

**SIGNED
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NetIQ Limited

Directors' Report and Financial Statements

Year Ended 31 March 2016



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DIRECTORS AND OTHER INFORMATION

Board of Directors

Graham Norton
Darren Curtis (appointed 31 July 2015)

Solicitors

Travers Smith
10 Snow Hill
London EC1A 2AL
United Kingdom

Company Secretary

Jane Smithard (appointed 1 April 2015)

Registered Office

The Lawn
22 - 30 Old Bath Road
Newbury
Berkshire
England
RG14 1QN

Company Registration Number: 03498397

Auditors

PricewaterhouseCoopers
Chartered Accountants and Statutory Auditors
One Spencer Dock
North Wall Quay
Dublin 1

DIRECTORS' REPORT

The directors present their report and the audited financial statements of NetIQ Limited ("the company") for the year ended 31 March 2016.

Principal activities, business review and future developments

The company ceased trading on 30 September 2008. The company is incorporated in the UK. It is a wholly owned subsidiary of Attachmate Sales UK Limited whose ultimate parent company is Micro Focus International plc, a company incorporated in the United Kingdom.

Small company provisions

In accordance with the provisions available to small companies within the Companies Act 2006, the directors have taken advantage of the exemption not to prepare a strategic report.

Results

The results for the year are set out in the company profit and loss account on page 8.

Dividends

No dividend was paid during the year (2015: £nil). No final dividend is proposed (2015: £nil).

Future developments

The company will remain as a non-trading entity for the foreseeable future.

Principal risks and uncertainties

The company is no longer trading and is therefore exposed to limited risks and uncertainties.

Key performance indicators ("KPI's")

The company is not assessed on key performance indicators, as it remains a non-trading entity.

Financial risk management

The company's financial instruments consist of amounts due from group undertakings. The fair value of financial instruments is substantially identical to the carrying values reflected on the balance sheet. We manage this risk by monitoring the financial statements of group undertakings for events or circumstances that indicate that the carrying value may not be recoverable.

Directors' and secretary's interests

The directors who served the company during the year are listed on page 2.

The directors, their spouses and minor children do not have any interest in the share capital of the Company.

Directors' indemnities

The ultimate parent undertaking, Micro Focus International plc, maintains liability insurance for the Company's directors and officers. Throughout the year to 31 March 2016 and at the date of approval of the financial statements, Micro Focus International plc has also provided an indemnity for the Company's directors and the secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

Disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Political and charitable donations

The Company did not make any political or charitable donations during the year.

Employees

The company does not have any employees.

Branches

The company does not have any branches outside of the UK.

Research and development

The Company did not engage in any research and development activities during the year.

DIRECTORS' REPORT - continued

Events since the end of the financial year

Please refer to note 12 for details of events since the end of the financial year.

Directors' responsibilities statement

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 102 the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

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 year.

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

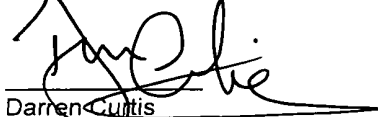
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 102 have been followed, subject to any material, departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the disclosure exemptions, if any, availed of under FRS 102; 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 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.

Statutory auditors

The statutory auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the Annual General Meeting.

On behalf of the board



Darren Curtis
Company Director

9 November 2016



Independent auditors' report to the members of NetIQ Limited

Report on the financial statements

Our opinion

In our opinion, NetIQ Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its result for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

The financial statements, included within the Directors' Report (the "Annual Report"), comprise:

- balance sheet as at 31 March 2016;
- income statement and statement of comprehensive income for the year then ended;
- statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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 NetIQ Limited - continued

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Independent auditors' report to the members of NetIQ Limited - continued

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

A handwritten signature in black ink, reading 'Paul W O'Connor'.

**Paul W O'Connor (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Auditors
Dublin**

9 November 2016

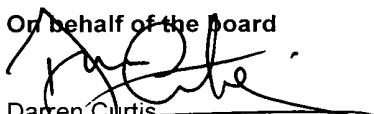
PROFIT AND LOSS ACCOUNT
For the Financial Year Ended 31 March 2016

	Notes	2016 Stg£	2015 Stg£
Turnover		-	-
Profit on ordinary activities before taxation	5	-	-
Tax on profit on ordinary activities		-	-
Profit for the financial year		-	-

STATEMENT OF COMPREHENSIVE INCOME
For the Financial Year Ended 31 March 2016

	Notes	2016 Stg£	2015 Stg£
Profit for the financial year		-	-
Other comprehensive income for the financial year, net of tax		-	-
Total comprehensive income for the financial year		-	-

On behalf of the board



Darren Curtis
Company Director

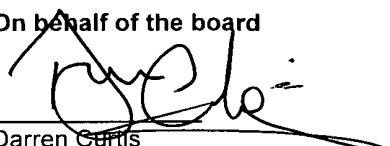
BALANCE SHEET
As at 31 March 2016

	Notes	2016 Stg£	2015 Stg£
Current assets			
Debtors (all falling due within one year)	7	<u>16,200</u>	<u>16,200</u>
Total assets		<u>16,200</u>	<u>16,200</u>
Capital and reserves			
Called-up equity share capital	9	16,200	16,200
Profit and loss account		<u>-</u>	<u>-</u>
Total equity		<u>16,200</u>	<u>16,200</u>

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

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

On behalf of the board



Darren Curtis
 Company Director

STATEMENT OF CHANGES IN EQUITY
For the Financial Year Ended 31 March 2016

	Profit and loss Stg£	Called-up share capital Stg£	Total Stg£
Balance as at 1 April 2014	-	16,200	16,200
Profit for the financial year	-	-	-
Other comprehensive income for the financial year	-	-	-
Total comprehensive income for the financial year	-	-	-
Total transactions recognised directly in equity	-	-	-
Balance as at 31 March 2015	-	16,200	16,200
Balance as at 1 April 2015	-	16,200	16,200
Profit for the financial year	-	-	-
Other comprehensive income for the financial year	-	-	-
Total comprehensive income for the financial year	-	-	-
Total transactions recognised directly in equity	-	-	-
Balance as at 31 March 2016	-	16,200	16,200

NOTES TO THE FINANCIAL STATEMENTS

1 General information

NetIQ Limited ('the company') acts as a non-trading entity within the Micro Focus International plc group ('Group') and will act as such for the foreseeable future.

NetIQ Limited is incorporated as a private limited company in the United Kingdom. The address of its registered office is The Lawn, 22 - 30 Old Bath Road, Newbury, Berkshire, RG14 1QN.

The company is a wholly owned subsidiary of Attachmate Sales UK Limited, a company incorporated in the United Kingdom. The company's ultimate parent company is Micro Focus International plc, a company incorporated in the United Kingdom.

The smallest and largest group into which the results of the company are incorporated is that headed up by Micro Focus International plc, Inc., a company incorporated in the United Kingdom, with a registered office at The Lawn, 22 - 30 Old Bath Road, Newbury, Berkshire, RG14 1QN.

These financial statements are the company's separate financial statements.

2 Statement of compliance

The entity financial statements have been prepared on a going concern basis and in accordance with UK GAAP (accounting standards issued by the Financial Reporting Council of the UK and the Companies Act 2006). The entity financial statements comply with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

3 Summary of significant accounting policies

These financial statements have been prepared in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. These policies have been consistently applied to all financial years presented, unless otherwise stated. The company has adopted FRS 102 for the first time in these entity financial statements. Details of the transition to FRS 102 are disclosed in note 13.

Basis of preparation

The entity financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial year. It also requires the directors to exercise judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in note 4.

Going concern

The company remains as a non-trading entity. As at the date of signing the financials, the directors have no plans to recommence operations or to liquidate the company within the next twelve months. The directors have had regard to the reliance of financial support from other group companies and are confident that this will continue to be made available. On this basis, the directors are satisfied that the accounts should be prepared on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

Disclosure exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. The company is a qualifying entity and has availed of the following exemptions in preparing these financial statements:

- Exemption from the requirements of Section 7 of FRS 102 and FRS 102 paragraph 3.17(d) to present a statement of cash flows
- Exemption from the disclosure requirements of paragraphs 1.12(e) and 33.7 regarding key management compensation
- Exemption from the financial instrument disclosure requirements of Section 11 paragraphs 11.39 to 11.48A and Section 12 paragraphs 12.26 to 12.29A of FRS 102

Foreign currency

(i) Functional and presentation currency

The company's functional and presentation currency is Sterling, denominated by the symbol "£".

(ii) Transactions and balances

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

At the end of each financial year foreign currency monetary items are translated to Euro 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 exchange rates at the end of the financial year of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'interest receivable and similar income' or 'interest payable and similar charges' as appropriate. All other foreign exchange gains and losses are presented in the profit and loss account within 'other expensing expenses'.

Taxation

Income tax expense for the financial year comprises current and deferred tax recognised in the financial year. Income tax expense is presented in the profit and loss account or equity in line with the transaction or other event that resulted in the income tax expense.

Current and deferred tax assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the financial year or past financial years. Current tax is measured at the amount of current tax that is expected to be paid using tax rates and laws that have been enacted or substantively enacted by the end of the financial year.

The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. A current tax liability is recognised where appropriate and measured on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax is recognised in respect of timing differences, which are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in financial years different from those in which they are recognised in financial statements.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

Taxation

(ii) Deferred tax - continued

Deferred tax is recognised on all timing differences at the end of each financial year with certain exceptions. Unrelieved tax losses and other deferred tax assets are recognised only when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the end of each financial year end and that are expected to apply to the reversal of the timing difference.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial assets and liabilities, including trade and other debtors, cash and cash equivalents, trade and other creditors, bank loans, loans from fellow group companies, are initially recognised at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction.

Trade and other debtors, cash and cash equivalents are subsequently measured at amortised cost using the effective interest method. At the end of each financial year financial assets measured at amortised cost are assessed for objective evidence of impairment. If there is objective evidence that a financial asset measured at amortised cost is impaired an impairment loss is recognised in profit or loss. The impairment loss is the difference between the financial asset's carrying amount and the present value of the financial asset's estimated cash inflows discounted at the asset's original effective interest rate.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of ownership of the financial asset are transferred to another party or (c) control of the financial asset has been transferred to another party who has the practical ability to unilaterally sell the financial asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Share capital presented as equity

Equity shares issued are recognised at the proceeds received and presented as share capital and share premium. Incremental costs directly attributable to the issue of new equity shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Distributions to equity shareholders

Dividends and other distributions to the company's equity shareholders are recognised as a liability in the financial statements in the financial year in which the dividends and other distributions are approved by the company's shareholders.

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Critical accounting judgements and estimation uncertainty

Estimates and judgements made in the process of preparing the entity financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgement in applying the entity's accounting policies

There have been no critical judgements made in applying the company's accounting policies.

(b) Critical accounting estimates and assumptions

The directors have not made estimates and assumptions concerning the future, in the process of preparing the entity financial statements.

5 Operating profit	2016	2015
	Stg£	Stg£

The result in ordinary activities before taxation is stated after charging:

Foreign exchange losses/(gains)

Auditor's remuneration

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The auditors' remuneration is borne by Micro Focus Software (Ireland) Limited, a fellow subsidiary undertaking of Micro Focus International Plc for which no recharge is made.

6 Directors' emoluments and employees

The directors received no emoluments in respect of their services to the Company during the year (2015: nil). The directors are paid by other group companies and no re-charge is made in respect of this expense. The average monthly number of directors during the year was 2 (2015: 3). There were no other employees during the year (2015: nil).

7 Debtors	2016	2015
	Stg£	Stg£

Amounts owed by group undertakings	16,200	16,200
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Amounts owing from group undertakings are falling due within one year, are unsecured, interest free and are repayable on demand.

Amounts owed by group undertakings are after provision for impairment of £Nil (2015: £Nil).

8 Related party transactions

Net IQ Limited is wholly owned within the Micro Focus International plc group. Transactions with Micro Focus International plc and with other wholly owned subsidiary companies of Micro Focus International plc are not disclosed as the company has taken advantage of the exemption available under FRS 102 section 33.1A from disclosing such transactions.

NOTES TO THE FINANCIAL STATEMENTS - continued

9 Share capital		2016	2015		
		Stg£	Stg£		
Authorised					
16,200 ordinary shares of Stg£1 each		<u>16,200</u>	<u>16,200</u>		
	2016		2015		
	Number	Stg£	Number	Stg£	
Allotted, called up and fully paid					
Ordinary shares of Stg£1 each		16,200	16,200	16,200	16,200

There is a single class of equity shares. There are no restrictions on the distribution of dividends and the repayment of capital. All shares carry equal voting rights and rank for dividends to the extent to which the total amount on each share is paid up.

10 Contingent liabilities

The company has no contingent liabilities as at 31 March 2016 (2015: £Nil).

11 Capital and other commitments

The company had no capital commitments as at 31 March 2016 (2015: £Nil).

12 Events since the end of the financial year

On 7 September 2016 Micro Focus International plc announced its intent to merge with Hewlett Packard Enterprise (HPE) Software Business Segment in a transaction valued at approximately \$8.8 billion. The merger is subject to customary closing conditions, including anti-trust clearances and shareholder approval is expected to close in Q3 2017. Micro Focus and HPE also announced as part of the transaction the intent to enter into a commercial partnership naming SUSE and HPE's preferred Linux partner.

There have been no other subsequent events requiring adjustment or disclosure in the financial statements.

13 Transition to FRS 102

This is the first financial year for which the company has presented financial statements complying with FRS 102. The last financial statements under UK GAAP were for the financial year ended 31 March 2015. The company's date of transition to FRS 102 is 1 April 2014.

There were no measurement adjustments arising from the company's transition to FRS 102 at 1 April 2014 or at the comparative date 31 March 2015. Therefore, the loss for the financial period ended 31 March 2016 and the total equity as at 1 April 2014 and 31 March 2016 remains consistent under FRS 102 with the previously reported under UK GAAP.

14 Approval of financial statements

The directors approved the financial statements on 9 November 2016.