Registration number 09506951

Sage Global Services Limited

Report and Financial Statements

Year ended 30 September 2016

Contents

Directors' report

The directors present their report and the audited financial statements of Sage Global Services Limited ("the Company") for the year to 30 September 2016 and comparative period from 24 March 2015 to 30 September 2015.

Principal activity

Sage Global Services Limited is the global contracting entity for the Sage Group and holds significant Group contracts as well as providing strategic management and direction services for the Sage Group entities.

Sage Global Services Limited is also the intellectual property owner of Sage Live and is responsible for the IP development, protection and exploitation activities in respect of this product.

Results and dividends

The loss for the year amounted to £84,949,000 *(2015: £13,350,000)* 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 up to the date of signing the financial statements are set out below:

VL Bradin (appointed 16 September 2016)

JHF Liepe (appointed 10 October 2016)

GOD Heald (resigned 10 October 2016)

MJ Robinson (resigned 16 September 2016)

DM Fisher (resigned 1 March 2016)

Indemnity provision

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 company secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

Going Concern

After making enquiries and obtaining a letter of support from The Sage Group plc, the Directors have formed a judgement that at the time of approving the financial statements the Company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

Directors' report *(continued)*

Auditor

The Group Audit Committee recommended to the Board that Ernst & Young LLP be appointed as auditors for the financial year ending 30 September 2017. Accordingly, a resolution was passed by the shareholders at The Sage Group plc AGM in February 2017.

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 and the Company is therefore exempt from the requirement to prepare a Strategic Report.

Disclosure of information to the auditors

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

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Signed on behalf of the directors

J-H F Liepe
Director
29 June 2017

Statement of Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable UK 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, including FRS 101 Reduced Disclosure Framework (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 for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAGE GLOBAL SERVICES LIMITED

We have audited the financial statements of Sage Global Services Limited for the year ended 30 September 2016 which comprise the Income Statement and Statement of Other Comprehensive Income, the Balance Sheet, and the Statement of Changes in equity and the related notes 1 to 15. 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 FRS 101 "Reduced Disclosure Framework".

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 directors and auditor

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. 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 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.

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 30 September 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 "Reduced Disclosure Framework"; 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, 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.
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Directors' Report.

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.

- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take the advantage of the small companies' exemptions in not preparing the Strategic Report and take advantage of the small companies' exemption in preparing the Directors' Report.

Ernst & Young LLP

Mark Morritt (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Leeds
30 June 2017

Income statement and other comprehensive income

	Note	2016 £'000	2015 £'000
Revenue		-	-
Cost of sales		**(4,709)**	-
Gross loss		**(4,709)**	-
Administrative expenses		**(80,121)**	(13,350)
Operating loss	**3**	**(84,830)**	(13,350)
Finance income	4	**12**	-
Finance costs	5	**(127)**	-
Loss before income tax		**(84,945)**	(13,350)
Income tax expense	6	**(4)**	-
Loss for the year		**(84,949)**	(13,350)
Total comprehensive expense		**(84,949)**	(13,350)

All of the activities of the Company are classified as continuing.

The notes on pages 11 to 22 form part of these financial statements.

Balance Sheet

	Note	2016	2015
			As restated
		£'000	£'000
Non current assets			
Investments	7	**4,626**	-
Other intangible assets	8	**4,239**	2,402
Property, plant and equipment	9	**898**	-
		9,763	2,402
Current assets			
Trade and other receivables	10	**12,260**	-
Cash and cash equivalents		**81**	-
		12,341	-
Total assets		**22,104**	2,402
Current liabilities			
Trade and other payables	11	**(115,735)**	(15,752)
Deferred income		**(42)**	-
Total liabilities		**(115,777)**	(15,752)
Net liabilities		**(93,673)**	(13,350)
Equity attributable to owners of the parent			
Ordinary shares	12	**4,626**	-
Retained earnings		**(98,299)**	(13,350)
Total shareholders' deficit		**(93,673)**	(13,350)

These accounts were approved by the directors and authorised for issue on 28 June 2017, and are signed on their behalf by:

J-H F Liepe
Director
Company registration number: 09506951

The notes on pages 11 to 22 form part of these financial statements.

Statement of changes in equity

	Note	**Ordinary shares £'000**	**Retained earnings £'000**	**Total equity £'000**
Balance at 24 March 2015		-	-	-
Shares issued during the year				
1 ordinary share of £1	13	-	-	-
Loss for the year		-	(13,350)	(13,350)
Total comprehensive expense for the year ended 30 September 2015		-	(13,350)	(13,350)
Balance at 30 September 2015		**-**	**(13,350)**	**(13,350)**
Balance at 1 October 2015		**-**	**(13,350)**	**(13,350)**
Shares issued during the year				
4,626,000 ordinary shares of £1 each	13	4,626	**-**	**4,626**
Loss for the year		-	(84,949)	**(84,949)**
Total comprehensive expense for the year ended 30 September 2016		-	(84,949)	**(84,949)**
Balance at 30 September 2016		**4,626**	**(98,299)**	**(93,673)**

The notes on pages 11 to 22 form part of these financial statements.

Notes

1. Accounting policies

Sage Global Services 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 North Park, Newcastle upon Tyne, NE13 9AA.

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. The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 have been early adopted with effect from 1 October 2015, together with the equivalent amendments to FRS 101.

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.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported balance sheet and income statement and other comprehensive income of the Company is provided in note 15.

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.

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

- An additional balance sheet as at the date of transition, as required by paragraphs 6 and 21 of IFRS 1 *First time adoption of International Financial Reporting Standards*;
- 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 (i) share capital (paragraph 79(a)(iv) of IAS 1 *Presentation of financial statements*) (ii) property, plant and equipment (paragraph 73(e) of IAS 16 *Property, Plant and Equipment*) (iii) Intangible assets (paragraph 118(e) of IAS 18 *Intangible Assets*), and investment properties (paragraphs 76 and 79(d) of IAS 40 *Investment Property)*;
- 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*;

Notes *(Continued)*

1. Accounting policies *(Continued)*

- 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:

- IFRS 2 Share-based Payments in respect of group settled share-based payments, as required by paragraphs 45(b) and 46 to 52.
- 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 and in preparing an opening balance sheet at 24 March 2015 for the purposes of the transition to FRS 101.
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).

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

Notes *(Continued)*

1. Accounting policies *(Continued)*

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.

Cost of sales

Cost of sales includes items such as third party royalties, transaction and credit card fees related to the provision of payment processing services and the cost of hardware and inventories. These also include the third party costs of providing training and professional services to customers. All other operating expenses incurred in the ordinary course of business are recorded in selling and administrative expenses.

Finance income and costs

Finance income and costs are recognised using the effective interest method. Finance costs are recognised in the income statement simultaneously with the recognition of an increase in a liability or the reduction in an asset.

Income tax expense

The taxation expense for the year represents the sum of current tax 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.

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.

Other intangibles

Intangible assets are recognised initially at cost, which is their fair value at the date of acquisition. Subsequently they are carried at cost less accumulated amortisation and impairment losses. The main intangible assets recognised are computer software.

Notes *(Continued)*

1. Accounting policies *(Continued)*

Amortisation is charged to the income statement on a straight-line basis over their estimated useful lives.

The estimated useful lives are as follows:

Computer software	2 to 7 years

Software assets are amortised on a straight-line basis over their estimated useful lives, which do not exceed seven years.

The carrying value of intangibles is reviewed for impairment whenever events indicate that the carrying value may not be recoverable.

Internally generated software development costs qualify for capitalisation when the Company can demonstrate all of the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete the intangible asset and use or sell it;
- Its ability to use or sell the intangible asset; how the intangible asset will generate probable future economic benefits;
- The existence of a market or, if it is to be used internally, the usefulness of the intangible asset;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- Its ability to measure reliably the expenditure attributable to the intangible asset during development.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on a straight-line basis to write down an asset to its residual value over its useful life as follows:

Long leasehold buildings and improvements	– over period of lease
Plant and equipment	– 2 to 7 years
Motor vehicles	– 4 years
Office equipment	– 2 to 7 years

An item of property, plant and equipment is reviewed for impairment whenever events indicate that its carrying value may not be recoverable.

Notes *(Continued)*

1. Accounting policies *(Continued)*

Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Trade and other payables

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

Deferred income tax

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences and carried forward tax credits or tax losses can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on tax rates that have been enacted or substantively enacted at the end of the reporting period.

The carrying amount of deferred income tax asset is reviewed at each balance sheet date. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

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.

Notes *(Continued)*

1. Accounting policies *(Continued)*

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.

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.

Prior year adjustment

A reclassification adjustment has been made in the financial statements in order to correctly reflect the actual contractual terms of the intercompany agreements. £15,752,000 of intercompany loans payable has been reclassified from non-current to current. The balance sheet has been restated to correctly reflect the intercompany loan agreements in place.

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.

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 2016 was £4,626,000 *(2015: £nil)* and no impairment loss has been recognised *(2015: £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 2016 was £5,598,000 *(2015: £nil)* and no impairment loss has been recognised *(2015: £nil)*.

Notes *(Continued)*

3. Operating loss

Operating loss is stated after charging:

	2016	2015
	£'000	£'000
Depreciation of owned property, plant and equipment	208	-
Amortisation of intangibles	303	-
Staff costs recharged by group undertakings	20,647	-
Loss on disposal of intangibles	824	-
Operating lease costs:		
- Plant and equipment	13	-
- Other	965	-

The Company has been recharged staff costs by another group undertaking during the year, however the Company has no employees during the year *(2015: none)*.

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.

Operating lease costs have been recharged by another group undertaking during the year, the Company does not have any operating lease commitments.

4. Finance income

	2016	2015
	£'000	£'000
Interest receivable from group undertakings	12	-
	12	-

5. Finance costs

	2016	2015
	£'000	£'000
Interest payable to group undertakings	37	-
Foreign exchange losses	90	-
	127	-

Notes *(Continued)*

6. Income tax expense

	2016	2015
	£'000	£'000
Current tax expense		
- Current year	(4)	-
Deferred tax expense		
- Origination and reversal of timing differences	-	-
Total income tax expense recognised	**(4)**	**-**

Reconciliation of effective tax rate

The tax charge for the year is higher *(2015: higher)* than the standard rate of corporation tax in the UK of 20% *(2015: 20.50%)*. The differences are explained below:

	2016	2015
	£'000	£'000
Loss before income tax	**(84,945)**	**(13,350)**
Tax calculated at UK standard rate of corporation tax of 20.0% (2015: 20.50%)	(16,989)	(2,737)
Expenses not deductible for tax purposes	35	-
Group relief utilised not paid	16,950	2,737
Total income tax expense recognised	(4)	-

The main rate of corporation tax in the UK changed from 21% to 20% with effect from 1 April 2015 and will remain at 20% from 1 April 2016. Accordingly, the Company's results for this accounting period are taxed at an effective tax rate of 20%. Further reductions in the main rate to 19% from 1 April 2017 and 17% from 1 April 2020 were enacted before the end of the reporting period and should be taken into account when calculating any deferred income tax assets and liabilities at the end of the reporting period.

Notes *(Continued)*

7. Investments

	£'000
Cost	
At 1 October 2015	-
Investment in subsidiary undertaking	4,626
At 30 September 2016	4,626
Net book value	
At 30 September 2016	4,626

	£'000
Cost	
At 24 March 2015	-
At 30 September 2015	-
Net book value	
At 30 September 2015	-

Investments represent shares in subsidiary undertakings.

Investment in subsidiary undertaking represents an increase in the equity funding of Sage Global Services US Inc.

The following table lists the Company's subsidiary undertakings. All subsidiaries are held directly.

	Country of incorporation	Class of shares held	Ownership 2016	Ownership 2015
Sage Global Services US Inc[1]	US	Ordinary	100%	100%
Sage Hibernia Services Limited[2]	Ireland	Ordinary	100%	100%

[1] registered address is 271 17th Street NW, Suite 1100, Atlanta, Georgia 30363, USA

[2] registered address is Number One, Central Park, Leopardstown, Dublin 18, Ireland

Notes *(Continued)*

8. Other intangibles

	Software £'000	Total £'000
Cost		
At 1 October 2015	2,402	2,402
Additions	2,964	2,964
Disposals	(824)	(824)
At 30 September 2016	4,542	4,542
Amortisation		
At 1 October 2015	-	-
Charge for the year	(303)	(303)
Disposals	-	-
Impairment	-	-
At 30 September 2016	(303)	(303)
Net book value		
At 30 September 2016	4,239	4,239
At 1 October 2015	2,402	2,402

All amortisation charges in the year have been charged through selling and administrative expenses.

9. Property, plant and equipment

	Leasehold land & buildings £'000	Plant & machinery £'000	Fixtures & Fittings £'000	Motor Vehicles £'000	Total £'000
Cost					
At 1 October 2015	-	-	-	-	-
Additions	425	676	2	3	1,106
At 30 September 2016	425	676	2	3	1,106
Depreciation					
At 1 October 2015	-	-	-	-	-
Charge for the year	(57)	(148)	-	(3)	(208)
At 30 September 2016	(57)	(148)	-	(3)	(208)
Net book value					
At 30 September 2016	368	528	2	-	898
At 1 October 2015	-	-	-	-	-

Notes *(Continued)*

10. Trade and other receivables

	2016 £'000	2015 £'000
Current		
Trade receivables	8	-
Amounts owed by group undertakings	5,598	
Other receivables	1,898	-
Prepayments and accrued income	4,756	-
	12,260	-

Amounts owed by Group undertakings are unsecured and attract a rate of interest of between 1.78% and 2.01% *(2015: 0.00%).*

11. Trade and other payables

	2016 £'000	2015 As restated £'000
Current		
Trade payables	5,453	-
Amounts owed to group undertakings	95,208	15,752
Other tax and social security payable	788	-
Accruals	14,286	-
	115,735	15,752

Amounts owed to Group undertakings are unsecured and attract a rate of interest of between 1.78% and 2.01% *(2015: 0.00%).*

12. Equity

	2016 shares	2016 £'000	2015 shares	2015 £'000
Issued and fully paid				
Ordinary shares of £1 each	4,626,001	4,626	1	-
	4,626,001	4,626	1	-

During the year 4,626,000 ordinary shares were issued in the entity at par *(2015: 1).*

Notes *(Continued)*

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. Ultimate parent company

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, North Park, Newcastle Great Park, Newcastle upon Tyne, NE13 9AA.

15. Explanation of transition to FRS 101

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 101.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 30 September 2016, the comparative information presented in these financial statements for the year ended 30 September 2015 and in the preparation of an opening FRS 101 balance sheet at 1 October 2014 (the Company's date of transition).

In preparing its FRS 101 balance sheet, the Company has no adjustments to amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). As there is no impact on the Company's equity either at the date of transition or 30 September 2015, or its total comprehensive income for the year ended 30 September 2015, no reconciliations are presented for equity or total comprehensive income at those dates.