legal counsel being those responsible for legal and compliance procedures to understand how the company maintains and communicates its policies and procedures in these areas and corroborated this by reviewing supporting documentation such as the group Code of Conduct and correspondence from local legal counsel.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override, performance targets and their influence on efforts made by management to manage the financial result. We incorporated data analytics into our testing of other income and expense accounts and manual journals, including segregation of duties. We performed audit procedures to address each potential risk factor, including testing manual journals which were designed to provide reasonable assurance that the financial statements were free from material misstatement, whether due to fraud or error. We tested specific transactions back to source documentation or independent confirmations as appropriate.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved reviewing minutes from the Board of Directors, enquiries of management and journal entry testing, with a focus on manual journals and journals indicating significant unusual transactions identified by specific risk criteria based on our understanding of the business.

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

Christopher Atkinson (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Cambridge, United Kingdom
18 December 2023

SAGE USD HEDGECO 1

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Note	2023 £	2022 £
Foreign exchange gain/(loss)	6	65,103,262	(97,816,057)
Profit/(loss) before tax		<u>65,103,262</u>	<u>(97,816,057)</u>
Tax on profit/(loss)	7	-	-
Profit/(loss) for the financial year		<u><u>65,103,262</u></u>	<u><u>(97,816,057)</u></u>
 Total comprehensive income/(loss) for the year		 <u><u>65,103,262</u></u>	 <u><u>(97,816,057)</u></u>


The notes on pages 10 to 17 form part of these financial statements.

SAGE USD HEDGE CO 1
REGISTERED NUMBER: 08680496

BALANCE SHEET
AS AT 30 SEPTEMBER 2023

	Note	2023 £	2022 £
Non current assets			
Investments	8	581,442,614	646,897,159
		<u>581,442,614</u>	<u>646,897,159</u>
Total assets		<u>581,442,614</u>	<u>646,897,159</u>
Current liabilities			
Trade and other payables	9	(2,113,422)	(747,084,222)
		<u>(2,113,422)</u>	<u>(747,084,222)</u>
Non current liabilities			
Trade and other payables	10	(614,412,993)	-
Total liabilities		<u>(616,526,415)</u>	<u>(747,084,222)</u>
Net liabilities		<u>(35,083,801)</u>	<u>(100,187,063)</u>
Equity attributable to the owners of the parent			
Ordinary shares	12	149	149
Retained earnings	12	(35,083,950)	(100,187,212)
		<u>(35,083,801)</u>	<u>(100,187,063)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 December 2023.

DocuSigned by:

8F00F44E7FA44AD...
Alexander Hall
Director

The notes on pages 10 to 17 form part of these financial statements.

SAGE USD HEDGE CO 1

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Ordinary shares £	Retained earnings £	Total equity £
At 1 October 2021	149	(2,371,155)	(2,371,006)
Loss for the year	-	(97,816,057)	(97,816,057)
At 1 October 2022	149	(100,187,212)	(100,187,063)
Profit for the year	-	65,103,262	65,103,262
Total comprehensive loss for the year	-	65,103,262	65,103,262
At 30 September 2023	149	(35,083,950)	(35,083,801)

The notes on pages 10 to 17 form part of these financial statements.

SAGE USD HEDGECO 1

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

1. General Information

Sage USD Hedgeco 1 (the "Company") is a company incorporated and domiciled in England, it is a private unlimited company and the Company's registered address is C23 - 5 & 6 Cobalt Park Way, Cobalt Park, Newcastle upon Tyne, NE28 9EJ.

2. Accounting policies

2.1 Basis of preparation of financial statements

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 UK ("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 13.

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 3.

The financial statements have been prepared on the historical cost basis. All amounts are presented in Great British Pounds (GBP).

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

The Directors have robustly tested the going concern assumption in preparing the financial statements ensuring that the Company can continue to pay its liabilities as they fall due. This included reviewing the Company's cash position, net current asset position and obligations under debt arrangements with other Sage Group companies.

Based on the above and having closely reviewed the current performance and forecasts, the Directors remain satisfied that the Company has adequate resources to continue its operations for a period of 12 months after this report. However, given the high level of uncertainty a letter of support from the Company's parent, Sage Treasury Company Limited, has been provided for a period of 12 months from the date of this report, to enable the Company to meet its liabilities as and when they become due, as a means to provide the Directors with further confidence that the going concern basis of preparation is appropriate.

SAGE USD HEDGE CO 1

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. Accounting policies (continued)

2.1 Basis of preparation of financial statements (continued)

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

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

In these financial statements, the Company, as a qualifying entity under FRS 101, has applied the exemptions available under the standard 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 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.

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.

2.3 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.

2.4 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. There is an agreement between members of the group that losses will not be paid for by the recipient company.

SAGE USD HEDGE CO 1

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

2. Accounting policies (continued)

2.5 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.

2.6 Trade and other payables

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

2.7 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.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities within the next year.

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 2023 was £nil (2022: £nil) and no impairment loss has been recognised with respect to these amounts (2022: £nil).

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 2023 was £581,442,614 (2022: £646,897,159) and an impairment loss of £nil (2022: £nil) has been recognised in the income statement.

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 (2022: £nil). No other persons were employed by the Company during the year (2022: none).

SAGE USD HEDGECO 1

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

5. Auditors' remuneration

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the parent Company.

6. Foreign exchange gain/(loss)

	2023 £	2022 £
Foreign exchange gain/(loss)	65,103,262	(97,816,057)
	<u>65,103,262</u>	<u>(97,816,057)</u>

7. Taxation

	2023 £	2022 £
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>-</u>

SAGE USD HEDGE CO 1

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

7. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - *lower than*) the hybrid rate of corporation tax in the UK of 22% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit/(loss) on ordinary activities before tax	<u>65,103,262</u>	<u>(97,816,057)</u>
Profit/(loss) on ordinary activities multiplied by a blended rate of 22% (2022 - standard rate of 19%)	<u>14,322,718</u>	<u>(18,585,051)</u>
Effects of:		
Non-taxable/ deductible foreign exchange (gain)/loss	(14,322,718)	18,585,051
Imputed interest	(6,805,505)	(895,250)
Group relief surrendered for no payment	6,805,505	895,250
Total tax charge for the year	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

The main UK corporation tax rate has increased from 19% to 25% on 1 April 2023. Due to this change occurring during the current year, a blended corporation tax rate of 22% has been applied.

SAGE USD HEDGECO 1

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

8. Investments

	£
Cost or valuation	
At 1 October 2022	659,518,205
Disposals	(65,454,545)
At 30 September 2023	<u>594,063,660</u>
Impairment	
At 1 October 2022	<u>12,621,046</u>
At 30 September 2023	<u>12,621,046</u>
Net book value	
At 30 September 2023	<u>581,442,614</u>
At 30 September 2022	<u>646,897,159</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Sage USD Hedgeco 2	C23 - 5 & 6 Cobalt Park Way , Cobalt Park, Newcastle upon Tyne, NE28 9EJ, England	Ordinary	100%

The movement in the investments balance represents the movement in the hedging instrument.

SAGE USD HEDGE CO 1

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

9. Trade and other payables

	2023 £	2022 £
Amounts owed to group undertakings	2,113,422	747,084,222
	<u>2,113,422</u>	<u>747,084,222</u>

All amounts owed to group undertakings are non-interest bearing, unsecured and repayable upon demand.

10. Trade and other payables: amounts falling due after more than one year

	2023 £	2022 £
Amounts owed to group undertakings	614,412,993	-
	<u>614,412,993</u>	<u>-</u>

The amounts owed to group undertakings due after more than one year are non-interest bearing, unsecured and repayable on 15 February 2028 and 25 February 2031.

11. Financial instruments

As the consolidated financial statements of The Sage Group plc. include the equivalent disclosures, the Company has taken the exemptions under FRS 101 available in respect of certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures. The disclosures below cover statutory balances in relation to Amounts owed by / to group undertakings that are not covered in The Sage Group plc. consolidated financial statements.

Amounts owed by group undertakings and amounts owed to group undertakings are initially measured at fair value and are subsequently measured at amortised cost. The Directors of the Company consider that the carry amounts of the financial assets and financial liabilities recognised in the financial statements approximate their fair values.

12. Equity

	2023 £	2022 £
Allotted, called up and fully paid		
200 (2022 - 200) Ordinary shares of \$1.00 each	149	149
	<u>149</u>	<u>149</u>

Retained earnings represent cumulative comprehensive income less dividends paid.

SAGE USD HEDGECO 1

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

13. Immediate and ultimate parent company

The Company's immediate parent company is Sage Treasury Company Limited, a company registered in England and Wales.

The ultimate parent undertaking and ultimate controlling party is The Sage Group plc., a company registered in England and Wales. 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., C23 - 5 & 6 Cobalt Park Way, Cobalt Park, Newcastle upon Tyne, NE28 9EJ.