

**Abigail (UK) Limited**

**Directors' report and financial  
statements**

Registered number 6990900

31 August 2013

TUESDAY



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## Directors' report

The directors present their directors' report and financial statements of the Company for the year ended 31 August 2013.

### Principal activity

The Company was incorporated on 14 August 2009 and is a holding company.

On incorporation the Company was a subsidiary of Virage Logic Corporation Inc, a company quoted on the NASDAQ Global Market. On the 2 September 2010 Virage Logic Corporation was acquired by Synopsys Inc, also a company quoted on the NASDAQ Global Market.

### Results

The company does not trade and the only activities in the year were a foreign exchange loss on a US Dollar loan from the parent company an impairment of fixed asset investments in subsidiaries.

The following directors held office during the year and up to the date of signing the accounts:

C Watchorn  
P P Sheratt (resigned 23 September 2013)  
P Bell

### Going concern basis

Synopsys Inc has indicated that it will continue to make available such funds as are needed by the Company and in particular will not seek repayment of the amounts currently made available for the foreseeable future. The Directors believe that as a result of this support the Company is well placed to manage its business risks successfully, despite the uncertain economic outlook. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

### Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.


### Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

### Directors' Indemnities

The Company maintains liability insurance for its Directors and Officers.

By order of the board

  
C Watchorn  
Director

## **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 applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP  
58 Clarendon Road  
Watford  
WD17 1DE

## **Independent auditors' report to the members of Abigail (UK) Limited**

We have audited the financial statements of Abigail (UK) Limited for the year ended 31 August 2013 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

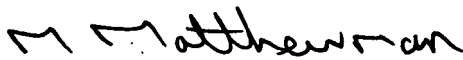
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditors' report to the members of Abigail (UK) Limited**  
*(continued)*

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**Mark Matthewman (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
58 Clarendon Road  
Watford  
WD17 1DE

13/6/14

**Profit and Loss Account**  
*for the year ended 31 August 2013*

	<i>Note</i>	2013 £000	2012 £000
Dividend Income		-	2,685
Foreign exchange loss	2	(571)	(621)
Amounts written off investments	6	(5,777)	(1,997)
		<hr/>	<hr/>
Loss/(profit) on ordinary activities before taxation		(6,348)	67
Tax on profit on ordinary activities	5	-	-
		<hr/>	<hr/>
Loss/(profit) for the financial year attributable to equity shareholders	9	(6,348)	67
		<hr/> <hr/>	<hr/> <hr/>

All results derive from continuing operations.

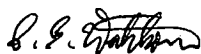
The notes on pages 7 to 11 form an integral part of these financial statements.

The Company has no recognised gains or losses other than the gain above and therefore no separate statement of total recognised gains and losses has been presented.

**Balance Sheet**  
*At 31 August 2013*

	<i>Note</i>	2013 £000	2012 £000
<b>Fixed assets</b>			
Investments	6	9,295	15,072
		<hr/>	<hr/>
 Creditors: amounts falling due within one year	7	 (25,356)	 (24,785)
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		<b>(16,061)</b>	<b>(9,713)</b>
		<hr/>	<hr/>
<b>Net liabilities</b>		<b>(16,061)</b>	<b>(9,713)</b>
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	8	1	1
Profit and loss account	9	(16,062)	(9,714)
		<hr/>	<hr/>
<b>Shareholders' deficit</b>	9	<b>(16,061)</b>	<b>(9,713)</b>
		<hr/>	<hr/>

These financial statements were approved by the board of directors on *5 June 2014* and were signed on its behalf by:



**C Watchorn**  
*Director*

Company registered number: 6990900



## Notes

(forming part of the financial statements)

### 1 Accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented.

#### Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention and in accordance with Companies Act 2006 and applicable UK accounting standards.

Synopsys Inc (the ultimate parent entity) has indicated that it will continue to make available such funds as are needed by the Company and in particular will not seek repayment of the amounts currently made available for the foreseeable future. A letter of support formalising this has been provided to the Directors and following enquiries, the Directors have concluded that Synopsys Inc has adequate resources to continue to provide such support as necessary. Accordingly, the going concern basis has been adopted in preparing the annual report and accounts.

The company being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

The Company has also taken advantage of the exemption under paragraph 3(c) of Financial Reporting Standard 8 ("Related Party Disclosures"), on the grounds that it is a wholly owned subsidiary of Synopsys Inc, whose accounts are publicly available, and accordingly has not provided details of transactions with fellow group companies.

#### Group accounts

The company has not prepared consolidated accounts as it is a wholly owned subsidiary undertaking of Synopsys Inc, as permitted by Section 401 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

#### Investments

Investments are stated at historical cost less any required provision for impairment. The impairment review is conducted annually by the directors.

#### Foreign currency translation

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

### 2 Analysis of profit

The Company operates as a holding company for its subsidiaries.

	2013 £000	2012 £000
<i>Profit on ordinary activities before taxation is stated after charging/(crediting):</i>		
Dividend income	-	(2,685)
Foreign exchange losses	571	621
Impairment losses	5,777	1,997
	<u>5,777</u>	<u>1,997</u>

Audit fees of £5k were borne by ARC International (UK) Limited, a subsidiary Company.

## Notes (continued)

### 3 Remuneration of directors

The directors did not receive any emoluments in respect of their services to the Company.

The highest paid director received remuneration of £nil (2010: £nil)

### 4 Staff numbers and costs

There were no employees during the period other than the directors of the Company.

### 5 Taxation

The Company has no taxation charge for the year ended 31 August 2013.

#### Analysis of charge in period

	2013 £000	2012 £000
<i>UK corporation tax</i>		
Current tax on income for the period	-	-
	<hr/>	<hr/>
Tax on profit on ordinary activities	-	-
	<hr/> <hr/>	<hr/> <hr/>

The current tax charge for the period is higher (2012: lower) than the standard rate of corporation tax in the UK (25.17%, 2012: 25.17 %). The differences are explained below.

	2013 £000	2012 £000
<i>Current tax reconciliation</i>		
Profit/(loss) on ordinary activities before tax	(6,348)	67
	<hr/>	<hr/>
Current tax at 25.17% (2012: 25.17 %)	(1,460)	17
	<hr/>	<hr/>
<i>Effects of:</i>		
Expenses not (chargeable)/deductible for tax purposes	131	157
Impairment of investments not deductible for tax purposes	1,329	502
Non-taxable distribution income	-	(676)
	<hr/>	<hr/>
Total current tax charge (see above)	-	-
	<hr/> <hr/>	<hr/> <hr/>

## Notes (continued)

### *Factors that may affect future current and total tax charges*

A reduction in the UK corporation tax rate from 26% to 25% (effective from 1 April 2013) was substantively enacted on 5 July 2012, and further reductions to 24% (effective from 1 April 2013) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2013 and 3 July 2013 respectively. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 August 2013 has been calculated based on the rate of 23% substantively enacted at the balance sheet date.

The March 2013 Budget announced that the rate will further reduce to 20% by 2015 in addition to the planned reduction to 21% by 2014 previously announced in the December 2013 Autumn Statement. It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the company's future current tax charge and reduce the company's deferred tax asset accordingly.

## 6 Fixed asset investments

	£000
<i>Cost</i>	
At beginning of year	26,696
Additions	-
Disposals	-
	<hr/>
At end of year	26,696
	<hr/>
<i>Impairment</i>	
At beginning of year	(11,624)
Impairment losses	(5,777)
	<hr/>
At end of year	(17,401)
	<hr/>
<i>Net book value</i>	
At 31 August 2013	9,295
	<hr/>
At 31 August 2012	15,072
	<hr/>

The value of investment in subsidiaries has been reviewed for impairment at 31 August 2013. The Directors have assessed that an impairment of £5,777 is required. The Directors have assessed the appropriate carrying value based on certain assumptions about future cash flows.

## Notes (continued)

As stated in Note 1, the Company has not prepared group accounts. As at 31 August 2013, the Company's subsidiaries were as follows:

	Nature of Business	Country of Incorporation	Class of Shares Held	Proportion Held
<b>Direct Holding</b>				
ARC International Limited	Holding Company	United Kingdom	Ordinary	100%
<b>Indirect Holding</b>				
ARC International (UK) Limited	Trading	United Kingdom	Ordinary	100%
ARC International Cambridge Limited	Trading	United Kingdom	Ordinary	100%
ARC International Overseas Holdings Limited	Holding Company	United Kingdom	Ordinary	100%
ARC Cores Limited	Dormant	United Kingdom	Ordinary	100%
ARC International Israel Ltd	Sales/Marketing	Israel	Ordinary	100%

### 7 Creditors: amounts falling due within one year

	2013 £000	2012 £000
Amounts owed to group undertakings	25,356	24,785

### 8 Called up share capital

	2013 £000	2012 £000
<i>Authorised</i>		
1,000 Ordinary shares of £1 each	1	1
<i>Allotted, called up and fully paid</i>		
1,000 Ordinary shares of £1 each	1	1

**Notes (continued)**

**9 Reconciliation of movements in shareholders' deficit**

	Called up share capital £000	Profit and loss reserve £000	Total £000
At beginning of year	1	(9,714)	(9,713)
Loss for the year	-	(6,348)	(6,348)
	<hr/>	<hr/>	<hr/>
At end of year	1	(16,062)	(16,061)
	<hr/>	<hr/>	<hr/>

**10 Ultimate Parent Undertaking**

As at 31 August 2013 the company is a wholly owned subsidiary of Synopsys Inc., a company incorporated in the United States of America.

The only group in which the company's results are consolidated is that of Synopsys Inc., a corporation listed on the NASDAQ Global Market. Copies of whose financial statements can be obtained from the offices of Synopsys Inc., 700 East Middlefield Rd, Bldg. C, Mountain View, CA 94043, United States of America.