

Registered number: 135925

**SDL GLOBAL SOLUTIONS (IRELAND) LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

## Contents

	<b>Page</b>
Company information	1
Directors' Report	2
Statement of Directors' Responsibilities	6
Independent Auditors' Report	7
Statement of Comprehensive Income	10
Balance Sheet	11
Statement of Changes in Equity	12
Notes to the Financial Statements	13

# SDL GLOBAL SOLUTIONS (IRELAND) LIMITED

## Company information

<b>Directors</b>	I E Prause P Clothier
<b>Company Secretary</b>	Whitney Holdings Limited
<b>Registered number</b>	135925
<b>Registered office</b>	Whitney Moore Solicitors 2 Shelbourne Buildings Crampton Avenue Shelbourne Road Ballsbridge Dublin 4 Ireland
<b>Independent auditors</b>	Ernst and Young Chartered Accountants The Atrium, Maritana Gate Canada Street, Waterford Ireland
<b>Bankers</b>	HSBC 1 Grand Canal Square Grand Canal Harbour Dublin 2 Ireland
<b>Solicitors</b>	Whitney Moore Solicitors 2 Shelbourne Buildings Crampton Avenue Shelbourne Road Ballsbridge Dublin 4 Ireland

# SDL GLOBAL SOLUTIONS (IRELAND) LIMITED

## Directors' Report

For the year ended 31 December 2023

The Directors present their Annual Report and the audited financial statements for the year ended 31 December 2023.

## Principal activities

The principal activity of the Company continues to be the development and sales of desktop translation technology software to a global customer base and the provision of localisation and globalisation solutions to a wide variety of multinational businesses.

## Results and dividends

The profit for the year, after taxation, amounted to €636,023 (2022: profit €478,433). The Directors recommended a payment of a dividend for 2023 of €9,000,000 (2022: €Nil).

## Business Review & Future Developments

The Company's ultimate parent is RWS Holdings plc ("the Group") and the Company operates as part of the Group's Language Services and Language Technology divisions. Its results are consolidated within the Group. The reports are available from (<https://www.rws.com/about/investors/results-and-reports/>)

The Company's principal activities have remained largely unchanged during the year. As noted in the key performance indicators and consistent with the prior year, one of the revenue streams and associated costs relating to the Group's online ordering platform continue to be diverted to a fellow Group company. Other than this, the Directors are not aware of any expected major changes to the Company's activities in the coming year.

The RWS Group is the world's leading language services and technology Group, with over 7,000 employees and global coverage. SDL Global Solutions (Ireland) Limited will continue to focus on enhancing its services to an expanded client audience.

Under the cash pooling arrangement adopted by SDL Limited (former ultimate parent), any excess cash held by the entities within the Group is swept on a daily basis by Treasury and held centrally in the treasury bank account, in the respective currency. This arrangement also ensures that Group entities have access to funds as and when needed to maximise cash reserves centrally. SDL Ireland being part of the Group falls under the same cash pooling arrangement.

## Key Performance Indicators

The Company reviews a number of key performance indicators (KPIs) to monitor and assess performance on an on-going basis. These KPIs include revenue growth, gross margin and operating profit.

In 2023, the Company saw a decrease in revenue of 64.0% (2022: 65.8% decrease) due to online order systems sales moving to a fellow Group Company. The Company is remunerated on a cost plus basis for language, technology and back office activities. The cost plus basis excludes foreign exchange impacts, exceptional items and interest. The profit for the year, before taxation, amounted to €913,928 (2022: €669,194).

RWS Group manages its operations on a divisional basis. For this reason, the Company's Directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the Language Services and Language Technology divisions of the Group, which includes the Company, is discussed in the Group's annual report which does not form part of this report.

# SDL GLOBAL SOLUTIONS (IRELAND) LIMITED

## Directors' Report (continued)

For the year ended 31 December 2023

### Business Risks

Competitive pressure is a continuing risk for the Company, which could result in it losing sales to its key competitors. The Company manages this risk by providing added value services to its customers, having fast response times not only in supplying services but in handling all customer queries, and by maintaining strong relationships with customers. Development of technology into translation process, and by keeping abreast of industry trends and ensuring services and technology investment, continues to keep SDL competitively positioned.

Group risks are discussed in the Group's Annual Report which does not form part of this Report. A brief snapshot can be seen below:

### Financial Instruments

#### FX risk:

The Company's sales outside of Ireland are made in currencies other than Euro and it is therefore exposed to the movement in foreign currency to Euro exchange rate. The Company periodically reviews its FX risk, however the company's ultimate parent Company, elects to manage its FX risk on a group wide basis through a combination of intergroup loan facilities and forward exchange contracts.

The Company is financed by its own cash receipts and Group funding and has no third-party debt. It therefore has no direct interest rate exposure. Inter-company loans are at a fixed interest rate so that exposure is limited.

#### Interest rate risk:

To ensure adequate working capital the Group maintains cash deposits and these deposits are affected by any movements in rates of interest generally. But due to the low level of debt within the Group and the limited amount of cash surplus to operational requirements, there is no material sensitivity to change in interest rates.

#### Liquidity risk:

The Group's objective is to optimise the funds currently available to it, in order to maintain the lowest operational borrowing profile necessary. To underpin this philosophy there are processes to manage operating cash flow, with a focus on approvals policies for significant cash outlays and credit control.

#### Credit risk:

The Group continues to benefit from a diverse list of major clients of which no client contributes more than 10% of sales. The Group is however continuing to place emphasis on sound application of credit control processes given the continuing difficult macro-economic conditions.

### Directors

The Directors who served during the year and to the date of signing of these financial statements were:

I E Prause

F Capponi – Resigned 12<sup>th</sup> October 2024

P Clothier – Appointed 11<sup>th</sup> October 2024

### Directors' Interests

None of the Directors, nor the secretary of the Company, had a direct interest in the share capital of the Company at year end (2022: nil), see Note 8. The Directors held interest less than 1% of the issued share capital of the Company's ultimate holding Company, RWS Holdings plc, and are exempt from disclosure in the financial statements under section 260 of the Companies Act 2014.

# SDL GLOBAL SOLUTIONS (IRELAND) LIMITED

## Directors' Report (continued)

For the year ended 31 December 2023

### Accounting records

The measures taken by the Directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 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 Group's registered office, RWS Compass House, Vanwall Business Park, Vanwall Road, Maidenhead, SL6 4UB.

### Political and charitable donations

The Company did not make any political or charitable donations during the year ended 31 December 2023 (2022: €Nil).

### Statement on relevant audit information

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 auditors are 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 auditors are aware of that information.

### Compliance Statement

The Directors, in accordance with Section 225(2) of the Companies Act 2014, acknowledge that they are responsible for securing the Company's compliance with certain obligations specified in that section arising from the Companies Act 2014 and Tax laws ('relevant obligations'). The Directors confirm that:

- a compliance policy statement has been drawn up setting out the Company's policies that in their opinion are appropriate with regard to such compliance;
- appropriate arrangements and structures have been put in place that, in their opinion, are designed to provide reasonable assurance of compliance in all material respects with those relevant obligations; and
- a review has been conducted, during the financial year, of those arrangements and structures.

### Going Concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

Having performed an assessment of the financial position of the Company, including assessing the Company's access to cash through the Group's cash sweep arrangements, the Directors have concluded that the Company is dependent on its ultimate parent entity, RWS Holdings plc, for support in order to meet its liabilities as they fall due until twelve months after the balance sheet date.

The Directors have received assurance of continued financial support, lasting twelve months from the date of signing the balance sheet, in the form of a letter of support. In case the Company has insufficient resources available to meet due obligations, RWS Holdings plc will provide financial resources. The Directors are comfortable that the fellow group company is in a good financial position and standing to support the Company. No material uncertainties that could cast significant doubt about the ability of the Company to continue as a going concern have been identified.

# SDL GLOBAL SOLUTIONS (IRELAND) LIMITED

## Directors' Report (continued)

For the year ended 31 December 2023

### Auditors

The auditors, Ernst and Young Chartered Accountants, continue in office in accordance with section 383(2) of the Companies Act 2014.

This report was approved by the board on 29 January 2026 and signed on its behalf.



I E Prause  
**Director**



P Clothier  
**Director**

# SDL GLOBAL SOLUTIONS (IRELAND) LIMITED

## Statement of Directors' Responsibilities

For the year ended 31 December 2023

### Statement of Directors' responsibilities in respect of the Directors' Report and the financial statements

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with Irish law and regulations.

Irish Company law requires the Directors to prepare the financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and Financial Reporting Standard 101 'Reduced Disclosure Framework'.

Under Company law, the Directors must not approve the financial statements unless they are satisfied they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date, of the profit or loss for that financial year and otherwise comply with the Companies Act 2014.

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

- select suitable accounting policies 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 2014 and enable the financial statements to be audited. 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



I E Prause

**Director**

**Date: 29 January 2026**



P Clothier

**Director**

**Date: 29 January 2026**



**Shape the future  
with confidence**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SDL GLOBAL SOLUTIONS (IRELAND) LIMITED**

### **Report on the audit of the financial statements**

#### **Opinion**

We have audited the financial statements of SDL Global Solutions (Ireland) Limited ('the Company') for the year ended 31 December 2023, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 101 Reduced Disclosure Framework issued in the United Kingdom by the Financial Reporting Council.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with FRS 101 Reduced Disclosure Framework; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) 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. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.



**Shape the future  
with confidence**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SDL GLOBAL SOLUTIONS (IRELAND) LIMITED

**Other information**

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

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 2014**

In our opinion, based solely on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report for the financial year ended 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.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

**Matters on which we are required to report by exception**

Based on 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.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the Company. We have nothing to report in this regard.



Shape the future  
with confidence

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SDL GLOBAL SOLUTIONS (IRELAND) LIMITED**

### **Respective responsibilities**

#### **Responsibilities of directors for the financial statements**

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that they give a true and fair view, and for such internal control as they 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 management either intends to liquidate the Company or to cease operations, or has 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 (Ireland) 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 IAASA's website at: [https://iaasa.ie/wp-content/uploads/docs/media/IAASA/Documents/audit-standards/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](https://iaasa.ie/wp-content/uploads/docs/media/IAASA/Documents/audit-standards/Description_of_auditors_responsibilities_for_audit.pdf).

This description forms part of our auditor's report.

### **The purpose of our audit work and to whom we owe our responsibilities**

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. 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.

Brian Devereux  
for and on behalf of  
Ernst & Young Chartered Accountants and Statutory Audit Firm

Waterford

Date: 30 January 2026

## SDL GLOBAL SOLUTIONS (IRELAND) LIMITED

### Statement of Comprehensive Income

For the year ended 31 December 2023

	Note	2023 €	2022 €
Revenue	4	2,559,385	7,117,438
Cost of sales		(1,728,906)	(5,637,396)
<b>Gross profit</b>		<b>830,479</b>	1,480,042
Administrative expenses		(389,002)	(238,333)
Exceptional items	6	(118,141)	(704,679)
<b>Operating profit</b>	5	<b>323,336</b>	537,030
Other interest receivable and similar income	9	1,379,219	614,731
Interest payable and similar charges	10	(788,627)	(482,567)
<b>Profit before taxation</b>		<b>913,928</b>	669,194
Tax on profit for the year	11	(277,905)	(190,761)
<b>Profit for the year and total comprehensive expense</b>		<b>636,023</b>	478,433

There is no other comprehensive income or expense for the current financial year or the preceding financial year other than as stated above. Accordingly, no separate statement of other comprehensive income has been prepared.

The notes on pages 13 to 35 form an integral part of these financial statements.

# SDL GLOBAL SOLUTIONS (IRELAND) LIMITED

## Balance Sheet

As at 31 December 2023

	Note	2023 €	2022 €
<b>Non-current assets</b>			
Intangible assets	12	6,766	12,506
Goodwill	13	-	-
Tangible assets	14	1,991	7,058
Investments	15	287,858	287,858
Debtors: falling due after one year	16	5,767,738	14,094,713
		<b>6,064,353</b>	<b>14,402,135</b>
<b>Current assets</b>			
Debtors: falling due within one year	16	24,309,952	36,040,191
Cash at bank and in hand		174,249	146,949
		<b>24,484,201</b>	<b>36,187,140</b>
<b>Total assets</b>		<b>30,548,554</b>	<b>50,589,275</b>
<b>Current liabilities</b>			
Creditors: falling due within one year	17	24,811,281	36,488,025
<b>Total liabilities</b>		<b>24,811,281</b>	<b>36,488,025</b>
<b>Total net assets</b>		<b>5,737,273</b>	<b>14,101,250</b>
<b>Capital and reserves</b>			
Called up share capital	19	1,860,618	1,860,618
Share premium account	20	242,465	242,465
Other reserves	20	(199,353)	(199,353)
Retained earnings		3,833,543	12,197,520
<b>Shareholders' funds</b>		<b>5,737,273</b>	<b>14,101,250</b>

The financial statements were approved and authorised for issue by the Board on 29 January 2026:

*Ingo Prause*

*P Clothier*

I E Prause  
Director

P Clothier  
Director

The notes on pages 13 to 35 form part of these financial statements.

# SDL GLOBAL SOLUTIONS (IRELAND) LIMITED

## Statement of Changes in Equity

For the year ended 31 December 2023

	Called up share capital	Share premium account	Other reserves	Retained earnings	Total equity
	€	€	€	€	€
<b>At 1 January 2022</b>	1,860,618	242,465	(199,353)	11,719,087	13,622,817
Profit for the year and total comprehensive income	-	-	-	478,433	478,433
<b>At 31 December 2022</b>	<b>1,860,618</b>	<b>242,465</b>	<b>(199,353)</b>	<b>12,197,520</b>	<b>14,101,250</b>
Profit for the year and total comprehensive income	-	-	-	636,023	636,023
Dividends	-	-	-	(9,000,000)	(9,000,000)
<b>At 31 December 2023</b>	<b>1,860,618</b>	<b>242,465</b>	<b>(199,353)</b>	<b>3,833,543</b>	<b>5,737,273</b>

The notes on pages 13 to 35 form part of these financial statements.

# SDL GLOBAL SOLUTIONS (IRELAND) LIMITED

## Notes to the Financial Statements

For the year ended 31 December 2023

### 1. General information

SDL Global Solutions (Ireland) Limited is a Company incorporated and domiciled in the Republic of Ireland and is limited by shares.

The principal activity of the Company continues to be the development and sales of desktop translation technology software to a global customer base and the provision of localisation and globalisation solutions to a wide variety of multinational businesses.

Monetary amounts in these financial statements are rounded to the nearest €1.

The address of the registered office is 2 Shelbourne Buildings, Crampton Avenue, Shelbourne Road, Ballsbridge, Dublin 4.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and Irish statute comprising of the Companies Act 2014.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

# SDL GLOBAL SOLUTIONS (IRELAND) LIMITED

## Notes to the Financial Statements (continued)

For the year ended 31 December 2023

### 2. Accounting policies (continued)

#### 2.2 Financial reporting standard 101 – reduced disclosure exemptions

The Company is exempt by virtue of section 299 of the Companies Act from the requirement to prepare Group financial statements. These financial statements present information about the company as an individual entity and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The financial statements are prepared on the historical cost basis.

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 2014 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n) (ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- 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
- the requirement in paragraph 38 of IAS 1 'Presentation of financial statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

The Company's ultimate parent undertaking, RWS Holdings plc, includes the Company in its consolidated financial statements. The consolidated financial statements of RWS Holdings plc are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from the Company Secretary's office, RWS, Compass House, Vanwall Business Park, Vanwall Road, Maidenhead, Berkshire, United Kingdom, SL6 4UB

# SDL GLOBAL SOLUTIONS (IRELAND) LIMITED

## Notes to the Financial Statements (continued)

For the year ended 31 December 2023

### 2. Accounting policies (continued)

#### 2.3 Going concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

Having performed an assessment of the financial position of the Company, including assessing the Company's access to cash through the Group's cash sweep arrangements, the Directors have concluded that the Company is dependent on its ultimate parent entity, RWS Holdings plc, for support in order to meet its liabilities as they fall due until twelve months after the balance sheet date.

The Directors have received assurance of continued financial support, lasting twelve months from the date of signing the balance sheet, in the form of a letter of support. In case the Company has insufficient resources available to meet due obligations, RWS Holdings plc will provide financial resources. The Directors are comfortable that the fellow group company is in a good financial position and standing to support the Company. No material uncertainties that could cast significant doubt about the ability of the Company to continue as a going concern have been identified.

#### 2.4 Foreign currency translation

##### *Functional and presentation currency*

The Company's functional and presentational currency is Euro's.

##### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'Interest payable and similar charges'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

# SDL GLOBAL SOLUTIONS (IRELAND) LIMITED

## Notes to the Financial Statements (continued) For the year ended 31 December 2023

### 2. Accounting policies (continued)

#### 2.5 Revenue

The Company provides a single, principles based five step model to be applied to all sales contracts as outlined below. It is based on the transfer of control of goods and services to customers and replaces the separate models for goods and services.

1. Identify the contract(s) with a customer.
2. Identify the performance obligations in the contract.
3. Determine the transaction price.
4. Allocate the transaction price to the performance obligations in the contract.
5. Recognise revenue when or as the entity satisfies its performance obligations.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### (i) Language services/(Licenses)

Revenue on service contracts is recognised only when their outcomes can be foreseen with reasonable certainty and is based on the percentage stage of completion of the contracts, calculated on the basis of costs incurred. Accrued and deferred revenue arising on contracts is included in trade receivables as accrued income and in trade and other payables as deferred income as appropriate.

The Group's language services contracts provide for the Company to be reimbursed for work as it is undertaken. Accordingly, the Group recognises revenue over time, on a percentage of completion basis.

##### (ii) Technology revenue

###### Multi-element arrangements/(Licenses)

For multi-element arrangements, revenue is allocated to each performance obligation based on stand-alone selling price, regardless of any separate prices stated within the contract. This is most common within the Company's contract for licences, which may include performance obligations in respect of the licences, support and maintenance, hosting services and professional services. The Company's software licences are either perpetual, term or software as a service (SaaS) in nature. The Company's revenue contracts do not include any material future vendor commitments and thus no allowances for future costs are made.

###### Perpetual and term licences/(Licenses)

The Company's perpetual and term licences are accounted for at a point in time when the customer obtains control of the licence, occurring either where the goods are shipped or, more commonly, when electronic delivery has taken place and there is no significant future vendor obligation.

The software to which the licence relates has significant standalone functionality and the Company has determined that none of the criteria that would indicate the licence is a right to access apply. In addition, the Company has identified no other performance obligations under their contracts for these licences which would require the Company to undertake significant additional activities which affects the software. The Company therefore believes the obligation is right to use the licence as it presently exists and therefore applies the point in time pattern of transfer. Transaction price is allocated to licenses using the residual method based upon other components of the contract. The residual method is used because the prices of licenses are highly variable and there is no discernible standalone selling price from past transactions.

# SDL GLOBAL SOLUTIONS (IRELAND) LIMITED

## Notes to the Financial Statements (continued)

For the year ended 31 December 2023

### 2. Accounting policies (continued)

#### 2.5 Revenue (continued)

##### (iii) 'SaaS' licenses/(Licenses)

Unlike the Company's perpetual and term licences, the Company has identified that there are material ongoing performance obligations associated with the provision of SaaS licences. The Company has identified that this creates a right to access the intellectual property, instead of a right to use. Accordingly, the associated licence revenue is recognised over time, straight line for the duration of the contract. As with other licences, the Company utilises the residual method to allocate transaction price to these performance obligations.

##### (iv) Support and maintenance

Support and maintenance represents a stand ready obligation to provide additional services to the Group's licence customers over the period of support included in the contract. The Group measures the obligation by reference to the standalone selling price, based upon internal list prices subject to discount. The pattern of transfer is deemed to be over time on the basis that this is a continuing obligation over the period of support undertaken and accordingly, recognised as revenue on a straight line basis over the course of the contract.

##### (v) Professional services/(Consultancy services)

The Company provides professional services to customers including training, implementation and installation services alongside certain contracts for software licences. These services are sold in units of consultant time and are therefore measured on an output method basis. Revenue is therefore recognised on these engagements based on the units of time delivered to the end customer. Transaction price is allocated based upon the standalone selling price, calculated by reference to the internal list prices for consultant time subject to any discounts. A small number of the Group's professional services contracts are on a fixed price contract and the output method is used based on an appraisal of applicable milestones.

#### 2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

#### 2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

# SDL GLOBAL SOLUTIONS (IRELAND) LIMITED

## Notes to the Financial Statements (continued)

For the year ended 31 December 2023

### 2. Accounting policies (continued)

#### 2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 balance sheet 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 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 liabilities 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 balance sheet date.

#### 2.9 Goodwill

Goodwill represents the excess of the cost of a business combination over the total acquisition date fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued.

When a business combination agreement provides for an adjustment to the cost of the combination which is contingent on future events, the company includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably. However, if the potential adjustment is not recognised at the acquisition date but subsequently becomes probable and can be measured reliably, the additional consideration shall be treated as an adjustment to the cost of the combination. Changes in the estimated value of contingent consideration arising on business combinations completed as a consequence result in a change in the carrying value of the related goodwill.

Goodwill is capitalised as an intangible asset and is not amortised. Instead it is reviewed annually for impairment with any impairment in carrying value being charged to profit or loss. The Companies Act 2014 requires acquired goodwill to be reduced by provisions for depreciation calculated to write off the amount systematically over a period chosen by the directors, not exceeding its useful economic life. It has been deemed, however, the non-amortisation of goodwill is a departure, for the overriding purpose of giving a true and fair view. The effect of this departure has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading.

In the year ended 31 December 2022, the goodwill was assessed as part of the annual review and fully impaired.

# SDL GLOBAL SOLUTIONS (IRELAND) LIMITED

## Notes to the Financial Statements (continued) For the year ended 31 December 2023

### 2. Accounting policies (continued)

#### 2.10 Other intangible assets

Intangible assets acquired as part of an acquisition of a business are capitalised separately from goodwill if those assets are separable and their fair value can be measured reliably.

Intangible assets acquired separately from the acquisition of a business are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

##### *Computer software*

Computer software licences and other intellectual property assets acquired are held at cost and are amortised on a straight line basis over their estimated useful lives of 2 to 6 years. Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred.

#### 2.11 Intangible assets arising on acquisition of subsidiaries

- Customer relationships are amortised on a straight line basis over their estimated useful life of between 5 and 15 years.
- Intellectual Property and Software Development are amortised on a straight line basis over their estimated useful life of between 3 to 5 years.
- Goodwill is not amortised but is subject to annual impairment testing (see note 13)

#### 2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings – 2 to 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

# SDL GLOBAL SOLUTIONS (IRELAND) LIMITED

## Notes to the Financial Statements (continued) For the year ended 31 December 2023

### 2. Accounting policies (continued)

#### 2.13 Business Combinations

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Company. The cost of an acquisition is measured as the fair value of the assets, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets and liabilities acquired and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

The excess of the cost of acquisition over the fair value of the Company's share of the identifiable net assets acquired is recorded as goodwill. Transaction costs are expensed as incurred. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement. If the business combination allows for a provision of deferred or contingent consideration, this will be provided in the accounts at the fair value.

Any changes to the fair value of deferred or contingent consideration are recognised in income statement. If the business combination allows for deferred compensation this will be recognised in the income statement over the service period.

Business combinations that are acquisitions of assets and liabilities are undertaken at the values agreed to the acquisition agreement.

#### 2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

#### 2.15 Financial instruments

Short-term trade and other debtors and trade and other creditors are treated as financial assets or liabilities.

#### 2.16 Trade and other debtors

Trade and other debtors are recognised initially at fair value and are provided for where management consider an element of the balance to be irrecoverable.

#### 2.17 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

#### 2.18 Employee benefits

##### Pension obligations

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The Company has no legal or constructive obligations to pay further contributions to the fund. The cost of providing these benefits, recognised in the income statement, comprises the amount of contributions payable to the schemes in respect of the year.

# SDL GLOBAL SOLUTIONS (IRELAND) LIMITED

## Notes to the Financial Statements (continued)

For the year ended 31 December 2023

### 2. Accounting policies (continued)

#### 2.19 Share based payments

Employees (including Directors) of the Company received remuneration in the form of share-based payment transactions, whereby employees rendered services in exchange for shares or rights over shares in the Company's parent undertaking ('equity-settled transactions').

##### *Equity-settled transactions*

Share-based payment arrangements in which the Company receives goods or services as consideration for the Company's equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Company.

#### 2.20 Government grants

Grants are included in the Company's financial statements when there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Grants are initially recognised at the fair value of the asset receivable and if any of the grant becomes repayable, the Company will recognise a liability at the point in time the repayment meets the definition of a liability.

There are four methods of accounting for grants under the accrual model, depending on whether they are revenue- or capital-based grants:

- Grants relating to revenue are recognised in profit and loss on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate.
- Grants that are received in respect of expenses or losses already incurred by the entity are recognised in profit and loss in the period when the grant becomes receivable.
- Capital-based grants are recognised in profit and loss on a systematic basis over the useful economic life of the asset (usually to match the associated depreciation charge).
- Grants relating to an asset which are deferred are recognised as a liability (deferred income) and are not deducted from the carrying value of an asset.

The Company includes in other debtors, amounts awaiting to be compensated by government grant. The grants were for projects undertaken by Iconic Translation Machines Limited. The accounting for the income was included in its financial statements. The transfer of this debt was part of the business and assets transfer from Iconic Translation Machines Limited in the year. There are no unfulfilled conditions attaching to the government assistance that has been recognised.

# SDL GLOBAL SOLUTIONS (IRELAND) LIMITED

## Notes to the Financial Statements (continued)

For the year ended 31 December 2023

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

#### *Judgements*

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

#### *Revenue – multi-element arrangements*

To determine the appropriate revenue recognition for contracts containing multi-elements that include both products and services, we evaluate whether the contract should be accounted for as a single, or multiple, performance obligations. Management is required to exercise a degree of judgement in setting the criteria used for determining when revenue which involves several elements should be recognised and the stand-alone selling price of each element. The Group generally determines the stand-alone selling prices of elements based on prices which are not observable and are therefore based on stand-alone list prices which are then subject to discount. Further detail involved in estimating standalone selling prices for the purpose of allocating the transaction price in multi-element arrangements is provided on page 16.

This judgement could materially affect the timing and quantum of revenue and profit or loss recognised in each period. Licence revenue in the year amounted to €0.4m (2022: €1.2m).

#### *Estimates and assumptions*

The key assumptions and estimates concerning the future and other key sources of estimation uncertainty at the reporting date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

# SDL GLOBAL SOLUTIONS (IRELAND) LIMITED

## Notes to the Financial Statements (continued)

For the year ended 31 December 2023

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

#### *Taxes*

Uncertainties exist with respect to the interpretation of complex tax regulations, including transfer pricing, and the amount and timing of future taxable income. Given the nature of the Group's operating model, the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. Differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

Following the introduction of IFRIC 23, Uncertainty over Tax Treatments the Group has ensured it complies with the requirements of the interpretation. The Group considers all tax positions on a separate basis with any amounts determined by what it considers to be the most appropriate method of either the expected value or most likely amount on a case by case basis. Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Further details on taxes are disclosed in note 11.

#### *Other estimates and assumptions*

##### *Revenue – rendering of services*

Management makes estimates of the total costs that will be incurred by SDL on a contract by contract basis. Management reviews the estimate of total costs on each contract on an ongoing basis to ensure that the revenue recognised accurately reflects the proportion of the work done at the balance sheet date. All contracts are of short-term nature. The majority of services work is invoiced on completion and the amount of year end work in progress amounted to €50,093 (2022: €112,135)

##### *Capitalised development costs*

The Group capitalises development costs in line with IAS 38, Intangible Assets. Management applies judgement in determining if the costs meet the criteria, and are therefore eligible for capitalisation. Significant judgements include the technical feasibility of the development, recoverability of the costs incurred, economic viability of the product and potential market availability considering its current and future customers and when in the development process, these milestones have been met. Development costs capitalised during the year amounted to €Nil (2022: €14.4K) (see Note 12).

##### *Trade Debtors recoverability*

The Company regularly reviews outstanding trade debtor balances and payment performance. Based on the review, where it is assessed that an amount is not fully recoverable a specific provision is made for that balance.

# SDL GLOBAL SOLUTIONS (IRELAND) LIMITED

## Notes to the Financial Statements (continued) For the year ended 31 December 2023

### 4. Revenue

Revenue represents the amount invoiced excluding value added tax, derived from the provision of localisation services to third party customers, except in respect of long-term contracts where revenue represents the value of work carried out during the year, including amounts not invoiced and excluding amounts invoiced in advance.

An analysis of revenue by class of business is as follows:

	2023	2022
	€	€
Support and maintenance	300,299	3,088,159
Licences	389,307	1,183,729
Consultancy and services	1,869,779	2,845,550
	<u>2,559,385</u>	<u>7,117,438</u>

Analysis of revenue by country of destination:

	2023	2022
	€	€
Europe (including Ireland)	2,213,463	5,838,226
North America	332,229	1,092,378
Rest of the world	13,693	186,834
	<u>2,559,385</u>	<u>7,117,438</u>

#### *Contract assets and liabilities- licenses and S&M*

Contract assets and liabilities are recognised at the point in which the Company's right to consideration is unconditional, the Group uses the term 'Trade Receivables' for these financial asset balances. Contract assets are recognised where performance obligations are satisfied over time until the point of final invoicing when these are classified as 'Trade Receivables.'

For performance obligations satisfied over time, judgement is required in determining whether a right to consideration is unconditional. In such situations, a receivable is recognised for the transaction price of the non-cancellable portion of the contract when the Company starts satisfying the performance obligation.

The total value of transaction price allocated to unsatisfied or partially unsatisfied performance obligations at the year-end is €0.1m (2022: €0.3m) (disclosed in Note 17 – Deferred income). Support and maintenance is a stand ready obligation discharged straight line over the duration of the Group's software contracts, the period over which this is recognised can be identified based on the value of current and non-current deferred income.

Unsatisfied performance obligations in respect of language and professional services are all short-term and expected to be recognised in less than one year.

The Company offsets any contract liabilities with any contract assets that may arise within the same customer contract, typically, this only applies to the Company's licence and support and maintenance revenue contracts. In all material respects there are no significant changes in the Company's contract asset or liability balances other than business-as-usual movements during the year.

# SDL GLOBAL SOLUTIONS (IRELAND) LIMITED

## Notes to the Financial Statements (continued) For the year ended 31 December 2023

### 5. Profit/(loss) on ordinary activities before taxation

The operating profit/(loss) is stated after charging:

	2023	2022
	€	€
Depreciation of tangible fixed assets	5,067	19,864
Amortisation of intangible assets	5,740	4,624
Exchange losses/(Gains)	2,241,684	(310,924)
Auditor's remuneration	<u>51,349</u>	<u>71,738</u>

### 6. Exceptional items

	2023	2022
	€	€
Redundancy costs	101,806	701,462
Professional fees	16,335	3,217
	<u>118,141</u>	<u>704,679</u>

In 2022, a number of employees were made redundant as a result of the integration process following the RWS Group's acquisition of Iconic Translation Machines Limited. These costs are significant and not on-going in nature and therefore they are highlighted as exceptional items. Additionally, there were professional fees associated with these costs which are also considered to be exceptional. Redundancies and professional fees in 2023 related to a cost reduction exercise undertaken across the RWS Holdings plc group of companies following a slow down in company performance.

# SDL GLOBAL SOLUTIONS (IRELAND) LIMITED

## Notes to the Financial Statements (continued) For the year ended 31 December 2023

### 7. Employees

Staff costs, including directors' remuneration, were as follows:

	2023	2022
	€	€
Wages and salaries	883,788	1,167,440
Social security costs	108,898	160,314
Other retirement benefit costs	49,658	62,778
	<u>1,042,344</u>	<u>1,390,532</u>

The Company operates a personal pension scheme for qualifying employees. The pension cost charge for the period represents contributions payable to the scheme and amounted to €49,658 (2022: €62,778). The share-based payments for year amounted to €Nil (2022: €Nil).

The average monthly number of employees, including the directors, during the year was as follows:

	2023	2022
	No.	No.
Administration and sales	2	3
Production	10	15
	<u>12</u>	<u>18</u>

# SDL GLOBAL SOLUTIONS (IRELAND) LIMITED

## Notes to the Financial Statements (continued) For the year ended 31 December 2023

### 8. Directors' remuneration

	2023	2022
	€	€
Wages and salaries	89,025	97,343
Retirement benefits contributions	5,806	5,879
	<u>95,430</u>	<u>103,222</u>

One of the Directors did not receive any remuneration for their services as Director to the Company.

The highest paid Director's wages and salaries was €89,025 (2022: €97,343). The number of Directors who participated in a defined contribution pension scheme was one (2022: one). The amounts paid in respect of pension benefits for the highest paid Director was €5,806 (2022: €5,879).

### 9. Interest receivable

	2023	2022
	€	€
Other interest receivable	1,379,219	614,731
	<u>1,379,219</u>	<u>614,731</u>

### 10. Interest payable and similar expenses

	2023	2022
	€	€
Other loan interest payable	788,627	482,567
	<u>788,627</u>	<u>482,567</u>

# SDL GLOBAL SOLUTIONS (IRELAND) LIMITED

## Notes to the Financial Statements (continued) For the year ended 31 December 2023

### 11. Taxation

	2023	2022
	€	€
<b>Corporation tax</b>		
Current tax on profits for the year	<b>286,437</b>	167,850
Adjustments in respect of previous periods	<b>(8,358)</b>	(465)
<b>Total current tax</b>	<b><u>278,079</u></b>	<b><u>167,385</u></b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<b>3,207</b>	(324)
Adjustments in respect of previous periods	<b>(3,380)</b>	23,700
<b>Total deferred tax (note 18)</b>	<b><u>(173)</u></b>	<b><u>23,376</u></b>
<b>Taxation on profit on ordinary activities</b>	<b><u>277,905</u></b>	<b><u>190,761</u></b>
<b>Factors affecting tax charge for the year</b>		
The tax assessed for the year is higher than (2022 - higher than) the standard rate of corporation tax in Ireland of 12.5% (2022 - 12.5%). The differences are explained below:		
	2023	2022
	€	€
Profit on ordinary activities before tax	<b><u>913,928</u></b>	<b><u>669,194</u></b>
Profit on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.5% (2022 - 12.5%)	<b>114,241</b>	83,649
<b>Effects of:</b>		
Expenses not deductible for tax purposes	<b>(172,402)</b>	-
Adjustments to tax charge in respect of prior periods	<b>(11,738)</b>	23,235
Permanent differences	-	4,131
Withholding tax	-	2,904
Other differences leading to an increase in the tax charge:		
Foreign Income taxed at a higher rate	<b>347,805</b>	76,842
<b>Total tax charge for the year</b>	<b><u>277,905</u></b>	<b><u>190,761</u></b>

# SDL GLOBAL SOLUTIONS (IRELAND) LIMITED

## **Notes to the Financial Statements (continued)**

For the year ended 31 December 2023

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions the Company operates. The Company is in scope of the enacted or substantively enacted legislation. However, the legislation was enacted close to the reporting date. Therefore, the Company is still in the process of assessing the potential exposure to Pillar Two income taxes as at 31 December 2023. The potential exposure, if any, to Pillar Two income taxes is currently not known or reasonably estimable. The Company expects to be in a position to report the impact in its next financial statements for the period ending 31 December 2024.

# SDL GLOBAL SOLUTIONS (IRELAND) LIMITED

## Notes to the Financial Statements (continued) For the year ended 31 December 2023

### 12. Intangible assets

	Development expenditure	Total
	€	€
<b>Cost</b>		
At 1 January 2023	17,222	17,222
Additions	-	-
At 31 December 2023	<u>17,222</u>	<u>17,222</u>
<b>Amortisation</b>		
At 1 January 2023	4,716	4,716
Charge for the year on owned assets	5,740	5,740
At 31 December 2023	<u>10,456</u>	<u>10,456</u>
<b>Net book value</b>		
At 31 December 2023	<u>6,766</u>	<u>6,766</u>
At 31 December 2022	<u>12,506</u>	<u>12,506</u>

# SDL GLOBAL SOLUTIONS (IRELAND) LIMITED

Notes to the Financial Statements (continued)  
For the year ended 31 December 2023

## 13. Goodwill

	€
<b>Cost</b>	
At 1 January 2023	358,044
<b>At 31 December 2023</b>	<u>358,044</u>
<b>Impairment</b>	
At 1 January 2023	358,044
<b>At 31 December 2023</b>	<u>358,044</u>
<b>At 31 December 2023</b>	<u>-</u>
At 31 December 2022	<u>-</u>

### Goodwill - Impairment

The Company's goodwill balances were wholly the balances identified as part of the acquisition of Donnelley Language Services (DLS) in 2018. Due to the continued integration of DLS into the wider RWS Group it is no longer possible to separately identify and value the goodwill at a Company level and accordingly an impairment charge of €358,044 was recognised in 2021.

# SDL GLOBAL SOLUTIONS (IRELAND) LIMITED

Notes to the Financial Statements (continued)  
For the year ended 31 December 2023

## 14. Tangible fixed assets

	Fixtures and fittings
	€
<b>Cost or valuation</b>	
At 1 January 2023	19,038
Addition	-
Disposal	-
At 31 December 2023	<u>19,038</u>
<b>Depreciation</b>	
At 1 January 2023	11,980
Charge in the year	5,067
Depreciation on disposal	-
At 31 December 2023	<u>17,047</u>
<b>Net book value</b>	
At 31 December 2023	<u>1,991</u>
At 31 December 2022	<u>7,058</u>

# SDL GLOBAL SOLUTIONS (IRELAND) LIMITED

## Notes to the Financial Statements (continued)

For the year ended 31 December 2023

### 15. Investments

	Investments in subsidiary companies
	€
<b>Cost or valuation</b>	
At 1 January 2023	287,858
At 31 December 2023	<u>287,858</u>

### Subsidiary undertakings

The subsidiary undertakings as at 31 December 2023 are shown below. They are all ordinary shares, 100% owned and held directly.

Name	Registered office	Country of incorporation	Principal activity	Net assets value as per their financial statements
SDL Italia Srl Unipersonale	Via Stradella 165, Roma 0124, Italy	Italy	Language Services	€2,146,981
Software Development Language Solutions Hispana S.L.U.	Claudio Coello, 37, 28001 Madrid, Spain	Spain	Technology	€1,065,371

SDL Italia Srl Unipersonale and Software Development Language Solutions Hispana SLU prepare accounts to 30 September 2023, in line with the RWS Group reporting date.

# SDL GLOBAL SOLUTIONS (IRELAND) LIMITED

## Notes to the Financial Statements (continued) For the year ended 31 December 2023

### 16. Debtors

	2023	2022
	€	€
<b>Due after more than one year</b>		
	<b>5,533,927</b>	
Amounts owed by group undertakings		10,877,457
Amounts owed by parent	<b>221,825</b>	3,205,443
Deferred tax asset (note 18)	<b>11,986</b>	11,813
	<u><b>5,767,738</b></u>	<u>14,094,713</u>

Amounts owed by group undertakings are unsecured loans, repayable on demand or a fixed future repayment date, the longest of which is 2 years. The loans have their own defined interest rates for which interest is charged at a rate within a range of 3.70% to 6.20% (2022: 3.70% to 5.70%).

	2023	2022
	€	€
<b>Due within one year</b>		
Trade debtors	<b>316,682</b>	599,412
Amounts owed by group undertakings	<b>21,544,168</b>	34,962,046
Amounts owed by parent	<b>2,025,708</b>	-
Amounts owed by intermediate parent	-	-
Other debtors	<b>52,129</b>	114,170
Prepayments	<b>31,747</b>	14,246
Corporation tax asset	<b>339,518</b>	350,317
	<u><b>24,309,952</b></u>	<u>36,040,191</u>

Loan balances owed by group undertakings, incur interest at between 4.55% and 6.05% and are unsecured loans which are repayable on demand. Trade balances owed by group undertakings are not subject to interest charges. The majority of services work is invoiced on completion and the amount of year end work in progress amounted to €50,093 (2022: €112,135), which has been included in other debtors.

### 17. Creditors: Amounts falling due within one year

	2023	2022
	€	€
Trade creditors	<b>24,137</b>	67,599
Amounts owed to group undertakings	<b>370,252</b>	460,701
Amounts owed to parent	<b>14,605,657</b>	35,178,253
Amounts owed to intermediate parent	<b>9,000,000</b>	-
VAT	<b>30,644</b>	68,578
PAYE/PRSI	<b>406,902</b>	74,935
Other Creditors	<b>1,222</b>	23,692
Deferred income	<b>128,560</b>	305,951
Accruals	<b>243,907</b>	308,316
	<u><b>36,488,025</b></u>	

# SDL GLOBAL SOLUTIONS (IRELAND) LIMITED

## Notes to the Financial Statements (continued)

For the year ended 31 December 2023

24,811,281

Amounts owed to Group undertakings are governed by their individual loan agreements. The balances are unsecured amounts, which are repayable on demand. The loans have their own defined interest rates for which interest is charged at a rate within a range of 4.55% and 6.05%. Trade balances owed to Group undertakings are not subject to interest charges.

The Company, being part of the Group, falls under the same cash pooling arrangement as adopted by SDL Limited and its sub-group. Under this arrangement, excess cash held by entities within in the SDL sub-group is swept on a daily basis to ensure Group entities have access to the funds as and when needed. For reference, when referring amounts payable and receivable to or from the parent company, SDL Limited is considered the parent of the SDL sub group with the intermediate parent company being SDL Global Holdings Ltd.

# SDL GLOBAL SOLUTIONS (IRELAND) LIMITED

## Notes to the Financial Statements (continued) For the year ended 31 December 2023

### 18. Deferred taxation

	2023
	€
At beginning of the year	11,813
Charged to income statement	173
<b>At end of year</b>	<b><u>11,986</u></b>

The deferred tax asset is made up as follows:

	2023	2022
	€	€
Depreciation in excess of capital allowances	5,265	2,091
Other short term timing differences	6,721	9,722
Losses		-
	<b><u>11,986</u></b>	<b><u>11,813</u></b>

### 19. Share capital

	2023	2022
	€	€
<b>Ordinary shares</b>		
	<b><u>2,399,400</u></b>	
1,999,500 (2022 - 1,999,500) Ordinary Shares of €1.20 each	<u>2,399,400</u>	<u>2,399,400</u>
<b>Allotted, called up and fully paid</b>		
	<b><u>1,860,618</u></b>	
1,550,515 (2022 - 1,550,515) Ordinary Shares of €1.20 each	<u>1,860,618</u>	<u>1,860,618</u>

### 20. Reserves

#### Share premium account

The share premium reserve represents cumulative amounts paid in excess of the issued share capital above par.

#### Other reserves

Other reserves comprise a capital contribution reserve, reflecting non-cash investment in the Company, by the immediate Holding Company and a merger reserve of €500,000 created on the acquisition of the trade, assets and liabilities of Iconic Translation Machines Limited during 2021.

#### Dividends paid

Dividends are for SDL Holdings plc for €9,000,000.

# SDL GLOBAL SOLUTIONS (IRELAND) LIMITED

**Notes to the Financial Statements (continued)**  
For the year ended 31 December 2023

# SDL GLOBAL SOLUTIONS (IRELAND) LIMITED

## **Notes to the Financial Statements (continued)** For the year ended 31 December 2023

### **21. Controlling party**

The Company's immediate controlling entity is SDL Global Holdings Limited.

The ultimate controlling entity is RWS Holdings plc, incorporated in England, registered at RWS Compass House, Vanwall Business Park, Vanwall Road, Maidenhead, Berkshire, United Kingdom, SL6 4UB. The consolidated financial statements of RWS Holdings plc are available to the public and may be obtained from the Company Secretary at the registered office.

### **22. Related party transactions**

The Company is a wholly owned subsidiary and accordingly has taken the exemptions provided within FRS 101 and therefore transactions with group companies have not been disclosed.

### **23. Post Balance sheet events**

There have been no events since the balance sheet date that materially affect the position of the Company.