

REGISTERED NUMBER: 04984118 (England and Wales)

CARBONITE (UK) LIMITED

Report of the Directors and

Financial Statements

for the Year Ended 31 December 2021

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CARBONITE (UK) LIMITED (REGISTERED NUMBER: 04984118)

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for the year ended 31 December 2021**

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CARBONITE (UK) LIMITED

**Company Information
for the year ended 31 December 2021**

DIRECTORS:

C Waida
M Ranganathan
M K Wilkinson
M F Acedo

REGISTERED OFFICE:

420 Thames Valley Park Drive
Reading
Berkshire
RG6 1PT

REGISTERED NUMBER:

04984118 (England and Wales)

AUDITORS:

Haines Watts Birmingham LLP
5 - 6 Greenfield Crescent
Edgbaston
Birmingham
West Midlands
B15 3BE

CARBONITE (UK) LIMITED (REGISTERED NUMBER: 04984118)

**Report of the Directors
for the year ended 31 December 2021**

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of provision, installation, training and support of computer software.

On 30 November 2021, Carbonite (France) S.A.S., a company registered and incorporated in France, sold its 100% interest in the company to Open Text UK Limited, a private limited company incorporated under the laws of England and Wales. Open Text UK Limited is the immediate parent undertaking of the company, while the ultimate parent undertaking is Open Text Corporation.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

C Waida
M Ranganathan

Other changes in directors holding office are as follows:

M K Wilkinson and M F Acedo were appointed as directors after 31 December 2021 but prior to the date of this report.

G A Davies and O J Gallienne ceased to be directors after 31 December 2021 but prior to the date of this report.

GOING CONCERN

On 1 January 2022, the company sold its business and assets to Open Text UK Limited for a consideration of £3,205,578. These financial statements are prepared on a wind-up basis of accounting where all assets are stated at their recoverable amounts. Additionally, full provision has been made for the operating profits expected to be incurred up to the date the entity will cease to trade, 1 January 2022, and also for the estimated costs of wind-up to be borne by the company.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**Report of the Directors
for the year ended 31 December 2021**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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). 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 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.

The directors are responsible for preparing the Report of the Directors 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). 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

CARBONITE (UK) LIMITED (REGISTERED NUMBER: 04984118)

**Report of the Directors
for the year ended 31 December 2021**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Haines Watts Birmingham LLP, were appointed and re-appointed under section 487 (2) of the Companies Act 2006.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



.....
M Ranganathan - Director

Date: 31 October 2022

Report of the Independent Auditors to the Members of Carbonite (UK) Limited

Opinion

We have audited the financial statements of Carbonite (UK) Limited (the 'company') for the year ended 31 December 2021 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the non-going concern context in the preparation of the financial statements is appropriate.

The company ceased trading on 1 January 2022. We acknowledge and agree that the accounts should be prepared on a break-up basis. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt over the managements treatment of going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Emphasis of matter

We draw attention to note 14 in the financial statements which explains that the company sold its business and assets to OpenText UK Limited on 1 January 2022 and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in the paragraph titled 'Going Concern' shown in Note 2. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Report of the Independent Auditors to the Members of
Carbonite (UK) Limited**

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditors to the Members of Carbonite (UK) Limited

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory framework applicable to both the company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the director and other management. The most significant were identified as the Companies Act 2006, UK GAAP (FRS102) and relevant tax legislation.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- making enquires of directors and management as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the design effectiveness of the controls in place to prevent and detect fraud;
- assessing the risk of management override including identifying and testing journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Whilst our audit did not identify any significant matters relating to the detection of irregularities including fraud, and despite the audit being planned and conducted in accordance with ISAs (UK), there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity would likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**Report of the Independent Auditors to the Members of
Carbonite (UK) Limited**

Use of our report

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 a Report of the Auditors 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.



Andrew Hughes ACA (Senior Statutory Auditor)
for and on behalf of Haines Watts Birmingham LLP
5 - 6 Greenfield Crescent
Edgbaston
Birmingham
West Midlands
B15 3BE

Date: 31/10/2022

CARBONITE (UK) LIMITED (REGISTERED NUMBER: 04984118)

**Income Statement
for the year ended 31 December 2021**

	Notes	2021 Continuing £	2021 Discontinued £	2021 Total £
TURNOVER		-	2,983,558	2,983,558
Administrative expenses		-	(2,760,843)	(2,760,843)
OPERATING PROFIT	4	-	222,715	222,715
Interest payable and similar expenses		-	(1,845)	(1,845)
PROFIT BEFORE TAXATION		-	220,870	220,870
Tax on profit		-	(57,926)	(57,926)
PROFIT FOR THE FINANCIAL YEAR		-	162,944	162,944

The notes form part of these financial statements

CARBONITE (UK) LIMITED (REGISTERED NUMBER: 04984118)

**Income Statement
for the year ended 31 December 2021**

	Notes	2020 Continuing £	2020 Discontinued £	2020 Total £
TURNOVER		-	3,561,387	3,561,387
Administrative expenses		-	(3,557,422)	(3,557,422)
OPERATING PROFIT	4	-	3,965	3,965
Interest payable and similar expenses		-	(266)	(266)
PROFIT BEFORE TAXATION		-	3,699	3,699
Tax on profit		-	(45,480)	(45,480)
LOSS FOR THE FINANCIAL YEAR		-	(41,781)	(41,781)

The notes form part of these financial statements

CARBONITE (UK) LIMITED (REGISTERED NUMBER: 04984118)

**Balance Sheet
31 December 2021**

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	6	151,828	3,778
CURRENT ASSETS			
Debtors	7	1,329,407	2,581,068
Cash at bank		1,514,859	367,898
		<u>2,844,266</u>	<u>2,948,966</u>
CREDITORS			
Amounts falling due within one year	8	(260,394)	(369,757)
NET CURRENT ASSETS		<u>2,583,872</u>	<u>2,579,209</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,735,700</u>	<u>2,582,987</u>
PROVISIONS FOR LIABILITIES	10	(189,111)	(275,706)
NET ASSETS		<u><u>2,546,589</u></u>	<u><u>2,307,281</u></u>
CAPITAL AND RESERVES			
Called up share capital		71,323	71,323
Other reserves	11	600,844	524,480
Retained earnings	11	1,874,422	1,711,478
SHAREHOLDERS' FUNDS		<u><u>2,546,589</u></u>	<u><u>2,307,281</u></u>

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

The financial statements were approved by the Board of Directors and authorised for issue on 31 October 2022 and were signed on its behalf by:


.....
M Ranganathan - Director

The notes form part of these financial statements

CARBONITE (UK) LIMITED (REGISTERED NUMBER: 04984118)**Statement of Changes in Equity
for the year ended 31 December 2021**

	Called up share capital £	Retained earnings £	Other reserves £	Total equity £
Balance at 1 January 2020	71,323	1,753,259	201,938	2,026,520
Changes in equity				
Total comprehensive income	-	(41,781)	-	(41,781)
Capital contribution from parent company	-	-	277,446	277,446
Adjustment in respect of new employee share schemes	-	-	45,096	45,096
Balance at 31 December 2020	<u>71,323</u>	<u>1,711,478</u>	<u>524,480</u>	<u>2,307,281</u>
Changes in equity				
Total comprehensive income	-	162,944	-	162,944
Adjustment in respect of new employee share schemes	-	-	76,364	76,364
Balance at 31 December 2021	<u>71,323</u>	<u>1,874,422</u>	<u>600,844</u>	<u>2,546,589</u>

The notes form part of these financial statements

CARBONITE (UK) LIMITED (REGISTERED NUMBER: 04984118)

**Notes to the Financial Statements
for the year ended 31 December 2021**

1. STATUTORY INFORMATION

Carbonite (UK) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

The financial statements are prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland as applied in a non-going concern context.

On 1 January 2022, the company sold its business and assets to Open Text UK Limited for a consideration of £3,205,578. These financial statements are prepared on a wind-up basis of accounting where all assets are stated at their recoverable amounts. Additionally, full provision has been made for the operating profits expected to be incurred up to the date the entity will cease to trade, 1 January 2022, and also for the estimated costs of wind-up to be borne by the company.

The comparative numbers relating to the year ended 31 December 2020 were prepared on a going concern basis as they had been formally approved by the directors prior to the date of selling the business.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

The revenue relating to software support maintenance is deferred and recognised equally over the term of the support contract.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 25% straight line

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Notes to the Financial Statements - continued
for the year ended 31 December 2021**

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Employee benefits

Share-based payment transactions

The Company is part of a Group incentive plan where key personnel includes the award of options to buy Open Text Corporation Common Shares. The Company recognises and measures its share-based payment expense on the basis of a reasonable allocation of the expense recognised for the group.

Where the Company has granted rights to equity instruments of its parent to employees, such arrangements are accounted for as cash-settled share-based payment arrangements. In such instances a capital contribution is recognised when the parent satisfies the Company's obligation.

Stock options

The grant date fair value of share-based payments awards granted to employees is recognised as an employee expense, with a corresponding increase in equity over the period in which the employees become unconditionally entitled to the award. The fair value of the awards granted is measured based on using an option valuation model, taking into account the terms and conditions upon which the awards were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and no-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date.

Employee stock purchase plan

Eligible employees are allowed to purchase Open Text shares through payroll deductions at a discounted rate.

Long-term incentive plans

Performance Share Units (PSUs) and Restricted Share Units (RSUs) have been measured at fair value as of the effective date, and will be charged to share-based compensation expense over the remaining life of the plan.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount to settle the obligation at the reporting date.

CARBONITE (UK) LIMITED (REGISTERED NUMBER: 04984118)

**Notes to the Financial Statements - continued
for the year ended 31 December 2021**

2. ACCOUNTING POLICIES - continued

Leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 23 (2020 - 30).

The directors for the Company are remunerated by Open Text Corporation, Open Text Inc. and 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.

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation - owned assets	13,913	24,452
Loss on disposal of fixed assets	-	18,152
Auditors' remuneration	4,400	4,400
Foreign exchange differences	(54,771)	(554)
Pension costs	81,001	76,997
Intercompany write off	-	198,013
	<u> </u>	<u> </u>

5. EXCEPTIONAL ITEMS

	2021	2020
	£	£
Intercompany write off	-	198,013
Restructuring provision	-	343,500
	<u> </u>	<u> </u>
	-	541,513
	<u> </u>	<u> </u>

CARBONITE (UK) LIMITED (REGISTERED NUMBER: 04984118)

**Notes to the Financial Statements - continued
for the year ended 31 December 2021**

6. TANGIBLE FIXED ASSETS

	Computer equipment £
COST	
At 1 January 2021	94,816
Additions	161,963
At 31 December 2021	<u>256,779</u>
DEPRECIATION	
At 1 January 2021	91,038
Charge for year	13,913
At 31 December 2021	<u>104,951</u>
NET BOOK VALUE	
At 31 December 2021	<u>151,828</u>
At 31 December 2020	<u>3,778</u>

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Amounts owed by group undertakings	1,306,243	2,544,807
Sundry debtors	4,511	4,201
VAT	18,653	12,354
Prepayments	-	19,706
	<u>1,329,407</u>	<u>2,581,068</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	18,356	1,254
Tax	111,729	112,101
Accrued expenses	130,309	256,402
	<u>260,394</u>	<u>369,757</u>

9. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021 £	2020 £
Within one year	61,030	61,030
Between one and five years	26,576	102,374
	<u>87,606</u>	<u>163,404</u>

CARBONITE (UK) LIMITED (REGISTERED NUMBER: 04984118)

**Notes to the Financial Statements - continued
for the year ended 31 December 2021**

9. LEASING AGREEMENTS - continued

These non-cancellable operating leases have been accrued for within the year as a restructuring provision. This amount is shown in other provisions.

10. PROVISIONS FOR LIABILITIES

	2021 £	2020 £
Deferred tax	497	78
Other provisions	188,614	275,628
	<u>189,111</u>	<u>275,706</u>
	Deferred tax £	Restructuring provision £
Balance at 1 January 2021	78	275,628
Provided during year	419	-
Utilised during year	-	(87,014)
Balance at 31 December 2021	<u>497</u>	<u>188,614</u>

Included in restructuring provision, £64,044 relates to the estimated cost of restoration of leasehold premises back to its original condition at the end of the lease term. These costs are expected to be incurred in fiscal year 2023.

11. RESERVES

	Retained earnings £	Other reserves £	Totals £
At 1 January 2021	1,711,478	524,480	2,235,958
Profit for the year	162,944		162,944
Adjustment in respect of new employee share schemes	-	76,364	76,364
At 31 December 2021	<u>1,874,422</u>	<u>600,844</u>	<u>2,475,266</u>

12. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

CARBONITE (UK) LIMITED (REGISTERED NUMBER: 04984118)

**Notes to the Financial Statements - continued
for the year ended 31 December 2021**

13. ULTIMATE CONTROLLING PARTY

The immediate parent undertaking is Open Text UK Limited, a private limited company incorporated under the laws of England and Wales.

The Ultimate parent undertaking and its controlling party is Open Text Corporation, a company registered and incorporated in Canada at 275 Frank Tompa Drive, Waterloo, Ontario, N2L 0A1. The consolidated financial statements can be found at www.opentext.com.

14. IMPORTANT EVENTS SINCE THE STATEMENT OF FINANCIAL POSITION DATE

On 1 January 2022, the company sold its business and assets to Open Text UK Limited for a consideration of £3,205,578. These financial statements are prepared on a wind-up basis of accounting where all assets are stated at their recoverable amounts. Additionally, full provision has been made for the operating profits expected to be incurred up to the date the entity will cease to trade, 1 January 2022, and also for the estimated costs of wind-up to be borne by the company.