

**REPORT OF THE DIRECTOR AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020  
FOR  
DIGITAL RIVER UK HOLDINGS II LTD**

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for the Year Ended 31 March 2020**

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**COMPANY INFORMATION  
for the Year Ended 31 March 2020**

**DIRECTOR:** Kristopher T Schmidt

**SECRETARY:** TMF Corporate Administration Services Ltd

**REGISTERED OFFICE:** 8th Floor  
20 Farringdon Street  
London  
EC4A 4AB

**REGISTERED NUMBER:** 09525376 (England and Wales)

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

**REPORT OF THE DIRECTOR  
for the Year Ended 31 March 2020**

The director presents his report with the financial statements of the company for the year ended 31 March 2020.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of a holding company.

**DIRECTOR**

Kristopher T Schmidt held office during the whole of the period from 1 April 2019 to the date of this report.

**PRINCIPAL RISKS AND UNCERTAINTIES**

Since early 2020 the impact of the COVID-19 pandemic has severely disrupted the world economy. Measures taken by many countries to limit the spread of the virus including travel bans, quarantine and closure of services and businesses have had a considerable impact and resulted in an economic slowdown. An estimate of the ultimate financial effect of this event cannot be made at this time.

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

**AUDITORS**

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

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

**ON BEHALF OF THE BOARD:**

Kristopher T Schmidt - Director

10 June 2021

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DIGITAL RIVER UK HOLDINGS II LTD**

### **Opinion**

We have audited the financial statements of Digital River UK Holdings II Ltd (the 'company') for the year ended 31 March 2020 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its loss 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 Auditors' responsibilities for the audit of the financial statements section of our report. 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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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 director is responsible for the other information. The other information comprises the information in the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 this 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 Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Director 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 Report of the Director.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Director.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DIGITAL RIVER UK HOLDINGS II LTD**

### **Responsibilities of director**

As explained more fully in the Statement of Director's Responsibilities set out on page two, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

### **Auditors' 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 a Report of the Auditors 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 [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

### **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 a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

10 June 2021

**INCOME STATEMENT**  
**for the Year Ended 31 March 2020**

	<b>31/3/20</b> <b>£</b>	<b>31/3/19</b> <b>£</b>
<b>TURNOVER</b>	-	-
Administrative expenses	<u>5</u>	<u>6</u>
<b>OPERATING LOSS and LOSS BEFORE TAXATION</b>	<b>(5)</b>	<b>(6)</b>
Tax on loss	<u>-</u>	<u>-</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>	<b><u>(5)</u></b>	<b><u>(6)</u></b>

**BALANCE SHEET**  
**31 March 2020**

	Notes	31/3/20 £	£	31/3/19 £	£
<b>FIXED ASSETS</b>					
Investments	5	240,324,275		240,324,275	
<b>CREDITORS</b>					
Amounts falling due within one year	6	<u>5,595</u>		<u>5,590</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(5,595)</u>		<u>(5,590)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><b>240,318,680</b></u>		<u><b>240,318,685</b></u>	
<b>CAPITAL AND RESERVES</b>					
Called up share capital			422		422
Share premium	7	53,073,453		53,073,453	
Other reserves	7	159,220,360		159,220,360	
Retained earnings	7	<u>28,024,445</u>		<u>28,024,450</u>	
		<u><b>240,318,680</b></u>		<u><b>240,318,685</b></u>	

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

The financial statements were approved by the director and authorised for issue on 10 June 2021 and were signed by:

Kristopher T Schmidt - Director



**STATEMENT OF CHANGES IN EQUITY**  
**for the Year Ended 31 March 2020**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Share premium £</b>	<b>Other reserves £</b>	<b>Total equity £</b>
<b>Balance at 1 April 2018</b>	422	28,024,456	53,073,453	159,220,360	240,318,691
<b>Changes in equity</b>					
Total comprehensive income	-	(6)	-	-	(6)
<b>Balance at 31 March 2019</b>	<u>422</u>	<u>28,024,450</u>	<u>53,073,453</u>	<u>159,220,360</u>	<u>240,318,685</u>
<b>Changes in equity</b>					
Total comprehensive income	-	(5)	-	-	(5)
<b>Balance at 31 March 2020</b>	<u>422</u>	<u>28,024,445</u>	<u>53,073,453</u>	<u>159,220,360</u>	<u>240,318,680</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
for the Year Ended 31 March 2020

**1. STATUTORY INFORMATION**

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

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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

**Investments in subsidiaries**

Investments in subsidiary undertakings are recognised at cost.

**Taxation**

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

Current or deferred taxation assets and liabilities are not discounted.

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

**Deferred tax**

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

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

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

**3. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was NIL (2019 - NIL).

**4. GOING CONCERN**

In the opinion of the director the financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding will be more than adequate for the company's needs. As a Holding company, the company requires the support of its parent to meet any obligations as they fall due.

**5. FIXED ASSET INVESTMENTS**

**Shares in  
group  
undertakings  
£**

**COST**

At 1 April 2019  
and 31 March 2020

**240,324,275**

**NET BOOK VALUE**

At 31 March 2020  
At 31 March 2019

**240,324,275**

**240,324,275**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 March 2020**

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

	<b>31/3/20</b>	<b>31/3/19</b>
	<b>£</b>	<b>£</b>
Amounts owed to group undertakings	<b><u>5,595</u></b>	<b><u>5,590</u></b>

**7. RESERVES**

The other reserves were created on 13 May 2015 as a result of a reduction in share premium using the Solvency Statement Procedure. This reserve is treated as a distributable reserve and is treated as a realised profit under Part 23 CA 2006.

**8. CONTROLLING PARTY**

Danube Private Holdings II, LLC. (incorporated in United States) is regarded by the directors as being the company's ultimate parent company.

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

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

**9. GUARANTEE AND COLLATERAL AGREEMENT**

On 1 June 2021 the company together with its immediate parents and ultimate parent company entered into a guarantee and collateral agreement in relation to the provision of financing facilities.