

REGISTERED NUMBER: 04984118 (England and Wales)

CARBONITE (UK) LIMITED

Financial Statements

for the Year Ended 31 December 2020

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for the year ended 31 December 2020**

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CARBONITE (UK) LIMITED

**Company Information
for the year ended 31 December 2020**

DIRECTORS:

G A Davies
O J Gallienne
C Waida
M Ranganathan

REGISTERED OFFICE:

420 Thames Valley Park Drive
Reading
Berkshire
RG6 1PT

REGISTERED NUMBER:

04984118 (England and Wales)

AUDITORS:

Haines Watts Worcester Audit Limited
First Floor
Saggar House
Princes Drive
Worcester
WR1 2PG

CARBONITE (UK) LIMITED (REGISTERED NUMBER: 04984118)**Balance Sheet
31 December 2020**

	Notes	2020 £	2019 £
FIXED ASSETS			
Tangible assets	4	3,778	42,557
CURRENT ASSETS			
Debtors	5	2,581,068	2,336,880
Cash at bank		367,898	278,547
		<u>2,948,966</u>	<u>2,615,427</u>
CREDITORS			
Amounts falling due within one year	6	(369,757)	(623,834)
NET CURRENT ASSETS		<u>2,579,209</u>	<u>1,991,593</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,582,987	2,034,150
PROVISIONS FOR LIABILITIES	8	(275,706)	(7,630)
NET ASSETS		<u>2,307,281</u>	<u>2,026,520</u>
CAPITAL AND RESERVES			
Called up share capital		71,323	71,323
Other reserves	9	524,480	201,938
Retained earnings	9	1,711,478	1,753,259
SHAREHOLDERS' FUNDS		<u>2,307,281</u>	<u>2,026,520</u>

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 22 September 2021 and were signed on its behalf by:

M Ranganathan - Director

The notes form part of these financial statements

**Notes to the Financial Statements
for the year ended 31 December 2020**

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

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

In addition, the company has the support of its ultimate shareholder Open Text Corporation. Open Text Corporation have indicated that support is ongoing and will not be withdrawn within 12 months from 18 August 2021.

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.

Fixtures and fittings	- 15% straight line
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 2020

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.

Notes to the Financial Statements - continued
for the year ended 31 December 2020

2. ACCOUNTING POLICIES - continued

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.

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 30 (2019 - 30) .

4. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2020	62,863	179,415	242,278
Additions	-	3,824	3,824
Disposals	(62,863)	(88,423)	(151,286)
At 31 December 2020	-	94,816	94,816
DEPRECIATION			
At 1 January 2020	61,749	137,972	199,721
Charge for year	280	24,172	24,452
Eliminated on disposal	(62,029)	(71,106)	(133,135)
At 31 December 2020	-	91,038	91,038
NET BOOK VALUE			
At 31 December 2020	-	3,778	3,778
At 31 December 2019	1,114	41,443	42,557

Notes to the Financial Statements - continued
for the year ended 31 December 2020**5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020	2019
	£	£
Amounts owed by group undertakings	2,544,807	2,107,056
Sundry debtors	4,201	198,013
VAT	12,354	19,036
Prepayments	19,706	12,775
	<u>2,581,068</u>	<u>2,336,880</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	1,254	1,520
Tax	112,101	69,322
Sundry creditor	-	277,446
Accrued expenses	256,402	275,546
	<u>369,757</u>	<u>623,834</u>

7. LEASING AGREEMENTS

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

	2020	2019
	£	£
Within one year	61,030	61,030
Between one and five years	102,374	163,404
	<u>163,404</u>	<u>224,434</u>

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

8. PROVISIONS FOR LIABILITIES

	2020	2019
	£	£
Deferred tax	78	7,630
Other provisions	275,628	-
	<u>275,706</u>	<u>7,630</u>

Notes to the Financial Statements - continued
for the year ended 31 December 2020

8. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £	Restructur ing provision £
Balance at 1 January 2020	7,630	-
Provided during year	-	275,628
Credit to Income Statement during year	(7,552)	-
Balance at 31 December 2020	<u>78</u>	<u>275,628</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.

9. RESERVES

	Retained earnings £	Other reserves £	Totals £
At 1 January 2020	1,753,259	201,938	1,955,197
Deficit for the year	(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
At 31 December 2020	<u>1,711,478</u>	<u>524,480</u>	<u>2,235,958</u>

Following the acquisition of the ultimate parent company Carbonite Inc by Open Text Corporation on 24 December 2019, the company's share options were cancelled. At the date of acquisition the fair value of the share options totalled £479,384. Cancellation of the share options are treated as an acceleration of the vesting period and as a result a capital contribution of £277,446 has been recognised within other reserves.

10. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Andrew Hughes ACA (Senior Statutory Auditor)
for and on behalf of Haines Watts Worcester Audit Limited

11. 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.

**Notes to the Financial Statements - continued
for the year ended 31 December 2020**

12. ULTIMATE CONTROLLING PARTY

The Immediate parent undertaking is Carbonite (France) S.A.S, a company registered and incorporated in France. Consolidated accounts are obtainable from Coeur Défense Tour B, Étage 30, 100 Esplanade du Général de Gaulle, Courbevoie 92400, France.

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.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.