

Registered Number: 09141698

CODE 42 SOFTWARE (HOLDINGS) LIMITED

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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CODE 42 SOFTWARE (HOLDINGS) LIMITED

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CODE 42 SOFTWARE (HOLDINGS) LIMITED

COMPANY INFORMATION

DIRECTOR	Joseph P. Payne
COMPANY SECRETARY	Elizabeth A. Fortier (resigned 29 April 2016) Timothy Connor (appointed 1 May 2016) Taylor Wessing Secretaries Ltd. (appointed 1 May 2016)
REGISTERED NUMBER	09141698
REGISTERED OFFICE	5 New Street Square London EC4A 3TW
INDEPENDENT AUDITOR	Ernst & Young City Quarter Lapps Quay Cork, Ireland
SOLICITORS	Taylor Wessing LLP 5 New Street Square London EC4A 3TW

CODE 42 SOFTWARE (HOLDINGS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The company was incorporated July 22, 2014 and is a direct subsidiary of Code 42 Software, Inc. (the Company). The Company incorporated Code42 Software (Holdings) Limited to ensure unity and control as well as organization of the Company's international group of companies. However, as of the date of this report, the Company has not fully completed the documentation to transfer the international companies to the holdings company. Therefore, for the year ended December 31, 2016, there is limited activity for Code 42 Software (Holdings) Limited.

The Company is a provider of full data storage solutions that provides on-site, off-site and cloud backup solutions for businesses through its CrashPlan PROe products. The Company's customers range from consumers to Fortune 500 enterprises, located worldwide. The Company's principal office is located in Minneapolis, Minnesota and has additional offices in United Kingdom. The Company has data center operations in the United States, Ireland, Australia, Netherlands, and Singapore.

The Company markets a full data storage solution that is offered to an individual consumer all the way up to Fortune 500 enterprises. The core CrashPlan product is downloaded to each user device (laptop or desktop) and allows for automatic, continuous data protection to either Code42 cloud storage or customer onsite storage (Enterprise customers only) and enables end users to restore data to any device, anywhere, anytime. The data storage solution for the "Consumer" or "Small Business" (SMB) customers is comprised of a license, license support and Code42 cloud storage. The data storage solutions for "Enterprise" customers are comprised of a combination of license, license support, storage (Code42 Cloud or customer onsite), hardware (master server and/or storage server), hardware support and professional services (implementation or Technical Advisory Manager).

RESULTS

The results for the year are set out on the Statement of Comprehensive Income. Loss on ordinary activities after taxation amounted to £3,841 (2015: £5,000 loss).

DIVIDENDS

The director does not recommend the payment of a dividend.

DIRECTORS

The director who served during the year is listed on page 3.

DIRECTORS' AND SECRETARY'S INTERESTS

The director and secretary have no beneficial interest in the share capital of the company or the parent company, Code42 Software, Inc., a company incorporated in the United States of America.

EVENTS SINCE THE PERIOD END

There have been no significant events affecting the company since the year end.

FUTURE DEVELOPMENTS

The company does fully intend to complete the documentation to transfer some of the international companies to the holdings company in 2017.

CODE 42 SOFTWARE (HOLDINGS) LIMITED

**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016**

DISCLOSURE OF INFORMATION TO AUDITOR

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

In accordance with s485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young as auditor of the company.

GOING CONCERN

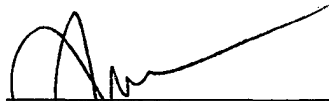
The company's business activities, together with the factors which the directors foresee will impact upon the future commercial successes of the company, are set out in this report. In addition, the director has considered the principal risks and challenges to the continued success of the company over the twelve months from date of approval of these financial statements.

The company has the support of the parent company, Code 42 Software Inc., to provide the required support to meet its cost commitments for the foreseeable period. Therefore, the director believes that the company is well placed to manage its business risks and have the adequate resources to continue in operational existence for the foreseeable future. Thus the company continues to adopt the going concern basis of the accounting in preparing the annual financial statements.

SMALL COMPANY EXEMPTIONS

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime with Part 15 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



Joseph P. Payne
Director

Date September 13, 2017

CODE 42 SOFTWARE (HOLDINGS) LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016**

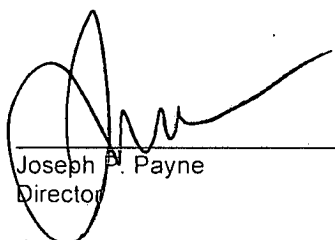
The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

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). 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 group and the company and of the profit or loss of the group for that period.

In preparing those financial statements, the directors are required to;

- select suitable accounting policies and then apply them consistently;
- make judgments and 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;
- prepare the financials 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.



Joseph P. Payne
Director

Date September 13, 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CODE 42 SOFTWARE (HOLDINGS) LTD

We have audited the financial statements of Code 42 Software (Holdings) Ltd for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Shareholders' Equity, the Statement of Cash Flows and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 auditors

As explained more fully in the Directors' Responsibilities Statement on page 6, 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

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. In addition, we read all the financial and non-financial information in the Strategic Report and the Directors' 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 implication for our report.

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 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CODE 42 SOFTWARE (HOLDINGS) LTD (Continued)

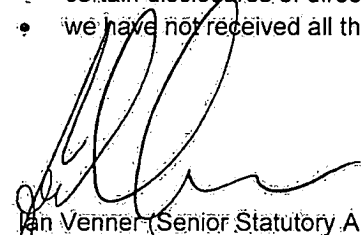
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year 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
- 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.



Ian Venner (Senior Statutory Auditor)
for and on behalf of Ernst & Young, Statutory Auditor

Cork, Ireland

Date 17 September 2017

CODE 42 SOFTWARE (HOLDINGS) LIMITED

**STATEMENT OF COMPREHENSIVE LOSS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	NOTES	Year Ended 31 December 2016 £	Period 22.7.2014 31.12.2015 £
TURNOVER		-	-
Cost of Sales		-	-
GROSS PROFIT		-	-
Administrative expense		(3,841)	(5,000)
OPERATING LOSS	2	(3,841)	(5,000)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(3,841)	(5,000)
Tax on loss on ordinary activities	4	-	-
LOSS FOR THE FINANCIAL YEAR		(3,841)	(5,000)
Other comprehensive loss		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(3,841)	(5,000)

The notes of pages 12 to 17 form an integral part of these financial statements.

CODE 42 SOFTWARE (HOLDINGS) LIMITED

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
AT 31 DECEMBER 2016

	Called-up share capital presented as equity £	Profit and loss account £	Total deficit £
At 31 December 2014	-	-	-
New shares issued	1	-	1
Loss for the year	-	(5,000)	(5,000)
Total comprehensive loss	1	(5,000)	(4,999)
At 31 December 2015	1	(5,000)	(4,999)
Loss for the year	-	(3,841)	(3,841)
Total comprehensive loss	-	(3,841)	(3,841)
At 31 December 2016	1	(8,841)	(8,840)

CODE 42 SOFTWARE (HOLDINGS) LIMITED

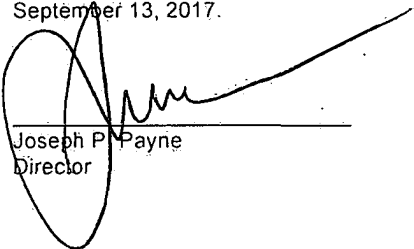
**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

		31 December 2016 £	31 December 2015 £
	NOTES		
FIXED ASSETS			
Investments	5	22,747	-
		<u>22,747</u>	<u>-</u>
CURRENT ASSETS			
Debtors	6	1	1
		<u>1</u>	<u>1</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	7	(31,588)	(5,000)
NET CURRENT LIABILITIES		(31,587)	(4,999)
		<u>(8,840)</u>	<u>(4,999)</u>
FINANCED BY			
Called up share capital presented as equity	8	1	1
Profit and Loss account		(8,841)	(5,000)
SHAREHOLDERS' DEFICIT		<u>(8,840)</u>	<u>(4,999)</u>

The notes of pages 12 to 17 form an integral part of these financial statements.

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime with Part 15 of the Companies Act 2006.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on September 13, 2017.


Joseph P. Payne
Director

CODE 42 SOFTWARE (HOLDINGS) LIMITED

**NOTES TO THE FINANCIALS STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. ACCOUNTING POLICIES**1.1. Statement of compliance**

Code 42 Software (Holdings) Limited is a limited liability company incorporated in the United Kingdom.

The financial statements have been prepared in compliance with FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" as it applies to the financial statements of the company for the year ended 31 December 2016.

1.2. Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable standards.

1.3. Turnover

Turnover for the period is zero due to no activity.

1.4. Foreign exchange and functional currency

Items included in the financial statements are presented in sterling, the currency of the primary economic environment in which the entity operates (the functional currency).

1.5. Judgements and estimates

The preparation of the financial statements require management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date. However, the nature of estimation means actual outcomes could differ from those estimates. Given the limited activity in the company there are no matters requiring comment.

1.6. Provision for liabilities

A provision is recognised when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

1.7. Group financial statements

The company is exempt from the requirement to prepare group financial statements under section 401 of the Companies Act 2006. These financial statements present information about the company as an individual undertaking and are not part of a group.

1.8. Statement of Cash Flows

The company, in accordance with the special provisions applicable to companies subject to the small companies' regime with Part 15 of the Companies Act 2006, is exempt from the requirement to draw up a Statement of Cash Flows.

CODE 42 SOFTWARE (HOLDINGS) LIMITED

NOTES TO THE FINANCIALS STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

2. OPERATING LOSS

The operating loss is stated after charging:

	Year Ended 31 December 2016 £	Period 22.7.2014 to 31.12.2015 £
Auditor's remuneration & tax services	2,998	5,000
Loss on foreign currencies	<u>843</u>	<u>-</u>

3. DIRECTOR'S REMUNERATION

The director of the company is also a director of the parent company and is remunerated by that parent company. These director services to the company do not occupy a significant amount of their time. As such this director does not consider that they receive any remuneration for their incidental services to the company for the year ended 31 December 2016.

CODE 42 SOFTWARE (HOLDINGS) LIMITED

**NOTES TO THE FINANCIALS STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016**

4. TAXATION

	2016 £	2015 £
The tax charge is made up as follows:		
Current tax:		
United Kingdom corporation tax at 20% (2015: 20.25%)	-	-
Deferred tax charge for the year	-	-
Total tax credit	-	-
Foreign tax	-	-
Total Current Tax	-	-
Deferred tax provision		
Fixed asset timing differences	-	-
Losses and other deductions	-	-
	-	-

Factors affecting tax charge for the year

The tax assessed for the year is different than the loss for the year multiplied by the standard rate of corporation tax 20% (2015: 20.25%). The differences are reconciled below:

	2016 £	2015 £
Loss on ordinary activities before taxation	(3,841)	(5,000)
Loss on ordinary activities multiplied by standard rate of corporation tax of 20% (2015: 20.25%)	(768)	(1,013)
Effects of:		
Unrelieved tax losses and other deductions arising in the year	768	1,013
Total current tax charge	-	-

The company has tax losses arising of £1,503 (2015: £900) that are available for offset against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as it is not considered probable that future taxable profits will be available against which they can be realised.

CODE 42 SOFTWARE (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016**

5. FINANCIAL ASSETS

	Subsidiary undertaking shares £	Total £
Cost:		
At 1 January 2016	-	-
Additions	<u>22,747</u>	<u>22,747</u>
At 31 December 2016	<u>22,747</u>	<u>22,747</u>
Net book values:		
At 31 December 2016	<u>22,747</u>	<u>22,747</u>
In respect of prior year:		
Cost:		
At 1 January 2015	-	-
Net book values:		
At 31 December 2015	<u>-</u>	<u>-</u>
The balance relates to the following investment:		
	£	
Code 42 Software GmbH	<u>22,747</u>	

The value as stated in the financial statements represent the acquisition cost of Code 42 Software GmbH which was agreed to the book value of the company.

CODE 42 SOFTWARE (HOLDINGS) LIMITED

**NOTES TO THE FINANCIALS STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016**

The company holds 20% or more of the share capital of the following company:

<i>Company</i>	<i>Country of incorporation</i>	<i>Nature of business</i>	<i>Shares held class</i>	<i>Proportion of shares held</i>
<i>Subsidiary undertaking:</i>				
Code 42 Software GmbH	Germany	Software	Ordinary	100%

In respect of disclosing the aggregate net assets and profit or loss of the investment required under S.314 (1)-(4) CA 2014, the entity is availing of the exemption to disclose this information under S.315 (e) CA 2014.

6. DEBTORS

	31 December 2016 £	31 December 2015 £
Amount falling due within one year:		
Amount owed by group undertaking	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

7. CREDITORS

	31 December 2016 £	31 December 2015 £
Amounts falling due within one year:		
Trade creditors	2,998	5,000
Amounts owed to group undertaking	<u>28,590</u>	<u>-</u>
	<u>31,588</u>	<u>5,000</u>

**8. CALLED UP SHARE CAPITAL
PRESENTED AS EQUITY**

	31 December 2016 £	31 December 2015 £
Allotted		
1 Ordinary shares at £ 1 each	<u>1</u>	<u>1</u>
Issued, called up and fully paid		
1 Ordinary shares of £ 1 each	<u>1</u>	<u>1</u>

CODE 42 SOFTWARE (HOLDINGS) LIMITED

**NOTES TO THE FINANCIALS STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016**

9. CAPITAL COMMITMENTS

There were no material capital expenditure commitments, either contracted for or approved by the directors at the Statement of Financial Position date.

10. EVENTS AFTER THE REPORTING PERIOD

There have been no significant events affecting the company since the year end and the directors do not foresee any substantial changes to the nature of the business in the foreseeable future.

11. RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary of Code 42 Software, Inc. a company incorporated in the United States of America. Accordingly, the company has taken advantage of the exemption in FRS 102.33.1A from disclosing transactions with wholly owned fellow subsidiary companies of Code 42 Software, Inc.

12. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent undertaking and controlling party is Code 42 Software, Inc., incorporated in United States.