

METASTORM UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

REGISTERED NUMBER 03435016

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CORPORATE INFORMATION

Registered Number: 03435016

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 financial statements of the Company for the year ended 31 December 2016.

Principal activities

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

Business review and dividend

The results for the year are set out on page 6. The Company did not have any business activity during the year resulting in a profit of £nil (2015: £5.7m).

The directors do not recommend the payment of a dividend (2015: £5.7m).

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.

Principal risks and uncertainties

The Company makes no 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 (2015: £nil)

Directors

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

Gordon Davies
Christian Waida

Audit Exemption Statement

For the year ended 31 December 2016, the Company was entitled to exemption from audit under Section 480 of the Companies Act 2006 relating to dormant companies.

The members have not required the Company to obtain an audit in accordance with Section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Signed on behalf of the Board of the Company on 21 July 2017.



Gordon Davies, Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN REPSECT 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.

METASTORM UK LIMITED
PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	2015 £
Operating expenses			
Administrative expenses		-	96
Operating profit	2	-	96
Income from shares in group undertakings		-	5,710,502
Profit before taxation		-	5,710,598
Tax on profit	3	-	(19)
Profit for the financial year		-	5,710,579
Other comprehensive income		-	-
Total comprehensive income		-	5,710,579

The accompanying notes on pages 9 to 14 form an integral part of these financial statements.

METASTORM UK LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2016

ASSETS	Note	2016 £	2015 £
Fixed assets			
Investments	4	1	1
Current assets			
Debtors	5	18,259	18,259
Creditors	6	<u>(5,002)</u>	<u>(5,002)</u>
Net current assets		<u>13,257</u>	<u>13,257</u>
Net Assets		<u><u>13,258</u></u>	<u><u>13,258</u></u>
Capital and reserves			
Called up share capital		1,000	1,000
Profit and loss account		<u>12,258</u>	<u>12,258</u>
Total shareholders' funds		<u><u>13,258</u></u>	<u><u>13,258</u></u>

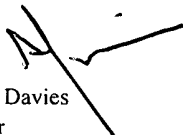
The accompanying notes on pages 9 to 14 form an integral part of these financial statements.

For the year ending 31 December 2016 the Company was entitled to exemption from audit under Section 480 of the Companies Act 2006 relating to dormant companies.

The members have not required the Company to obtain an audit in accordance with Section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

Signed on behalf of the Board of the Company on 21 July 2017.


Gordon Davies
Director
Company registered number: 03435016

METASTORM UK LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital £	Profit and loss account £	Total £
At 1 January 2015	1,000	12,181	13,181
Profit for the year	-	5,710,579	5,710,579
Dividends	-	(5,710,502)	(5,710,502)
	<u>1,000</u>	<u>12,258</u>	<u>13,258</u>
Profit for the year	-	-	-
Dividends	-	-	-
At 31 December 2016	<u>1,000</u>	<u>12,258</u>	<u>13,258</u>

The accompanying notes on pages 9 to 14 form an integral part of these financial statements.

METASTORM UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

Notes

forming part of the financial statements

1 Accounting policies

Metastorm UK Limited is a Company domiciled in England and Wales, registration number 03435016. The registered office is 420 Thames Valley Park Drive, Reading, Berkshire, RG6 1PT.

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

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.

In accordance with Section 1.8 of FRS 102, the Company is a "qualifying entity" entitled to avail of certain disclosure exemptions (as set out in Section 1.12 of FRS 102) as it is member of a group whose parent ("Open Text Corporation") prepares publicly available consolidated financial statements in which the Company is included. These financial statements are publically available from 275 Frank Tompa Drive, Waterloo, Ontario, N2L 0A1, Canada or at www.opentext.com. The exemptions the Company has availed of are set out below:

- Reconciliation of the number of shares outstanding from the beginning to the end of the period;
- 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 Instruments Issues in respect of financial instruments not falling within the fair value accounting rules of Schedule 3, paragraph 39 of the Companies Act 2014.

The Company has availed of the exemption available under "Section 33 Related Party Disclosures" of Financial Reporting Standard 102 from disclosing transactions entered into between members of the group, where the Company as a party to the transaction is a wholly owned member.

The presentation currency of these financial statements is Sterling.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 9.

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 5 and 6 at 31 December 2016. 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.

METASTORM UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

Notes (continued)

1 Accounting policies (continued)

Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Classification of financial instruments issued by the Company

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- (b) where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Basic financial instruments

Trade and other debtors/creditors

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

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost less any impairment losses.

Impairment

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the entity would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

METASTORM UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

Notes (continued)

1 Accounting policies (continued)

Impairment (continued)

Non-financial assets

The carrying amounts of the entity's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Expenses

Interest receivable and interest payable

Interest payable and similar charges include interest payable on intercompany trade and loan balances. Foreign currency gains and losses are reported on a net basis.

Interest receivable and similar income include interest receivable on operating bank accounts, intercompany trade and loan balances. Foreign currency gains and losses are reported on a net basis.

Interest income and interest payable are recognised in profit or loss as they accrue.

Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion on income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

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

METASTORM UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

Notes (continued)

2 Profit on ordinary activities

The profit on ordinary activities before taxation is stated after:

	2016	2015
	£	£
Foreign exchange	-	101
Audit of these financial statements	-	3,767
	<u>-</u>	<u>3,767</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 and their services to the Company are not significant. No amounts have been recharged to the Company. There are no employees in the Company during the financial year (2015: none).

3 Tax on profit

	2016	2015
	£	£
(a) Analysis of charge in the year		
Current tax		
UK corporation tax	-	19
(Over)/under provision in prior year	-	-
Total current tax (note 3b)	<u>-</u>	<u>19</u>
Deferred taxation:		
Origination and reversal of timing differences	-	-
Tax on profit/(loss) on ordinary activities	<u>-</u>	<u>-</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is at the standard rate of corporation tax in the UK of 20% (2015 - 20.25%).

	2016	2015
	£	£
Reconciliation of current tax charge		
Profit/(loss) on ordinary activities before taxation	-	5,710,598
Current tax at 20% (2015 - 20.25%)	-	1,156,396
Effects of:		
Income not taxable	-	(1,156,377)
Current tax for the year (note 3a)	<u>-</u>	<u>19</u>

METASTORM UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

Notes (continued)

4 Investment

	2016	2015
	£	£
Cost and net book value		
Investment held in subsidiary	<u>1</u>	<u>1</u>

Investment is not listed and is held at cost less impairment. The directors believe that the carrying value of the investment is 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	£658,175	£nil	United Kingdom	shares	100%

5 Debtors

	2016	2015
	£	£
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.

6 Creditors

	2016	2015
	£	£
Amounts due to group undertakings	4,983	4,983
Corporate tax	<u>19</u>	<u>19</u>
	<u>5,002</u>	<u>5,002</u>

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

METASTORM UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

Notes (continued)

7 Dividends

	2016	2015
	£	£
Dividends paid	<u>-</u>	<u>5,710,502</u>

8 Called up share capital

	2016	Authorised 2015	Allotted, called up and fully paid 2016	2015
	£	£	£	£
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>

9 Accounting estimates and judgements

In the opinion of the directors, there are no significant sources of estimation uncertainty at the balance sheet date that may cause material adjustment of the carrying amounts of assets or liabilities within the next financial year.

10 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 2016 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.