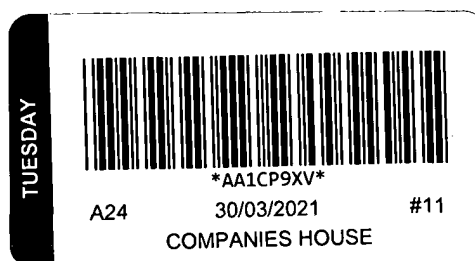


Registration number: 08278831

Ocrex UK Ltd

Annual Report and Financial Statements for
the Year Ended 31 December 2019



Ocrex UK Ltd

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Ocrex UK Ltd

Company Information

Directors V O'Sullivan
J Cartin

Registered office Quatro House
Lyon Way
Frimley
Camberley
Surrey
GU16 7ER

Auditors Ernst & Young LLP
1 More London Place
London
SE1 2AF

Ocrex UK Ltd

Directors' Report For the Year Ended 31 December 2019

The Directors present their report and the financial statements of Ocrex UK Limited (the "Company") for the year ended 31 December 2019.

Principal activity

The principal activity of the Company throughout the year was the sale and support of software developed by its parent company, Ocrex Limited.

On 27 September 2019 the Company's parent, Ocrex Limited, was acquired by Sage Holding Company Limited, a wholly owned subsidiary of The Sage Group plc, a publicly listed company.

Results and dividends

The profit for the year, after taxation, amounted to £16,274 (2018: £11,128).

No dividends were declared and paid during the year (2018: nil).

Directors of the Company

The current Directors are as follows:

Valentine O'Sullivan (Appointed 22 December 2020)

Jacqui Cartin (Appointed 22 December 2020)

The Directors who held office during the year were as follows:

B Woods (Resigned 31 December 2020)

E Woods (Resigned 27 September 2019)

Indemnity provisions

For the period prior to the acquisition by The Sage Group plc, the parent company Ocrex Limited maintained liability insurance for its directors and officers, following the acquisition, 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.

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 Company, 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 Company to successfully run the 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.

Ocrex UK Ltd

Directors' Report (continued) For the Year Ended 31 December 2019

Risks specific to the Company are detailed below:

Business risk

The principal risks of the Company derive from the fact that it faces strong competition in the various markets it operates in. Should it fail to compete successfully in those markets, market share and profitability may decline. However, the Directors remain confident that the Company will maintain its current level of performance in future.

Liquidity risk

The Company's policy is to ensure that sufficient resources are available either from cash balances, cash flows and near cash liquid investments to ensure all obligations can be met when they fall due.

Credit risk

The Company has only group debtors and the risk of default is considered low with letters of support being in place when required.

Brexit risk

The UK left the EU on 31 January 2020 with new trade rules having taken effect as of 1 January 2021.

The effects identified, are mostly with respect to exchange rates and tariffs in relation to goods and services. We remain flexible to redirect our business as greater clarity emerges so we are well positioned to face challenges and avail of opportunities that might arise.

Political contributions

The Company did not make any disclosable political donations during the period (2018: nil).

Accounting records

The measures taken by the Directors to ensure compliance with the requirements Companies Act 2006 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The Company's accounting records are maintained at the Company's parent company Ocrex Ltd and are accessible on line at the Company's registered office at Quatro House, Lyon Way, Frimley, Camberley, Surrey, GU16 7ER .

Disclosure of information to the 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.

Ocrex UK Ltd

Directors' Report (continued) For the Year Ended 31 December 2019

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

Subsequent events

COVID-19

The COVID-19 pandemic has caused significant social and economic disruption in the markets in which the Sage Group of companies ("Sage", or the "Group") operates. The Company's response to the pandemic has been to ensure the wellbeing of colleagues, to continue serving and supporting our customers, and to remain focused on our SaaS (Software as a Service) transition strategy. With the Company's focus on high quality recurring and subscription-based revenues and strong liquidity position, it has entered the COVID-19 pandemic in a strong operational and financial position. As a result, the effect on the Company's financial performance to date has been limited. However, there remains a high level of uncertainty regarding the extent of the crisis and impact of associated lockdowns.

As the outbreak of COVID-19 occurred after 31 December 2019 and to date the impact has been limited. Therefore, no adjustments to the financial statements as at 31 December 2019 have been made.

Strategic report

This report has been prepared in accordance with the special provision relating to medium companies able to apply the small companies exemption, within Part 15 of the Companies Act 2006 and the Company is therefore exempt from the requirement to prepare a Strategic report.

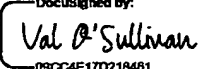
Going concern

The Directors have assessed the going concern position of the Company. As at 31 December 2019 the Company was in a net current asset position of £68,969 (31 December 2018 – £35,873), with a profit for the period in the amount of £16,274 (31 December 2018 – £11,128). However, as the COVID-19 pandemic currently continues, the Company's ultimate parent, the Sage Group plc, has provided the Company with a letter of support for the 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.

Auditors

The auditors Ernst & Young, were appointed as auditors in January 2021 and will continue in office in accordance with Companies Act 2006.

Approved by the Board on 24 March 2021 and signed on its behalf by:

DocuSigned by:

.....09CG4E170218481.....
Valentine O'Sullivan
Director

Ocrex UK Ltd

Directors' Responsibilities Statement For the Year Ended 31 December 2019

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 the financial statements for each financial period. Under the law, the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Account 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 assets, liabilities and financial position of the Company as at the financial period end date, of the profit or loss for that financial period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' report comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCREX UK LTD

Opinion

We have audited the financial statements of Ocrex UK Ltd (the 'company') for the year ended 31 December 2019 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 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Conclusions relating to going concern

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

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

Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Other matters

The comparative financial information of Ocrex UK Ltd is unaudited.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our

opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

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

Ernst & Young LLP

Andrew Davison (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London, United Kingdom
29 March 2021

Ocrex UK Ltd**Statement of Comprehensive Income
For the Year Ended 31 December 2019**

		2019	2018
	Note	£	£
Turnover		734,622	700,635
Cost of sales		<u>(107,516)</u>	<u>(61,738)</u>
Gross profit		627,106	638,897
Administrative expenses		<u>(607,010)</u>	<u>(625,159)</u>
Operating profit	4	<u>20,096</u>	<u>13,738</u>
Profit on ordinary activities before taxation		20,096	13,738
Tax on profit on ordinary activities	6	<u>(3,822)</u>	<u>(2,610)</u>
Profit for the financial year	10	<u>16,274</u>	<u>11,128</u>
Total comprehensive income for the year		<u>16,274</u>	<u>11,128</u>

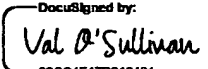
The notes on pages 12 to 19 form part of these financial statements.

Ocrex UK Ltd**Balance Sheet**
As At 31 December 2019

	Note	2019 £	2018 £
Current assets			
Trade and other receivables	7	90,220	69,456
Total Assets		<u>90,220</u>	<u>69,456</u>
Creditors: amounts falling due within one year	8	(21,251)	(33,583)
Net current assets		<u>68,969</u>	<u>35,873</u>
Total assets less current liabilities		68,969	35,873
Creditors: amounts falling due after more than one year	8	(36,077)	(19,255)
Net Assets		<u><u>32,892</u></u>	<u><u>16,618</u></u>
Shareholders Equity			
Called up share capital	9	2	2
Profit and loss account	10	32,890	16,616
		<u><u>32,892</u></u>	<u><u>16,618</u></u>

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved and authorised for issue by the Directors on 24 March 2021

DocuSigned by:

 09CC4517D218461.....
 Valentine O'Sullivan
 Director

The notes on pages 12 to 19 form part of these financial statements.

Ocrex UK Ltd**Statement of Changes in Equity
For the Year Ended 31 December 2019**

	Called up share capital	Profit and loss account	Shareholder funds
	£	£	£
At 1 January 2019	2	16,616	16,618
Profit for the financial period	-	16,274	16,274
At 31 December 2019	2	32,890	32,892

	Called up share capital	Profit and loss account	Shareholder funds
	£	£	£
At 1 January 2018	2	5,488	5,490
Profit for the financial period	-	11,128	11,128
At 31 December 2018	2	16,616	16,618

The notes on pages 12 to 19 form part of these financial statements.

Ocrex UK Ltd

Notes to the Financial Statements For the Year Ended 31 December 2019

1 General information

Ocrex UK Ltd (the 'Company') is a company incorporated and domiciled in England. It is a private limited company and the Company's registered address is Quatro House, Lyon Way, Frimley, Camberley, Surrey, GU16 7ER.

2 Accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework" and the UK Companies Act 2006.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of the International Accounting Standards (IAS) in conformity with the requirements of the Companies Act 2006 and has set out below where the FRS 101 disclosure exemptions have 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 are prepared on a going concern basis and in accordance with the Companies Act 2006.

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:

- The requirements in paragraph 38 in IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - a) Paragraph 79(a)(iv) of IAS 1;
 - b) Paragraph 73(e) of IAS 16 Property, Plant and Equipment; and
 - c) Paragraph 118(e) of IAS 38 Intangible Assets; and
- The requirements of paragraph 10(d), 10(f), 16, 38A-38D, 40A-40D, 111 and 134-136 of IAS1 Presentation of Financial Statements;
- A Cash Flow Statement and related notes, as required by IAS 7 Statement of cash flows;
- The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- Disclosures in respect of transactions with wholly owned subsidiaries, as required by IAS 24 Related

Ocrex UK Ltd

Notes to the Financial Statements For the Year Ended 31 December 2019

2 Accounting policies (continued)

2.2 Financial reporting standard 101 – reduced disclosure exemptions (continued)

Party Disclosures;

- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.
- The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total.
- 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 requirements of paragraphs 130(f)(ii), 130(f)(iii) 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

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:

- IFRS 2 Share-based payments in respect of group settled share-based payments, as required by paragraphs 45(b) and 46 to 52; and
- 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 Going concern

The Directors have assessed the going concern position of the Company. As at 31 December 2019 the Company was in a net current asset position of £68,969 (31 December 2018 – £35,873), with a profit for the period in the amount of £16,274 (31 December 2018 – £11,128). However, as the COVID-19 pandemic currently continues, the Company's ultimate parent, the Sage Group plc, has provided the Company with a letter of support for the 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.

2.4 Foreign currency translations

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 into the income statement.

Ocrex UK Ltd

Notes to the Financial Statements For the Year Ended 31 December 2019

2 Accounting policies (continued)

2.5 Revenue

Revenue is derived from the recharge of the sale and support of software developed by the parent company Ocrex Limited. A management recharge percentage is applied to the costs incurred in line with Group policy.

2.6 Pensions

The Company operates a defined contribution pension scheme. Contributions are recognized in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

2.7 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet position date, except that:

The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and

Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, including transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

Ocrex UK Ltd

Notes to the Financial Statements For the Year Ended 31 December 2019

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 Judgments in applying accounting policies and key sources of estimation uncertainty

When preparing the financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment of non-financial assets

Determining whether non-financial assets are impaired requires an estimation of the value in use of the cash generating units to which the assets have been allocated. The value in use calculation requires the Directors to estimate the future cash flows to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual cash flows are less than expected, a material impairment may arise.

Ocrex UK Ltd**Notes to the Financial Statements
For the Year Ended 31 December 2019****4 Operating profit**

Operating profit is stated after charging/(crediting):

	2019	2018
	£	£
Foreign currency gains/(losses)	<u>(417)</u>	<u>(890)</u>

Auditor's remuneration is borne by the parent company, Ocrex Limited (2018: nil, audit not required as qualified for small company exemption)..

The Directors did not receive any emoluments during the year in respect of their services to the Company (2018: nil).

5 Employees

Staff costs were as follows:

	2019	2018
	£	£
Wages and salaries	509,403	494,500
Social security costs	52,442	53,936
Defined contribution scheme	<u>22,778</u>	<u>19,254</u>
	<u>584,623</u>	<u>567,690</u>

The average monthly number of employees during the year were as follows:

	2019	2018
	No,	No.
Sales / Customer support	<u>14</u>	<u>13</u>

6 Taxation**Tax on profit on ordinary activities**

	2019	2018
	£	£
Current tax		
Corporation tax charge	<u>3,822</u>	<u>2,610</u>

Ocrex UK Ltd

Notes to the Financial Statements For the Year Ended 31 December 2019

6 Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 – equal to) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	20,096	13,738
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	3,818	2,610
Effects of:		
Expenses not deductible for tax purposes	4	-
Total tax charge for the year	3,822	2,610

Factors that may affect future tax charges

The standard rate of UK corporation tax is 19% and this took effect from 1 April 2017. The 2016 Finance Act introduced a UK corporation tax rate of 17% from 1 April 2020. However, in the March 2020 Budget, the Conservative Government reversed the reduction in the corporation tax rate and maintained the 19% rate.

7 Debtors

	2019 £	2018 £
Amounts owed by group undertakings	79,545	54,687
Other debtors	10,675	14,769
	<u>90,220</u>	<u>69,456</u>

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

Ocrex UK Ltd**Notes to the Financial Statements
For the Year Ended 31 December 2019****8 Creditors****Creditors: amounts falling due within one year**

	2019	2018
	£	£
Trade creditors	-	12,932
Corporation tax	3,861	2,610
Other taxes and social security	14,654	14,714
Other creditors	2,736	3,327
	<u>21,251</u>	<u>33,583</u>

Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Pension accrual	36,077	19,255
	<u>36,077</u>	<u>19,255</u>

9 Ordinary shares

	2019	2018
	£	£
Allocated, called up and fully paid		
2 (2018: 2) Ordinary shares at £1.00 each	2	2
	<u>2</u>	<u>2</u>

10 Reserves

	Profit and loss account	Total
	£	£
At 1 January 2019	16,616	16,616
Profit for the year	16,274	16,274
At 31 December 2019	<u>32,890</u>	<u>32,890</u>

Ocrex UK Ltd

Notes to the Financial Statements For the Year Ended 31 December 2019

11 Pension schemes

Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £22,778 (2018: £19,254).

12 Immediate and ultimate parent company

The Company's immediate parent undertaking is Ocrex Limited, a company registered in Ireland.

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, North Park, Newcastle upon Tyne, NE13 9AA, United Kingdom.

13 Subsequent events

The COVID-19 pandemic has caused significant social and economic disruption in the markets in which the Sage Group of companies ("Sage", or the "Group") operates. The Group's response to the pandemic has been to ensure the wellbeing of colleagues, to continue serving and supporting our customers, and to remain focused on our SaaS (Software as a Service) transition strategy. With the Group's focus on high quality recurring and subscription-based revenues, and strong liquidity position, Sage has entered the COVID-19 pandemic in a strong operational and financial position. As a result, the effect on the Company's financial performance to date has been limited. However, there remains a high level of uncertainty regarding the extent of the crisis and impact of associated lockdowns.

As the outbreak of COVID-19 occurred after 31 December 2019 it is considered to be a non-adjusting event. Therefore, no adjustments to the financial statements as at 31 December 2019 have been made.