

**ACQUISITION U.K. LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

Registered number 04619483

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**CORPORATE INFORMATION**

**Directors**

Gordon Davies

John Doolittle

Christian Waidn

Simon Harrison, Resigned 1 April 2016

Oliver Gallienne, Appointed 1 April 2016

**Independent Auditor**

KPMG LLP

Arlington Business Park

Theale

Berkshire

RG7 4SD

**Registered Company Number**

04619483

**Registered Office**

420 Thames Valley Park Drive

Thames Valley Park

Reading

Berkshire

RG6 1PT

## DIRECTORS' REPORT

### Directors' report for the year ended 30 June 2016

The directors present their report and the audited financial statements of the Company for the year ended 30 June 2016.

### Principal activity

Acquisition U.K. Limited's (the Company) principal activity is that of a holding company. The principal activities of its subsidiary undertaking are providing internationally based processing services, consultancy and system development resources in, among others, the United Kingdom, Republic of Ireland, Africa and United Arab Emirates.

### Business review

The Company is part of a group of companies which regard Open Text Corporation (OTC) as the ultimate parent company. The single-entity financial statement of the Company is included in the consolidated financial statement of OTC. OTC was founded in 1991. Its initial public offering was on NASDAQ in 1996 and subsequently it was listed on the Toronto Stock Exchange (TSX) in 1998. Both of these are North American stock exchanges.

The results for the year are given in the profit and loss account on page 7. During the year the Company made a loss before taxation of £542K (period ended 30 June 2015: loss before taxation of £16.5m). The loss for the year is due to interest expense on intercompany loans.

At 30 June 2016, the Company and its subsidiaries were dependent on funds being provided to it by Open Text Corporation, being the shareholders of the Company. Open Text Corporation, has provided the Company with an undertaking for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as is required to enable the Company to meet its obligations as they fall due. As with any company placing reliance on other group entities for financial support, it is assumed this will continue and, at the date of these financial statements, the directors have no reason to believe it will not do so.

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

### Dividends

The directors have not recommended a dividend (Period ended 30 June 2015: £nil).

### Political and charitable contributions

The Company made no political or charitable contributions (Period ended 30 June 2015: £nil).

### Directors

The directors that held office during the year and up to the date of the directors' report are shown on page 2.

### Independent auditor

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

**DIRECTORS' REPORT** *(continued)*

**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*.

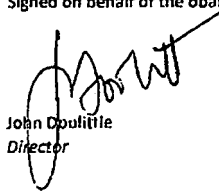
Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

That in the case of each of the persons who were directors of the Company at the date of approval of this directors' report that they confirm, that, so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that s/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.

Signed on behalf of the board of directors of the Company on 29 March 2017:



John Doulittle  
Director

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACQUISITION U.K. LIMITED**

We have audited the financial statements of Acquisition U.K. Limited for the year ended 30 June 2016 set out on pages 7 to 17. 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 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). 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](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 30 June 2016 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.

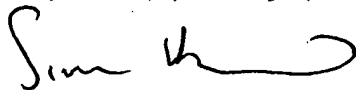
**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial period 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.



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

31 March 2017

**Acquisition U.K. Limited**  
**Profit and Loss Account and Other Comprehensive Income**  
**For the year ended 30 June 2016**

		2016	18 months 2015
	Note	£	£
Impairment of investments	2.	-	(15,732,587)
Operating profit/(loss)		-	(15,732,587)
Interest payable and similar charges	6.	(542,373)	(779,371)
Loss on ordinary activities before taxation		(542,373)	(16,511,958)
Tax on loss on ordinary activities	7.	-	-
Loss for the financial year/period		(542,373)	(16,511,958)
Other comprehensive income		-	-
Total comprehensive income		(542,373)	(16,511,958)

The results in the above profit and loss account relate entirely to continuing operation.

The notes on pages 10 to 17 form part of these financial statements.

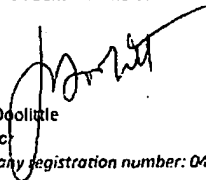


**Acquisition U.K. Limited**  
**Balance Sheet**  
**As at 30 June 2016**

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Fixed asset investment	8.	29,700,000	29,700,000
<b>Creditors: amounts falling due within one year</b>	9.	<u>(33,727,199)</u>	<u>(33,184,826)</u>
<b>Net liabilities</b>		<u>(4,027,199)</u>	<u>(3,484,826)</u>
<b>Capital and reserves</b>			
Called-up share capital	11.	92	92
Other reserve		1,688,497	1,688,497
Profit and loss account		<u>(5,715,788)</u>	<u>(5,173,415)</u>
<b>Shareholders deficit</b>		<u>(4,027,199)</u>	<u>(3,484,826)</u>

The notes on pages 10 to 17 form part of these financial statements.

Signed on behalf of the board of directors of the Company on 29 March 2017:

  
John Doolittle  
Director  
Company registration number: 04619483

**Acquisition U.K. Limited**  
**Statement of Changes in Equity**  
**For the year ended 30 June 2016**

	Called up share capital £	Other reserve £	Profit and loss account £	Total £
At 31 December 2013	92	1,688,497	11,338,543	13,027,132
Profit for the period	-	-	(16,511,958)	(16,511,958)
At 30 June 2015	92	1,688,497	(5,173,415)	(3,484,826)
Profit for the year	-	-	(542,373)	(542,373)
At 30 June 2016	92	1,688,497	(5,715,788)	(4,027,199)

The notes on pages 10 to 17 form part of these financial statements.

Notes  
forming part of the financial statements

1. Accounting Policies

Acquisition U.K. Limited is a company limited by shares and incorporated and domiciled in England and Wales, registration number 4619483. The registered office is 420 Thames Valley Park, 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 Tampa Drive, Waterloo, Ontario, N2L 0A1, Canada or at [www.opentext.com](http://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

As the consolidated financial statements of Open Text Corporation include the equivalent disclosures, the Company has also taken the exemption 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.

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

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 12.

Going concern

The company is dependent on funds being provided to it by Open Text Corporation, being the ultimate shareholder of Acquisition U.K. Limited. Open Text Corporation has provided the company with an undertaking that it will continue to support the company, for at least 12 months from the date of approval of these financial statements, it also undertakes that it will not demand repayment of the amounts due if it were to render the company unable to meet its obligations as they fall due. As with any company placing reliance on other group entities for financial support, it is assumed this will continue and, at the date of these financial statements, the Directors have no reason to believe it will not do so.

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.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and deposits.

Notes (continued)

1. Accounting Policies (continued)

**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.

*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.

**Notes (continued)**

**1. Accounting Policies (continued)**

**Expenses**

*Interest receivable and interest payable*

Interest payable and similar charges include interest payable on intercompany trade and loan balances.

Interest receivable and similar income include interest receivable on operating bank accounts, intercompany trade and loan balances.

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. Foreign currency gains and losses are reported on a net basis.

**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 of 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.

**2. Operating expenses**

*Included in operating loss are the following:*

Impairment of investment

	2016	18 months 2015
	£	£
	-	15,732,587

Acquisition U.K. Limited  
Notes to the financial statements  
For the year ended 30 June 2016

Notes (continued)

3. Auditor's remuneration

	2016	18 months 2015
	£	£
Audit of these financial statements	11,522	5,000
<i>Disclosure below based on amounts receivable in respect of other services to the company and its subsidiaries:</i>		
Audit of financial statements of subsidiary to the company	64,801	125,000
Taxation compliance services	9,000	8,000
	<u>81,323</u>	<u>138,000</u>

4. Remuneration of directors

	2016	18 months 2015
	£	£
Directors' emoluments	-	325,373
Company contributions to pension schemes	-	20,951
	<u>-</u>	<u>346,324</u>

The directors for the Company are remunerated by the parent company Open Text Corporation and another company within the group, Open Text UK Ltd. The directors are officers of a number of companies within the Open Text Group and their services to the Company do not occupy a significant amount of their time.

5. Staff number and costs

The Company had no employees during the current financial year (period ended 30 June 2015: Nil)

6. Interest payable and similar charges

	2016	18 months 2015
	£	£
Interest payable to group undertakings	<u>542,373</u>	<u>779,371</u>

Notes (continued)

7. Taxation on loss on ordinary activities

	2016	18 months 2015
(a) Analysis of charge in the year/period	£	£
Current tax:		
UK Corporation tax	-	-
(Over)/under provision	-	-
Taxation on loss on ordinary activities	-	-

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher (2015: lower) than the standard rate of corporation tax in the UK of 20% (2015 - 21.17%).

	2016	18 months 2015
	£	£
<b>Current tax reconciliation</b>		
Loss on ordinary activities before tax	(542,373)	(16,511,958)
Current tax at 20% (2015 - 21.17%)	(108,475)	(3,495,582)
<b>Effects of:</b>		
Group relief surrendered	108,475	164,994
Expenses not deductible for tax purposes	-	3,330,588
<b>Current tax charge for the year/period</b>	-	-



Notes (continued)

8. Fixed asset investments

Shares in subsidiary undertakings

	£
Cost	
At 1 July 2015	29,700,000
Provision for impairment	
At 30 June 2016	<u>29,700,000</u>
Net book value	
At 30 June 2016	<u>29,700,000</u>
At 30 June 2015	<u>29,700,000</u>

The undertaking in which the company's interest at the year end is more than 20% are as follows:

Group undertakings	Aggregate of capital and reserves £	Profit for the year £	Country of incorporation	Class of shares held	Ownership %
GXS Limited	9,451,252	1,749,383	United Kingdom	Ordinary shares	100%

9. Creditors

	2016 £	2015 £
Amounts falling due within one year		
Amounts owed to group undertakings	<u>33,727,199</u>	<u>33,184,826</u>

Notes (continued)

10. Interest-bearing loans

This note provides information about the contractual terms of the Company's interest-bearing loans, which are measured at amortised cost.

*Terms and repayment schedule*

Group Company	Nominal interest rate	Year of maturity	Repayment schedule	2016	2015
				£	£
GXS International	1.73% per annum	31 December 2022	On Demand	26,470,917	26,470,917
GXS Limited	1.73% per annum	Not fixed	On Demand	4,915,000	4,915,000
				<u>31,385,917</u>	<u>31,385,917</u>

11. Called up share capital

	2016	2015
	£	£
Allotted, called up and fully paid		
Ordinary shares of £1 each (shares issued - 92)	<u>92</u>	<u>92</u>
	<u>92</u>	<u>92</u>

12. 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 to the carrying amounts of assets or liabilities within the next financial year.

13. Ultimate parent company and parent undertaking of larger group of which the company is a member

The Company's immediate parent undertaking for the period was GXS UK Holding Limited (a company incorporated in the United Kingdom). The Company's ultimate parent company and controlling entity is Open Text Corporation (a company incorporated in Canada). Open Text Corporation has undertaken to provide support to the Company to enable it to meet its liabilities as they fall due, for at least twelve months from the date of signing these financial statements.

The results of the Company are consolidated under the financial statements of Open Text Corporation (a company incorporated in Canada). The consolidated financial statements of this company are available to the public and may be obtained from 275 Frank Tompa Drive, Waterloo, Ontario, Canada N2L 0A1 ([www.opentext.com](http://www.opentext.com)).