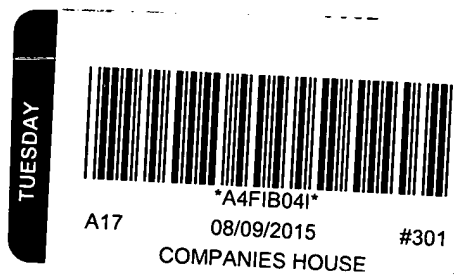


Company Registration No. NI050867 (England and Wales)

PROOFPOINT NI LIMITED

**ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2014**



INDEPENDENT AUDITOR'S REPORT TO PROOFPOINT NI LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated financial statements set out on pages 2 to 5, together with the financial statements of Proofpoint NI Limited for the year ended 31 December 2014 prepared under section 396 of the Companies Act 2006.

Respective responsibilities of directors and auditor

The directors are responsible for preparing the abbreviated financial statements in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements to the Registrar of Companies and whether the abbreviated financial statements have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

This report, including the opinion, has been prepared for and only for the company for the purpose of section 449 of the Companies Act 2006 and for no other purpose. To the fullest extent permitted by law, we do not, in giving this opinion, 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.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated financial statements have been properly prepared in accordance with regulations made under that section.

Baker Tilly UK Audit LLP

Perry Linton FCA (Senior Statutory Auditor)
for and on behalf of Baker Tilly UK Audit LLP, Statutory Auditor
Chartered Accountants
Davidson House
Forbury Square
Reading
Berkshire
RG1 3EU
u.a.s.

PROOFPOINT NI LIMITED**ABBREVIATED BALANCE SHEET
AS AT 31 DECEMBER 2014**

	Notes	2014 £	£	2013 £	£
Fixed assets					
Tangible assets	2		145,353		2,071
Current assets					
Debtors		1,139,838		519,532	
Cash at bank and in hand		394,935		310,110	
		<u>1,534,773</u>		<u>829,642</u>	
Creditors: amounts falling due within one year		<u>(1,464,895)</u>		<u>(813,768)</u>	
Net current assets			69,878		15,874
Total assets less current liabilities			<u>215,231</u>		<u>17,945</u>
Creditors: amounts falling due after more than one year			(150,000)		(150,000)
Provisions for liabilities			(7,338)		-
Net assets/(liabilities)			<u>57,893</u>		<u>(132,055)</u>
Capital and reserves					
Called up share capital	3		41,244		41,244
Share premium account			887,668		887,668
Profit and loss account			(871,019)		(1,060,967)
Shareholders' funds			<u>57,893</u>		<u>(132,055)</u>

These abbreviated financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The abbreviated financial statements on pages 2 to 5 were approved by the board of directors and authorised for issue on 03-01-2015 and are signed on its behalf by:


P. Auviil III
Director

PROOFPOINT NI LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

There are no material uncertainties that may cast significant doubt about the company's ability to continue as a going concern and the accounts have therefore been prepared on a going concern basis.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

Turnover

Turnover represents sales to external customers at invoiced amounts exclusive of value added tax. Turnover is recognised when the risks and rewards of owning the goods has passed to the customer which is generally on delivery. Income in relation to maintenance contracts is recognised over the life of the contract.

Turnover in respect of services provided to the immediate parent company is calculated as attributable costs plus a mark up in accordance with a transfer pricing agreement between Proofpoint NI Limited and Proofpoint Limited, the immediate parent company.

Tangible fixed assets and depreciation

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

Leasehold buildings	5 years straight line
Computer equipment	2 years straight line
Fixtures, fittings and equipment	5 years straight line

Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the company in an independently administered fund.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised in the Statement of Total Recognised Gains and Losses on revaluations where at the balance sheet date there is an agreement to sell the asset.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

PROOFPOINT NI LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies (Continued)

Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions, or at an average rate for the period if the rates do not fluctuate significantly. Monetary assets and liabilities are translated at year end exchange rates or, where appropriate, at rates of exchange fixed under the terms of the relevant transaction. The resulting exchange rate differences are charged to the profit and loss account.

Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Period of account

The period of accounts covered by last year's financial statements was the period from 1 July 2012 to 31 December 2013.

Share based payments

The company issues equity-settled share-based payments, in respect of share options in the ultimate parent company, to certain employees (including directors). Under Financial Reporting Standard for Smaller entities (effective April 2008) equity-settled share-based payments are recognised on a disclosure only basis and no intrinsic value is estimated or charged.

2 Fixed assets

	Tangible assets
	£
Cost	
At 1 January 2014	20,945
Additions	169,990
	<hr/>
At 31 December 2014	190,935
	<hr/>
Depreciation	
At 1 January 2014	18,874
Charge for the period	26,708
	<hr/>
At 31 December 2014	45,582
	<hr/>
Net book value	
At 31 December 2014	145,353
	<hr/>
At 31 December 2013	2,071
	<hr/>

PROOFPOINT NI LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

3	Share capital	2014	2013
		£	£
	Allotted, called up and fully paid		
	3,963,550 Ordinary shares of 1p each	39,636	39,636
	37,500 Ordinary A shares of 1p each	375	375
	123,342 Ordinary B shares of 1p each	1,233	1,233
		<u>41,244</u>	<u>41,244</u>
	Equity shares		
	3,963,550 Ordinary shares of 1p each	39,636	39,636
	37,500 Ordinary A shares of 1p each	375	375
	123,342 Ordinary B shares of 1p each	1,233	1,233
		<u>41,244</u>	<u>41,244</u>
	Shares classified as financial liabilities		
	15,000,000 Preference shares of 1p each	150,000	150,000
		<u>150,000</u>	<u>150,000</u>

4 **Ultimate parent company**

The directors consider the ultimate parent company, and the smallest and largest group for which consolidated financial statements are prepared, which include the results of Proofpoint NI Limited, to be Proofpoint Inc, a company incorporated and duly organised under laws of the state of Delaware, USA.