

Sage Holding Company Limited
Annual report and financial statements
for the year ended 30 September 2014

Registered number: 08318558



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Annual report and financial statements
for the year ended 30 September 2014
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Sage Holding Company Limited

Strategic report for the year ended 30 September 2014

The directors present their strategic report on Sage Holding Company Limited for the year ended 30 September 2014.

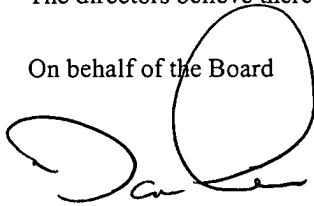
Review of the business

The results for the year are set out in the profit and loss account on page 6. A dividend of £544,055,095 has been paid during the year (2013: £2,425,150,000).

Principal risks and uncertainties

The directors believe there to be no risks and uncertainties facing the company.

On behalf of the Board

A handwritten signature in black ink, appearing to be 'D M Fisher', is written over a large, empty oval shape.

D M Fisher

Director

14 January 2015

Sage Holding Company Limited

Directors' report for the year ended 30 September 2014

The directors present their report and the audited financial statements of Sage Holding Company Limited ("the Company") for the year ended 30 September 2014.

Principal activity

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

Directors

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

M J Robinson

D M Fisher

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 believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of The Sage Group plc. The directors have received confirmation that The Sage Group plc intends to support the company for at least one year after the date on which these financial statements are signed.

Statement of directors' responsibilities

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 prepared 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;
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements.

Sage Holding Company Limited

Directors' report for the year ended 30 September 2014 (continued)

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.

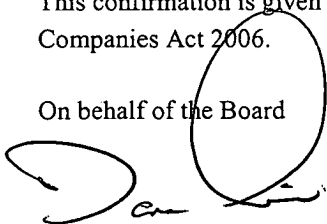
Disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (2) the directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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

On behalf of the Board



D M Fisher

Director

14 January 2015

Sage Holding Company Limited

Independent auditors' report to the members of Sage Holding Company Limited

Report on the Financial Statements

Our opinion

In our opinion, Sage Holding Company Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 September 2014 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.

What we have audited

The financial statements comprise:

- the balance sheet as at 30 September 2014;
- the profit and loss account for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, 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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Sage Holding Company Limited

Independent auditors' report to the members of Sage Holding Company Limited (continued)

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages 2-3, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) (ISAs (UK & Ireland)). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and financial statements 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.



Charles Bowman (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
14 January 2015

Sage Holding Company Limited

Profit and loss account for the year ended 30 September 2014

	Note	Year ended 30 September 2014 £'000	Period ended 30 September 2013 £'000
Income from shares in group undertakings	1	417,228	1,200,640
Gain on disposal of subsidiary	6	38,027	-
Operating profit		455,255	1,200,640
Interest receivable and similar income	2	7,941	2,248
Interest payable and similar charges	3	-	(29,936)
Profit on ordinary activities before taxation	4	463,196	1,172,952
Tax on profit on ordinary activities	5	-	-
Profit for the financial year/period	11	463,196	1,172,952

All amounts relate to continuing operations

Recognised gains and losses

The Company has no recognised gains or losses, as defined in FRS 3 "Reporting Financial Performance", which are not included in the above profit and loss account.

Historical cost profits and losses

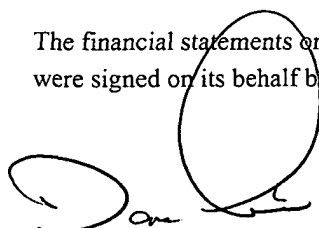
There is no material difference between the reported profit and the historical cost profits for the year.

Sage Holding Company Limited

Balance sheet as at 30 September 2014

	Note	Year ended 30 September 2014 £'000	Period ended 30 September 2013 £'000
Fixed assets			
Investments	6	3,320,677	3,079,427
Current assets			
Debtors: amounts falling due after more than one year	7	299,285	622,083
Total assets		3,619,962	3,701,510
Creditors: amounts falling due within one year	8	(4)	-
Total assets less current liabilities		3,619,958	3,701,510
Creditors: amounts falling due after more than one year	9	(18,211)	(18,904)
Net assets		3,601,747	3,682,606
Capital and reserves			
Called up share capital	10	1,807,302	1,807,302
Profit and loss account	11	1,794,445	1,875,304
Total shareholders' funds	12	3,601,747	3,682,606

The financial statements on pages 6 to 13 were approved by the board of directors on 14 January 2015 and were signed on its behalf by:



D M Fisher
Director

Sage Holding Company Limited

Statement of accounting policies

Accounting convention

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies applied consistently are set out below.

Cash flow statement

The Company is a wholly owned subsidiary of The Sage Group plc and is included in the consolidated financial statements of The Sage Group plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996) "Cash flow statements".

Investments

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

Consolidated financial statements

The Company is a wholly-owned subsidiary of The Sage Group plc and is included in the consolidated financial statements of The Sage Group plc which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006. The Sage Group plc, together with its subsidiaries constitutes the "Group".

Foreign currencies

Monetary assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currency are converted to sterling at the rate ruling at the date of the transaction. All differences on exchange are taken to the profit and loss account.

Sage Holding Company Limited

Notes to the financial statements for the year ended 30 September 2014

1 Income from shares in group undertakings

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

2 Interest receivable and similar income

	Year ended 30 September 2014 £'000	Period ended 30 September 2013 £'000
Interest receivable by group undertakings	5,246	2,248
Foreign exchange gain	2,695	-
	7,941	2,248

3 Interest payable and similar charges

	Year ended 30 September 2014 £'000	Period ended 30 September 2013 £'000
Foreign exchange loss	-	21,670
Interest payable to group undertakings	-	8,266
	-	29,936

4 Profit on ordinary activities before taxation

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. No other persons were employed during the year.

5 Tax on profit on ordinary activities

(a) Analysis of charge in the year

There was no tax charge in the year (2013: no tax charge).

Sage Holding Company Limited

Notes to the financial statements for the year ended 30 September 2014 (continued)

5 Tax on profit on ordinary activities (continued)

(b) Factors affecting tax charge for the year

The tax assessed for the year is lower (2013: lower) than the standard rate of corporation tax in the UK 22% (2013; 23.5%). The differences are explained below.

	Year ended 30 September 2014 £'000	Period ended 30 September 2013 £'000
Profit on ordinary activities before taxation	463,196	1,172,952
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 22% (2013: 23.5%)	101,903	275,644
Effects of:		
Non-taxable gain on disposal of subsidiary	(8,366)	
Group relief utilised not paid	(1,747)	6,506
Non-taxable dividend income	(91,790)	(282,150)
Total current tax charge	-	-

No deferred tax has been recognised at the balance sheet date.

(c) Factors that may affect future tax charges

The main rate of Corporation Tax in the UK changed from 23 to 21% from 1 April 2014 and will change to 20% from 1 April 2015. Accordingly the companies' results for this accounting year are taxed at an effective rate of 22% and should be taxed at 20.5% in the following year.

There are no other factors expected to materially affect future tax charges.

Sage Holding Company Limited

Notes to the financial statements for the year ended 30 September 2014 (continued)

6 Investments

The Company has the following interests at 30 September 2014:

Company	Country of incorporation	Holding	Nature of business
Subsidiaries:			
Sagesoft	England	Ordinary shares – 100%	Holding company
Sage UK Limited	England	Ordinary shares – 100%	Holding company
Sage Online Holdings	England	Ordinary shares – 100%	Holding company
Sage Brazilian Investment One Limited	England	Ordinary shares – 100%	Holding company
Sage Brazilian Investment Two Limited	England	Ordinary shares – 100%	Holding company
Sage Overseas Limited	England	Ordinary shares – 100%	Holding company
Sage Schweiz AG	Switzerland	Ordinary shares – 100%	Holding company
Sage Management and Services GmbH	Germany	Ordinary shares – 100%	Holding company
Sage sp zoo	Poland	Ordinary shares – 100%	Holding company
Sage Software Australia Pty Limited	Australia	Ordinary shares – 100%	Holding company
Sage Far East Investments Limited	England	Ordinary shares – 100%	Holding company
Sage Software Asia Pte. Limited	Singapore	Ordinary shares – 100%	Holding company

The directors believe that the carrying value of the investments is supported by their underlying net assets.

During the year Sage Holding Company Limited disposed of Sage Software GmbH resulting in a gain of £38,027,000 and acquired Sage Management and Services GmbH.

The gain on disposal has been recognised in the profit and loss account with operating profit.

Sage Holding Company Limited

Notes to the financial statements for the year ended 30 September 2014 (continued)

6 Investments (continued)

	2014 £'000	2013 £'000
Cost and net book value		
Opening balance	3,079,427	3,079,427
Investment in subsidiary undertaking	452,561	-
Disposal of subsidiary undertaking	(211,311)	-
	3,320,677	3,079,427

7 Debtors: amounts falling due after more than one year

	2014 £'000	2013 £'000
Amounts owed by group undertakings	299,285	622,083

Amounts owed by group undertakings are due after more than one year and are unsecured. £299,285,000 (2013: 299,284) is interest free and carries no fixed term. The remaining amounts in 2013 were charged interest at 1% + Libor and were repaid during the year.

8 Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Bank loans and overdraft	(4)	-

9 Creditors: amounts falling due after more than one year

	2014 £'000	2013 £'000
Amounts owed to group undertakings	18,211	18,904

Amounts owed from group undertakings are due after more than one year and are unsecured. £18,211,000 (2013: 10,638,000) is interest free and carries no fixed term. The remaining amounts are charged interest at 2.72% per annum.

10 Called up share capital

	2014 £'000	2013 £'000
Allotted and fully paid		
1,807,301,703 ordinary shares of £1 each (2013: 4,934,803,076).	1,807,302	4,934,804
Capital reduction during the year/period	-	(3,127,502)
	1,807,302	1,807,302

Sage Holding Company Limited

Notes to the financial statements for the year ended 30 September 2014 (continued)

11 Profit and loss account

	£'000
At 1 October 2013	1,875,304
Profit for the financial year	463,196
Dividends paid (note 15)	(544,055)
At 30 September 2014	1,794,445

12 Reconciliation of movements in shareholders' funds

	2014 £'000	2013 £'000
Profit for the financial year/period	463,196	1,172,952
Shares issued during the year/period	-	4,934,804
Dividends paid during the year/period (note 15)	(544,055)	(2,425,150)
Opening shareholders' funds	3,682,606	-
Closing shareholders' funds	3,601,747	3,682,606

13 Parent undertaking and controlling party

The Company's immediate and ultimate parent undertaking and controlling party is The Sage Group plc, a company registered in England. The Sage Group plc is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 30 September 2014. Copies of the group financial statements can be obtained from the registered office at North Park, Newcastle upon Tyne, NE13 9AA.

14 Related party transactions

As the Company is a wholly owned subsidiary of The Sage Group plc, the Company has taken advantage of the exemption pursuant to paragraph 3(c) of FRS 8 "Related party disclosures", not to include details of transactions with other companies which are subsidiaries of The Sage Group plc. The financial statements of The Sage Group plc are publicly available. There are no other related party transactions.

15 Dividends

During the year a dividend of £544,055,000, 30.00 pence per share (2013: 2,425,150,000, 134.19 pence) was paid up to The Sage Group plc. No further dividends were declared in the year.