

METASTORM UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

REGISTERED NUMBER 3435016

FOR THE YEAR ENDED 31 DECEMBER 2015

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CORPORATE INFORMATION

Registered Number 3435016

DIRECTORS

Christian Waida
Gordon Davies

INDEPENDENT AUDITOR

KPMG LLP
Arlington Business Park
Theale
Berkshire
RG7 4SD

BANKERS

Wells Fargo
1 Plantation Place
39 Fenchurch Street
London
EC3M 3BD

REGISTERED OFFICE

c/o Open Text UK Ltd
420 Thames Valley Park Drive
Reading
Berkshire
United Kingdom
RG6 1PT

DIRECTORS' REPORT

The directors present their annual report and audited financial statements for the year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The company's principal activity during the year was that of a holding company.

BUSINESS REVIEW

The results for the year are set out on page 8. During the year the company made a profit on ordinary activities before tax of £5.7m (2014: loss of £2,506). The profit included a dividend payment from the company's investment in Metastorm UK Limited of £5.7m (2014 - £nil). The retained profits have been transferred to reserves.

Based on its size, the company has met the requirements in Section 414B Companies Act 2006 to obtain the exemption from preparing a strategic report.

PROPOSED DIVIDENDS

On 12 June 2015 the company declared a dividend in specie of £5.7m (2014 - £nil) to its parent company Open Text Cooperatief U.A. Netherlands.

PRINCIPAL RISKS AND UNCERTAINTIES

The company makes little use of financial instruments so its exposure to price risk, credit risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

GOING CONCERN

The directors of the company are currently putting in place a restructuring plan with the intention to dissolve the company within the next twelve months. As a result, the financial statements have not been prepared on the going concern basis. The effect of this is explained in Note 1.

POLITICAL CONTRIBUTIONS

The company made no political contributions (2014: £nil)

DIRECTORS

The directors who served the company during the year were as follows:

Gordon Davies
Christian Waida

INDEPENDENT AUDITOR

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

DISCLOSURE OF INFORMATION TO AUDITOR

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 auditor is 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 auditor is aware of that information.

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.

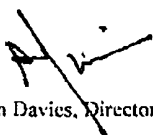
Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. (As explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

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.

Signed on behalf of the board of directors of the Company on 30 September 2016



Gordon Davies, Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METASTORM UK LIMITED

We have audited the financial statements of Metastorm UK Limited for the year ended 31 December 2015 set out on pages 8 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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.

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 December 2015 and of its profit 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.

Emphasis of matter – non-going concern basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in Note 1 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reason set out in that note.

Opinion on other matters 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.

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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



6 October 2016

Simon Baxter (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Arlington Business Park
Theale
Berkshire
RG7 4SD

METASTORM UK LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015

| | Note | 2015 £ | 2014 £ |
|---|------|-------------------------|-----------------------|
| Operating Expenses | | | |
| Administrative expenses | | <u>96</u> | <u>(2,506)</u> |
| Operating profit/(loss) | 5 | 96 | (2,506) |
| Income from shares in group undertakings | | 5,710,502 | - |
| Profit/(loss) on ordinary activities before taxation | | <u>5,710,598</u> | <u>(2,506)</u> |
| Tax on ordinary activities | | <u>(19)</u> | <u>-</u> |
| Profit/(loss) for the financial year | 14 | <u><u>5,710,579</u></u> | <u><u>(2,506)</u></u> |
| Other comprehensive income | | <u>-</u> | <u>-</u> |
| Total comprehensive income/(loss) | | <u><u>5,710,579</u></u> | <u><u>(2,506)</u></u> |


There is no other comprehensive income in the year ended 31 December 2015 or the year ended 31 December 2014.

The accompanying notes on pages 11 to 15 form an integral part of these financial statements.

METASTORM UK LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

| | Note | 2015 £ | 2014 £ |
|-----------------------------|------|----------------------|----------------------|
| Fixed assets | | | |
| Investments | 8 | <u>1</u> | <u>1</u> |
| | | 1 | 1 |
| Current assets | | | |
| Debtors | 9 | 18,259 | 18,259 |
| Creditors | 10 | <u>(5,002)</u> | <u>(5,079)</u> |
| Net current assets | | <u>13,257</u> | <u>13,180</u> |
| Net Assets | | <u><u>13,258</u></u> | <u><u>13,181</u></u> |
| Capital and reserves | | | |
| Called up share capital | 13 | 1,000 | 1,000 |
| Profit and loss account | | <u>12,258</u> | <u>12,181</u> |
| Total shareholders' funds | | <u><u>13,258</u></u> | <u><u>13,181</u></u> |

These financial statements on pages 8 to 15 were signed on behalf of the board of directors of the Company on 30 September 2016:


Gordon Davies
Director

Company registered number: 3435016

The accompanying notes on pages 11 to 15 form an integral part of these financial statements.

METASTORM UK LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

| | Called up share capital £ | Profit and loss account £ | Total £ |
|---------------------|------------------------------------|------------------------------------|---------------|
| At 1 January 2014 | 1,000 | 14,687 | 15,687 |
| Loss for the year | - | (2,506) | (2,506) |
| | <u>1,000</u> | <u>12,181</u> | <u>13,181</u> |
| Profit for the year | - | 5,710,579 | 5,710,579 |
| Dividends | - | (5,710,502) | (5,710,502) |
| At 31 December 2015 | <u>1,000</u> | <u>12,258</u> | <u>13,258</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1 STATUTORY INFORMATION

Metastorm UK Limited is a company domiciled in England and Wales, registration number 3435016. The registered office is 420 Thames Valley Park Drive, Reading, Berkshire, RG6 1PT.

2 TRANSITION AND EXEMPTIONS

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling.

In the transition to FRS 102 from old UK GAAP, the Company has made no measurement and recognition adjustments.

The Company's ultimate parent undertaking, Open Text Corporation includes the Company in its consolidated financial statements. The consolidated financial statements of Open Text Corporation are available to the public and may be obtained from www.opentext.com. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Open Text Corporation include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Consolidation

The company was, at the end of the year, a part of a group of companies that are wholly-owned subsidiaries of another company incorporated outside the EEA and in accordance with Section 401 of the Companies Act 2006, is not required to produce, and has not published, consolidated financial statements. Therefore, the information within these financial statements contains information about the company as an individual undertaking and not its group.

Measurement convention

The financial statements are prepared on the historical cost basis.

Going Concern

The directors of the company are currently putting in place a restructuring plan with the intention to dissolve the company within the next twelve months. As a result, the financial statements have not been prepared on the going concern basis. This plan includes a dividend in specie of the net assets to the Company's immediate parent company, Open Text Cooperatief U.A. Netherlands, within the next twelve months. The dividend in specie amount is expected to be in line with the carrying value shown in Notes 9 and 10 at 31 December 2015. The directors have considered that the costs of dissolving the company will be settled by the ultimate parent company Open Text Corporation and therefore no additional provisions were considered necessary in these financial statements.

3 SIGNIFICANT JUDGEMENTS AND ESTIMATES

Management has made no significant judgements or estimates in the preparation of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

4 PRINCIPAL ACCOUNTING POLICIES

4.1 Investments in subsidiaries and associates

Investments in subsidiaries and associates are accounted for at cost less impairment in the individual financial statements.

4.2 Debtors

Short term debtors are measured at transaction price, less any impairments.

4.3 Creditors

Short term trade creditors are measured at the transaction price.

4.4 Basic financial instruments

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transactions costs. Subsequent to initial recognition, they are measured at transactions price less any impairment. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs.

4.5 Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognized in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are recognized only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

4.6 Foreign Currency Translation

Transactions denominated in foreign currencies are translated into sterling and recorded at the spot rate at the dates of transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognized in the income statement in the period in which they arise.

4.7 Cash accounting policy

Cash and cash equivalents comprise cash balances and call deposits.

5 PROFIT ON ORDINARY ACTIVITIES

The profit on ordinary activities before taxation is stated after:

| | 2015 | 2014 |
|------------------|------|------|
| | £ | £ |
| Foreign exchange | 101 | (11) |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

6 AUDITOR'S REMUNERATION

| | 2015 | 2014 |
|-------------------------------------|--------------|--------------|
| | £ | £ |
| Audit of these financial statements | <u>3,767</u> | <u>3,854</u> |

The auditors provides no other services to the company or it's subsidiaries.

The directors did not receive any emoluments in respect of their services to the company. The directors are remunerated by other group companies. No amounts have been recharged to the company. There are no employees in the company during the financial year (2014: none).

7 TAX ON ORDINARY ACTIVITIES

| | 2015 | 2014 |
|---|-----------|----------|
| | £ | £ |
| (a) Analysis of charge in the year | | |
| Current tax | | |
| UK corporation tax | 19 | 0 |
| (Over)/under provision in prior year | - | - |
| Total current tax (note 4b) | <u>19</u> | <u>0</u> |

Deferred taxation:

Origination and reversal of timing differences

Tax on profit/(loss) on ordinary activities

| | |
|-----------|----------|
| - | - |
| <u>19</u> | <u>-</u> |

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower (2014: higher) than the standard rate of corporation tax in the UK of 20.25% (2014 - 21.50%).

The standard rate of corporation tax in the UK changed from 21% to 20% with effect from 1 April 2015. Accordingly, the company's profits for this accounting period are taxed at an effective rate of 20.25%.

| | 2015 | 2014 |
|--|------------------|----------------|
| | £ | £ |
| Reconciliation of current tax charge | | |
| Profit/(loss) on ordinary activities before taxation | <u>5,710,598</u> | <u>(2,506)</u> |
| Current tax at 20.25% (2014 - 21.50%) | <u>1,156,396</u> | <u>(539)</u> |
| Effects of: | | |
| Income not taxable | (1,156,377) | - |
| Tax losses group relieved | - | 539 |
| Current tax for the year (note 7a) | <u>19</u> | <u>0</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

8 INVESTMENT

| | 2015 | 2014 |
|-------------------------------|----------|----------|
| | £ | £ |
| Cost and net book value | | |
| Investment held in subsidiary | <u>1</u> | <u>1</u> |

Investments are not listed and are held at cost less impairment. The directors believe that the carrying value of the investments are supported by the underlying net asset.

| Group Undertakings | Aggregate of capital and reserves | Profit or Loss for the Year £ | Country of Incorporation | Class of shares held | Ownership % |
|--------------------|-----------------------------------|-------------------------------|--------------------------|----------------------|-------------|
| Metastorm Limited | £674,158 | £12,310 | United Kingdom | Ordinary shares | 100% |

9 DEBTORS

| | 2015 | 2014 |
|------------------------------------|---------------|---------------|
| | £ | £ |
| Amounts owed by group undertakings | <u>18,259</u> | <u>18,259</u> |
| | <u>18,259</u> | <u>18,259</u> |

The intercompany balance receivable is unsecured, interest free and due on demand.

10 CREDITORS

| | 2015 | 2014 |
|-----------------------------------|--------------|--------------|
| | £ | £ |
| Amounts due to group undertakings | 4,983 | 5,079 |
| Corporate tax | <u>19</u> | <u>-</u> |
| | <u>5,002</u> | <u>5,079</u> |

The intercompany balance payable is unsecured, interest free and due on demand.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

11 DIVIDENDS

| | 2015 | 2014 |
|----------------|------------------|----------|
| | £ | £ |
| Dividends paid | <u>5,710,502</u> | <u>1</u> |

12 RELATED PARTY TRANSACTIONS

During the year the company entered into transactions, in the ordinary course of business, with other related parties. Transaction entered into, and trading balances outstanding at 31 December 2015, are as follows:

| | Sales to related party | Purchases from related party | Amounts owed from related party | Amounts owed to related party |
|---------------------------------------|---------------------------|------------------------------------|---------------------------------------|-------------------------------------|
| | £ | £ | £ | £ |
| Entities controlled by parent company | | | | |
| 2015 | - | - | 18,259 | 4,983 |
| 2014 | - | - | <u>18,259</u> | <u>5,079</u> |

13 CALLED UP SHARE CAPITAL

| | 2015 | Authorised 2014 | Allotted, called up and fully paid 2015 | 2014 |
|----------------------------|--------------|--------------------|---|--------------|
| | £ | £ | £ | £ |
| Ordinary shares of £1 each | <u>1,000</u> | <u>1,000</u> | <u>1,000</u> | <u>1,000</u> |
| | <u>1,000</u> | <u>1,000</u> | <u>1,000</u> | <u>1,000</u> |

14 ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The ultimate parent undertaking and controlling party was Open Text Corporation, a company incorporated in Ontario, Canada. For the year ended 31 December 2015 the largest and smallest group for which publically available consolidated financial statements is available is that headed by Open Text Corporation. Consolidated financial statements can be obtained from www.opentext.com.