

REGISTERED NUMBER: 05788465 (England and Wales)

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016  
FOR  
DIGITAL RIVER UK LIMITED**

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for the Year Ended 31 December 2016**

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**DIGITAL RIVER UK LIMITED**  
**COMPANY INFORMATION**  
**for the Year Ended 31 December 2016**

**DIRECTORS:**

M Vergani  
K Lindberger-Schmidt

**REGISTERED OFFICE:**

Salamanca  
Wellington Street  
Slough  
Berkshire  
SL1 1YP

**REGISTERED NUMBER:**

05788465 (England and Wales)

**AUDITORS:**

Durrants, Chartered Accountants  
Chartered Accountants & Statutory Auditor  
24 Wellington Business Park  
Dukes Ride  
Crowthorne  
Berkshire  
RG45 6LS

**REPORT OF THE DIRECTORS  
for the Year Ended 31 December 2016**

The directors present their report with the financial statements of the company for the year ended 31 December 2016.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of global e-commerce solutions for software consumer technology.

**DIRECTORS**

M Vergani has held office during the whole of the period from 1 January 2016 to the date of this report.

Other changes in directors holding office are as follows:

K Lindberger-Schmidt - appointed 22 April 2016

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Durrants, Chartered Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**

M Vergani - Director

28 September 2017

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DIGITAL RIVER UK LIMITED**

We have audited the financial statements of Digital River UK Limited for the year ended 31 December 2016 on pages four to eight. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 a Report of the Auditors 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 directors and auditors**

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

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **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 2016 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.

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

In our opinion the information given in the Report of the Directors 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 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Ian Bessant ACA (Senior Statutory Auditor)  
for and on behalf of Durrants, Chartered Accountants  
Chartered Accountants & Statutory Auditor  
24 Wellington Business Park  
Dukes Ride  
Crowthorne  
Berkshire  
RG45 6LS

28 September 2017

**INCOME STATEMENT**  
for the Year Ended 31 December 2016

Notes	2016 £	2015 £
<b>TURNOVER</b>	<b>6,787,815</b>	6,956,387
Administrative expenses	<u>6,262,425</u>	<u>6,639,056</u>
<b>OPERATING PROFIT</b>	<b>525,390</b>	317,331
Interest receivable and similar income	<u>272</u>	<u>268</u>
<b>PROFIT BEFORE TAXATION</b>	<b>525,662</b>	317,599
Tax on profit	<u>114,902</u>	<u>67,752</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b><u>410,760</u></b>	<b><u>249,847</u></b>

The notes form part of these financial statements

**BALANCE SHEET**  
**31 December 2016**

	Notes	2016 £	£	2015 £	£
<b>FIXED ASSETS</b>					
Tangible assets	4		237,309		28,921
<b>CURRENT ASSETS</b>					
Debtors	5	2,551,965		2,055,142	
Cash at bank and in hand		<u>45,290</u>		<u>8,663</u>	
		2,597,255		2,063,805	
<b>CREDITORS</b>					
Amounts falling due within one year	6	<u>889,695</u>		<u>585,647</u>	
<b>NET CURRENT ASSETS</b>			<u>1,707,560</u>		<u>1,478,158</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,944,869</u>		<u>1,507,079</u>
<b>PROVISIONS FOR LIABILITIES</b>			<u>27,030</u>		-
<b>NET ASSETS</b>			<u>1,917,839</u>		<u>1,507,079</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital			1,000		1,000
Retained earnings			<u>1,916,839</u>		<u>1,506,079</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>1,917,839</u>		<u>1,507,079</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 28 September 2017 and were signed on its behalf by:

M Vergani - Director

**NOTES TO THE FINANCIAL STATEMENTS  
for the Year Ended 31 December 2016**

**1. STATUTORY INFORMATION**

Digital River UK Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Related party exemption**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Tangible fixed assets**

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Plant and machinery: at variable rates on a reducing balance basis

Leasehold improvements: over the life of the lease on a straight line basis

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.



NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 December 2016

## 3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 59 (2015 - 57) .

## 4. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
<b>COST</b>	
At 1 January 2016	78,959
Additions	254,059
Disposals	(28,966)
At 31 December 2016	<u>304,052</u>
<b>DEPRECIATION</b>	
At 1 January 2016	50,038
Charge for year	45,179
Eliminated on disposal	(28,474)
At 31 December 2016	<u>66,743</u>
<b>NET BOOK VALUE</b>	
At 31 December 2016	<u>237,309</u>
At 31 December 2015	<u>28,921</u>

## 5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Amounts owed by group undertakings	2,195,790	1,492,460
Other debtors	<u>356,175</u>	<u>562,682</u>
	<u>2,551,965</u>	<u>2,055,142</u>

## 6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	72,492	-
Taxation and social security	141,580	171,095
Other creditors	<u>675,623</u>	<u>414,552</u>
	<u>889,695</u>	<u>585,647</u>

## 7. OTHER FINANCIAL COMMITMENTS

Total financial commitments, guarantees and contingencies which are not included in the balance sheet amount to £708,750 (2015: £nil).

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 December 2016

8. **ULTIMATE CONTROLLING PARTY**

The Company is a subsidiary undertaking of Digital River Ireland, Ltd. The ultimate parent company is Danube Private Holdings II, LLC.

The largest group in which the results of the Company are consolidated is that headed by Danube Private Holdings II, LLC incorporated in the United States of America. No other group financial statements include the results of the Digital River UK Limited.

The consolidated financial statements of Danube Private Holdings II, LLC are available to the public at 10380 Bren Road West, Minnetonka, MN 55343-9072 USA.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.