

Company registration number: 04591358

SDL Fredhopper Limited
Annual Report and Financial Statements
for the year ended 31 December 2014

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SDL Fredhopper Limited

Registered No: 04591358

Company information

Director

C Coker

Auditor

KPMG Audit Plc
Chartered Accountants
15 Canada Square
London
E14 5GL

Registered Office

Globe House
Clivemont Road
Maidenhead
Berkshire
SL6 7DY

Director's report

The director submits their report and financial statements for the year ended 31 December 2014.

Principal activities

The principal activities of the company are to promote, distribute and sell enterprise search and merchandising software, and provide e-business consulting services.

Business Review

The company is a wholly owned subsidiary of Fredhopper BV.

There have not been any significant changes in the company's principal activities in the year under review. The director is not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

The director considers the key performance indicators of the company to be revenue generated and maintenance of the margin and controllable operating costs. The Company's revenue fell by 2.3% in 2014. The Company's profit before tax grew from £44,955 to £72,253.

The director considers the largest risk to the company is an unfavourable movement in foreign exchange rates.

Results and dividends

The profit for the year was £51,681(2013: £32,833).

The director does not recommend the payment of a dividend.

Events since the balance sheet date

There have been no significant events since the balance sheet date.

Going concern

As required the director has enquired as to the potential of the business to continue as a going concern. Enquiries included a review of existing performance and annual plans, and a review of working capital including the liquidity position. The director confirms that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Given this expectation he continues to adopt the going concern basis in preparing the accounts.

Directors and their interests

The directors who held office during the year and after the year end were as follows:

Jan Jaap Kolleman (resigned 31 March 2014)
Eric Weenink (resigned 31 March 2014)
C Coker (appointed 31 March 2014)

The directors are not required to retire by rotation.

Director's report

The following directors (who held office as at 31 December 2014) had the following interests in long-term incentive plan shares of the ultimate parent company, SDL plc at the year end:

	Exercisable	At 31 December 2014 Number	At 31 December 2013 Number
Chris Coker	17/04/2016-17/04/2013	18,819	-
Chris Coker	07/04/2017-07/04/2024	10,195	-

SDL plc, the company's ultimate parent company, has granted an indemnity to one or more of the company's directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006 Section 232. Such qualifying third party indemnity provision remains in force as at the date of approving the director's report.

Disclosure of information to auditor

The director who held office at the date of approval of this director's report confirms that, so far as he 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 to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

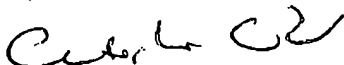
Auditors

Our auditors, KPMG Audit Plc has instigated an orderly wind down of business. The Board has decided to put KPMG LLP forward to be appointed as auditors and resolution concerning their appointment will be put to the forthcoming AGM of the company

Strategic Report Exemption

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 414B of the Companies Act 2006 not to provide a Strategic Report.

By order of the Board



C Coker

Director

30 September 2015

Statement of director's responsibilities in respect of the Director's report and the financial statements

The director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the director 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. The director has general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report

to the members of SDL Fredhopper Limited

We have audited the financial statements of SDL Fredhopper Limited for the year ended 31 December 2014 set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

Respective responsibilities of the director and auditor

As explained more fully in the Director's Responsibilities Statement set out on page 4, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's 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 exemption from the requirement to prepare a strategic report.

Simon Haydn-Jones
(Senior Statutory Auditor) for and on behalf of KPMG Audit Plc
Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

Date: 30 September 2015

Profit and loss account

for the year ended 31 December 2014

		2014	2013
	Notes	£	£
Turnover	2	723,849	740,678
Administrative expenses		(651,596)	(695,723)
Profit on ordinary activities before taxation	3	72,253	44,955
Tax charge on profit on ordinary activities	6	(20,572)	(12,122)
Profit on ordinary activities after taxation	11	51,681	32,833

The results for the year arise from continuing activities.

Statement of Total Recognised Gains and Losses

There are no recognised gains or losses other than the profit of for the year ended 31 December 2014 £51,681 (2013: £32,833).

Balance sheet

as at 31 December 2014

	Notes	2014 £	2013 £
Fixed Assets			
Tangible fixed assets	7	1,310	-
Current assets			
Debtors	8	417,550	352,274
Cash at bank and in hand		19,143	3,046
		<u>438,003</u>	<u>355,320</u>
Creditors: amounts falling due within one year	9	(286,895)	(255,893)
Net current assets		<u>151,108</u>	<u>99,427</u>
Net assets		<u>151,108</u>	<u>99,427</u>
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account	11	151,107	99,426
Shareholder's funds	12	<u>151,108</u>	<u>99,427</u>

The financial statements were approved by the Board on 30 September 2015:



C Coker

Director

Company registration number: 04591358

Notes to the financial statements

at 31 December 2014

1. Accounting policies

The principal accounting policies, which have been consistently applied in arriving at the financial information set out in this report, are:

Accounting convention

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

As the company is profitable, has substantial net assets and is an intrinsic part of the SDL plc group, the director considers it appropriate to prepare the financial statements on the going concern basis.

Turnover

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

Revenue on software licences and upgrades is recognised on despatch, when there are no significant vendor obligations remaining and the collection of the resulting receivable is considered probable. In circumstances where a considerable future vendor obligation exists as part of a software licence and related services' contract, revenue is recognised over the period that the obligation exists per the contract.

Support and maintenance contracts are invoiced in advance and normally run for periods of 12 months with automatic renewal on the anniversary date. Revenue in respect of support and maintenance contracts is recognised evenly over the term commencing from the date of the contract period.

Training and consulting revenue, which is provided on a 'time and expense' basis, is recognised as the service is performed.

For multiple element arrangements revenue is allocated to each element on fair value regardless of any separate prices stated within the contract. The portion of the revenue allocated to an element is recognised when the revenue recognition criteria for that element have been met.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Leases

Assets acquired under finance leases and hire purchase contracts are capitalised and the outstanding future obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight-line basis over the period of the lease.

Pension costs

The company contributes to a group personal pension scheme for qualifying employees whereby it makes defined contributions to independently administered personal pension schemes. The pension cost charge represents contributions payable during the period. The company does not control any of the assets or have any ongoing liabilities with regard to the performance of and payments from these individual personal schemes.

Related Party Transactions

The company has taken advantage of the exemption in Financial Reporting Standard 8 "Related Party Disclosures" not to disclose transactions with other entities that are wholly owned by the SDL plc group.

Notes to the financial statements

at 31 December 2014

1. Accounting policies (continued)

Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

- deferred tax assets are recognised only to the extent that the director considers that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Cash flow statement

In accordance with the exemption allowed by Financial Reporting Standard 1 (Revised), SDL Fredhopper Limited has not published a cash flow statement as its ultimate parent company, SDL plc, which is incorporated in the United Kingdom, has published consolidated financial statements in which the cash flows of the company are included.

2. Turnover

	2014 £	2013 £
Marketing Service - Europe	633,022	722,026
Software Support Service – United Kingdom	90,827	18,652
	<u>723,849</u>	<u>740,678</u>

3. Operating profit

	2014 £	2013 £
Operating profit is stated after charging:		
Exchange losses	1,284	3,407
Rent of building	2,300	2,300
Auditor's remuneration for audit	<u>4,000</u>	<u>4,000</u>

4. Employees

	2014 Number	2013 Number
The average monthly number of employees (including the directors) during the year was:		
Sales	1	2
Administration	<u>3</u>	<u>3</u>
	<u>4</u>	<u>5</u>

Notes to the financial statements

at 31 December 2014

4. Employees (continued)

	2014 £	2013 £
Staff costs		
Wages and salaries	518,537	471,147
Social security costs	75,649	43,137
Pension costs	14,145	12,309
	<u>608,331</u>	<u>526,593</u>

The company operates a defined contribution pension scheme in respect of the employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £14,145 (2013: £12,309). There were accruals for pension contributions of £Nil at 31 December 2014 (2013: £Nil).

5. Directors' emoluments

The directors' services to the company do not occupy a significant amount of their time and as such the directors do not consider that they have received any remuneration for their incidental services to the company during either year presented.

6. Taxation

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2014 £	2013 £
Current tax		
UK Corporation tax	15,520	10,400
Adjustments in respect of prior periods	5,052	1,722
	<u>20,572</u>	<u>12,122</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 21.05% (2013: 23.25%). This is reconciled below:

	2014 £	2013 £
Profit on ordinary activities before taxation	<u>72,253</u>	<u>44,955</u>
Profit on ordinary activities at UK rate of tax	15,529	10,450
Effects of:		
Other short term timing differences	-	(50)
Adjustments in respect of previous years	5,052	1,722
Depreciation in excess of capital allowance	(9)	-
	<u>20,572</u>	<u>12,122</u>

Notes to the financial statements

at 31 December 2014

7. Tangible Fixed Assets

	<i>Plant and Equipment</i> £	<i>Total</i> £
<i>Cost</i>		
At 1 January 2013	-	-
Additions	-	-
At 1 January 2014	-	-
Additions	1,546	1,546
At 31 December 2014	1,546	1,546
<i>Depreciation</i>		
At 1 January 2013	-	-
Additions	-	-
At 1 January 2014	-	-
Additions	(236)	(236)
At 31 December 2014	(236)	(236)
<i>Carrying Amount</i>		
At 31 December 2014	1,310	1,310
At 31 December 2013	-	-

8. Debtors

	2014 £	2013 £
Trade debtors	6,300	40,951
Amounts owed from group undertakings	395,356	289,496
Prepayments and accrued income	2,823	7,397
Other debtors	13,071	14,430
	417,550	352,274

9. Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	1,914	35,943
Amounts owed to group undertakings	118,931	110,513
Other taxes and social security costs	68,130	11,267
Corporation tax	43,484	22,912
Other creditors	610	-
Accruals and deferred income	53,826	75,258
	286,895	255,893

Notes to the financial statements

at 31 December 2014

10. Called up share capital

	2014 £	2013 £
Allotted, called up and fully paid 1 ordinary share of £1 each	<u>1</u>	<u>1</u>

11. Profit and loss account

	2014 £	2013 £
At 1 January	99,426	66,593
Profit for the year	<u>51,681</u>	<u>32,833</u>
At 31 December	<u>151,107</u>	<u>99,426</u>

12. Reconciliation of shareholder's funds and movements on reserves

	2014 £	2013 £
Profit for the year	51,681	32,833
Opening shareholder's funds	<u>99,427</u>	<u>66,594</u>
Closing shareholder's funds	<u>151,108</u>	<u>99,427</u>

13. Ultimate parent undertaking and controlling party

The company's ultimate parent undertaking and ultimate controlling party is SDL plc (registered in England & Wales). The smallest and largest undertaking for which group financial statements, incorporating the results of the company, are prepared is SDL plc. The consolidated accounts of this group are available to the public and may be obtained from The Company Secretary, SDL plc, Globe House, Clivemont Road, Maidenhead, Berkshire.