

Registered Number: 04037250

BIS Limited

Reports and Financial Statements

Year ended 31 March 2017

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BIS Limited

Reports and Financial Statements 2017

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BIS Limited

Company information

Directors	D M Howson (appointed 1 February 2017) K Chapman (appointed 8 September 2017) M A Ing (appointed 7 October 2016, resigned 8 September 2017) R W Smith (resigned 30 April 2017) A R Mills (resigned 31 January 2017) A T Howe (resigned 7 October 2016)
Auditors	Ernst & Young LLP No.1 Colmore Square Birmingham B4 6HQ
Bankers	HSBC Bank plc 2nd Floor, 62/76 Park Street London SE1 9DZ
Solicitors	Squire Patton Boggs (UK) LLP 2 Park Lane Leeds LS3 1ES
Registered office	Commodity Quay St Katharine Docks London E1W 1AZ
Registered number	04037250

BIS Limited

Strategic report

The Directors present the Strategic report together with the audited financial statements for the year ended 31 March 2017.

Principal activities

The principal activity of BIS Limited ("the Company") in the period under review was that of the provision of managed data services including global network connectivity, online data backup, managed hosting and co-location services.

Business review

The Statement of comprehensive income is set out on page 9 and shows a profit for the period of £577,000 (2016: £2,019,000 loss).

The Company's preferred financial metrics are shown in the following table:

	Year to 31 March 2017 £000's	Percentage of turnover %	Year to 31 March 2016 £000's	Percentage of turnover %
Turnover	7,920	-	10,087	-
Gross profit	2,737	35	4,168	41
EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation and excl. exceptional costs)	1,739	22	3,027	30

Future developments

It remains the intention of the Directors to consolidate the businesses making up the Six Degrees Group of companies. It is envisaged that the economies of scale offered and the potential cross-selling within the customer base of the Group will assist the BIS Limited to become more efficient and more profitable.

Risk management policies

Economic environment

The Directors and senior management of BIS Limited monitor the economic conditions and the data management market in particular with the intention of being in a position to negate any adverse economic factors to which the Company is subject. Regular contact is kept with funders and credit limits of customers are regularly reviewed.

BIS Limited

Strategic report (continued)

Financial risks and going concern

The Directors regularly perform forecasting and cash flow exercises, based on past experience and current / future economic conditions. The majority of the Company's revenue streams are contracted and / or recurring, giving the business stability and certainty in forecasting.

Liquidity risk

The Directors of the Company seek to mitigate financial risk by ensuring that regular reviews of cash needs are made and any funding requirements are addressed in a timely manner.

Interest rate risk

The Company finances its operations through a combination of cash balances and inter-company loans. The group to which the company belongs manages its exposure to interest rate fluctuations by entering into fixed rate agreements with the lender where possible.

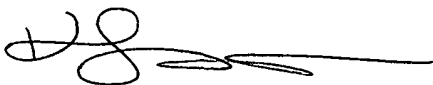
Credit risk

The Company's principal financial assets are cash and trade debtors. The principal credit risk arises from trade debtors. The Company manages credit risk by setting limits for customers based on a combination of payment history and third party credit references. Credit limits, debtor ageing and collection history are reviewed by the credit department on a regular basis.

Currency risk

The Company has limited exposure to translation and transaction foreign exchange risk.

Approved by the Board of Directors and signed on behalf of the Board on 14 November 2017.



K Chapman
Director

BIS Limited

Directors' report

Directors

The following directors have held office since 1 April 2016:

D M Howson (appointed 1 February 2017)
K Chapman (appointed 8 September 2017)
M A Ing (appointed 7 October 2016, resigned 8 September 2017)
R W Smith (resigned 30 April 2017)
A R Mills (resigned 31 January 2017)
A T Howe (resigned 7 October 2016)

Directors' liability

The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provisions remain in force as at the date of this report.

Financial Risk Management Objectives and Policies

Financial risk Management objectives are discussed on page 4 within the Strategic report.

Going concern

The Directors have reviewed the Company's future cash forecasts and revenue projections, which have been prepared on the basis of past experience, market information and current and anticipated trading conditions, and believe, based on these forecasts and projections and the formal support available from Charlesbank through the intermediate holdings company CB-SDG Topco Limited, that it is appropriate to prepare the financial statements of the Company on a going concern basis.

Auditors

Ernst & Young LLP were auditors of the Company during the year and have expressed their willingness to continue in office as auditors. In accordance with section 485 of the Companies Act 2006, a resolution that they be re-appointed will be put at the forthcoming Annual General Meeting.

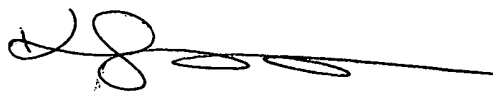
Provision of information to auditors

Each of the directors of the Company at the date of approval of this report confirms that:

- (a) as far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- (b) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Approved by the Board of Directors and signed on behalf of the Board on 14 November 2017.



K Chapman
Director

BIS Limited

Statement of directors' responsibilities

The Directors are responsible for preparing the Strategic report, 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 Company and of the profit or loss of the group 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 estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for keeping proper 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.

Independent auditor's report to the members of BIS Limited

We have audited the financial statements of BIS Limited for the year ended 31 March 2017 which comprise the statement of comprehensive income, the statement of changes in equity, the balance sheet and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 Statement of directors' responsibilities set out 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 Reports and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the 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 March 2017 and of the Company's profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including 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 BIS Limited (continued)**

Opinion on other matter prescribed by the Companies Act 2006

- 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; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

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 by the Company 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.

Ernst & Young LLP

Alastair John Richard Nuttall (Senior statutory auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
Birmingham

Date 16/11/17

BIS Limited

Statement of comprehensive income
for the year ended 31 March 2017

	Notes	2017 £000's	2016 £000's
Turnover	2	7,920	10,087
Cost of sales		(5,183)	(5,919)
Gross profit		<u>2,737</u>	<u>4,168</u>
Other administrative expenses		(1,943)	(2,488)
Exceptional items	4	(29)	(2,574)
		<u>(1,972)</u>	<u>(5,062)</u>
Operating profit / (loss)	3	765	(894)
Interest receivable and similar income	7	790	478
Interest payable and similar charges	8	(978)	(792)
		<u>577</u>	<u>(1,208)</u>
Profit / (loss) on ordinary activities before taxation		577	(1,208)
Tax credit on profit / (loss) on ordinary activities	9	-	(811)
		<u>577</u>	<u>(2,019)</u>
Profit / (loss) for the year		577	(2,019)
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		<u><u>577</u></u>	<u><u>(2,019)</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing.

BIS Limited

Balance sheet

at 31 March 2017

	Notes	2017 £000's	2016 £000's
Fixed Assets			
Tangible assets	10	5,265	5,851
Intangible assets	11	-	-
Investments	12	1,402	1,402
		<u>6,667</u>	<u>7,253</u>
Current assets			
Debtors	13	12,538	9,980
Cash at bank and in hand		41	603
		<u>12,579</u>	<u>10,583</u>
Creditors: amounts falling due within one year	14	(10,893)	(8,172)
Net current assets		<u>1,686</u>	<u>2,411</u>
Total assets less current liabilities		8,353	9,664
Creditors: amounts falling due after more than one year	15	(8,231)	(10,119)
Net assets / (liabilities)		<u>122</u>	<u>(455)</u>
Capital and reserves			
Called up share capital	18	415	415
Share premium account		6,248	6,248
Profit and loss account		(6,541)	(7,118)
Shareholder's surplus / (deficit)		<u>- 122</u>	<u>(455)</u>

Approved by the Board for issue on 14 November 2017 by:



K Chapman
Director

Registered Number: 04037250

BIS Limited**Statement of changes in equity**
for the year ended 31 March 2017

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000's	£000's	£000's	£000's
Balance at 1 April 2015	415	6,248	(5,099)	1,564
Loss for the period	-	-	(2,019)	(2,019)
Other comprehensive income	-	-	-	-
Balance at 31 March 2016	<u>415</u>	<u>6,248</u>	<u>(7,118)</u>	<u>(455)</u>
Balance at 1 April 2016	415	6,248	(7,118)	(455)
Profit for the period	-	-	577	577
Other comprehensive income	-	-	-	-
Balance at 31 March 2017	<u>415</u>	<u>6,248</u>	<u>(6,541)</u>	<u>122</u>

BIS Limited

Notes to the financial statements at 31 March 2017

1 Accounting policies

General information

BIS Limited ("the Company") is a private company limited by shares and is incorporated in England and Wales. The address of its registered office is Commodity Quay, St Katharine Docks, London, E1W 1AZ, United Kingdom.

Statement of compliance

The financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and the Companies Act 2006.

Going concern

The Directors have reviewed the Company's future cash forecasts and revenue projections, which have been prepared on the basis of past experience, market information and current and anticipated trading conditions, and believe, based on these forecasts and projections and the formal support available from Charlesbank through the intermediate holding company CB-SDG Topco Limited, that it is appropriate to prepare the financial statements of the Company on a going concern basis.

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The financial statements are prepared in sterling which is the functional currency of the group and rounded to the nearest £'000's.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these company financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Summary of disclosure exemptions

The Company has taken advantage of both the exemption available from disclosing transactions with other members of the group in accordance with FRS 102 Section 33.1a and from the preparation of a cashflow statement in accordance with FRS Section 102. These transactions are disclosed in the ultimate parent company, CB-SDG Topco Limited.

Exemption from preparing group accounts

The financial statements contain information about BIS Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in the consolidated financial statements of its ultimate holding company, CB-SDG Topco Limited, a company incorporated in England and Wales.

BIS Limited

Notes to the financial statements at 31 March 2017

1 Accounting policies (continued)

Revenue recognition

The Company recognises revenue to the extent that it can be reliably measured and it is probable that the economic benefits will flow to the Company.

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns and discounts allowed by the Company and value added taxes.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the assets to its working condition for its intended use, dismantling and restoration costs.

Depreciation on tangible fixed assets is charged to the profit and loss account on a straight line basis so as to write off those assets, adjusted for estimated residual values over the expected useful life of each category shown below. The remaining useful lives of the assets and their residual values are reviewed at the end of each reporting period.

Short leasehold	10% on a straight line basis
Plant and machinery	10-20% on a straight line basis
Computer equipment	20% - 33% on a straight line basis
Fixtures and fittings	25% on a straight line basis

Other Intangibles

Other intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

	Years
Software licenses	3 to 5

Investment

Investments in subsidiary companies are held at cost less accumulated impairment losses.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except for the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the period or prior periods. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the authorities.

Notes to the financial statements at 31 March 2017

1 Accounting policies (continued)

Taxation (continued)

(ii) Deferred tax

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

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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

Foreign currencies

(i) The Company's functional and presentational currency is the pound sterling.

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

At each period-end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currency are recognised in the profit and loss account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'finance (expenses)/income'. All other foreign exchange gains and losses are presented in the profit and loss account within finance costs.

Financial instruments

The Company has chosen to adopt Section 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

BIS Limited

Notes to the financial statements at 31 March 2017

1 Accounting policies (continued)

Financial instruments (continued)

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow Group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transactions costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derivatives, including interest rate caps are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

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

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise asset and settle the liability simultaneously.

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Critical judgements in applying the group's accounting policies:

(i) Capitalised software - Useful Economic Life

The useful life is determined by management at the time the software is acquired and brought into use and is regularly reviewed for appropriateness. For computer software licences, the useful life represents management's view of the expected term over which the Company will receive benefits from the software, but not exceeding the licence term. For unique software products controlled by the Company, the life is based on historical experience with similar products as well as anticipation of future events which may impact their life such as changes in technology. Historically changes in useful lives have not resulted in material changes to the Company's amortisation charge.

Notes to the financial statements at 31 March 2017

1 Accounting policies (continued)

Critical accounting judgements and estimation uncertainty (continued)

(ii) Impairment of non-financial assets

Where there are indicators of impairment of individual assets, the Company performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

(iii) Taxation

The Company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 9.

(iv) Exceptional items

The Directors believe that separate presentation of exceptional items, below EBITDA within Operating profit, is relevant to an understanding of the Company's underlying financial performance; this is consistent with the way financial performance is reported internally to management and the Board. These items are identified by reference to their size, nature or incidence. In determining whether charges or credits are considered exceptional, management considers quantitative as well as qualitative factors, and applies its principles consistently from year to year. The only exceptional items in the current year are the impairment of the finance lease and the integration costs incurred.

BIS Limited**Notes to the financial statements at 31 March 2017****2 Turnover**

Substantially all of the turnover is generated within the UK. The principal activity of the Company in the period under review is that of the provision of managed data services including global network connectivity, online data backup, managed hosting and co-location services.

3 Operating profit / (loss)

	2017 £000's	2016 £000's
Operating profit / (loss) is stated after charging:		
Depreciation of owned assets	22	147
Depreciation of assets under finance leases	923	1,197
Amortisation	-	3
Exceptional costs (see note 4)	29	2,574
Operating lease rentals - other	24	33
Auditor's remuneration	21	30
	<u>21</u>	<u>30</u>

4 Exceptional costs

	2017 £000's	2016 £000's
Duplicate system costs (people and operational model)	29	38
Impairment of finance lease	-	2,536
	<u>29</u>	<u>2,574</u>

Duplicate system costs (operational model)

Subsequent to the acquisition of the company, costs relating to the running of duplicate systems have been treated as exceptional items.

5 Directors' emoluments

	2017 £000's	2016 £000's
Emoluments	<u>-</u>	<u>-</u>

BIS Limited had directors who held office during the year that were also directors of fellow subsidiaries.

Total remuneration received by these directors totalled £531,000 (2016: £474,000); paid by other subsidiaries. The Directors do not believe that it is practical to apportion the amount between services as directors of the Company and services as directors of other group companies.

During the period amounts payable to directors in relation to retirement benefits was £55,000 (2016: £4,000).

Highest paid director's emoluments

	2017 £000's	2016 £000's
Emoluments	230	234
Retirement benefits	<u>-</u>	<u>-</u>

BIS Limited

Notes to the financial statements at 31 March 2017

6 Staff costs

	2017	2016
	£000's	£000's
Wages and salaries	951	1,306
Social security costs	85	160
	<u>1,036</u>	<u>1,466</u>

The average number of employees during the period was as follows:

	2017	2016
Administration	7	9
Sales and marketing	3	3
Operations	3	7
	<u>13</u>	<u>19</u>

7 Interest receivable and similar income

	2017	2016
	£000's	£000's
Group interest received	790	478
	<u>790</u>	<u>478</u>

8 Interest payable and similar charges

	2017	2016
	£000's	£000's
Finance charges payable under finance leases	572	661
Group interest payable	406	131
	<u>978</u>	<u>792</u>

9 Taxation

a) Tax on profit / (loss) on ordinary activities

2017	2016
£000's	£000's

The tax charge is made up as follows:

Analysis of charge in period

Current tax

UK corporation tax on profit / (loss) for the period at 19% (2016: 20%)

- -

Total current tax charge

- -

Deferred tax

Origination of timing differences:

- 811

Deferred tax

- 811

Tax charge for the year

- 811

BIS Limited

Notes to the financial statements at 31 March 2017

9 Taxation (continued)

b) Factors affecting tax charge for year

	2017	2016
	£000's	£000's
The differences between the tax assessed for the year and the standard rate of corporation tax of 19% (2016: 20%) are explained as follows:		
Profit / (loss) on ordinary activities before tax	577	(1,208)
Standard rate of corporation tax in the UK	20%	20%
Profit / (Loss) on ordinary activities multiplied by the standard rate of corporation tax	115	(242)
Effects of:		
Utilisation of losses brought forward	(17)	-
Losses carried forward	-	233
Change in rate of tax	(98)	71
Derecognition of previously recognised deferred tax assets	-	749
Total tax charge for year	<u>-</u>	<u>811</u>

c) Deferred tax

	2017	2016
	£000's	£000's
The movement in the deferred tax asset during the period was:		
Asset brought forward	-	811
Profit and loss account movement during the period	-	(811)
Deferred tax asset carried forward	<u>-</u>	<u>-</u>
The deferred tax asset included in the balance sheet consists of :		
Difference between accumulated depreciation and capital allowances	-	-
Tax losses	-	-
	<u>-</u>	<u>-</u>

Deferred tax assets amounting to £394,000 (2016: £143,000) in respect of unrelieved tax losses and £392,000 (2016 : £606,000) in respect of depreciation in advance of capital allowances have not been recognised due to uncertainty that there will be sufficient taxable profits against which these assets will crystallise in the foreseeable future.

d) Factors affecting future tax

The standard rate of Corporation tax in the UK reduced from 20% to 19% with effect from 1 April 2016. Accordingly the Company's profits for this accounting period are taxed at an effective rate of 19%. Further reductions in the standard rate to 18% with effect from 1 April 2017 and 17% with effect from 1 April 2020 were enacted during the period. Deferred tax balances if recognised are stated at a rate of 17% as the impact of balances reversing at other rates are expected to be immaterial.

BIS Limited

Notes to the financial statements at 31 March 2017

10 Tangible fixed assets

	Long Leasehold Land and buildings	Network equipment	Fixtures and fittings	Total
	£000's	£000's	£000's	£000's
Cost				
At 1 April 2016 and 31 March 2017	16,234	8,027	602	24,863
Additions	172	30	157	359
At 31 March 2016	<u>16,406</u>	<u>8,057</u>	<u>759</u>	<u>25,222</u>
Depreciation				
At 1 April 2016	10,543	7,872	597	19,012
Charge for the period	848	93	4	945
At 31 March 2017	<u>11,391</u>	<u>7,965</u>	<u>601</u>	<u>19,957</u>
Net book value				
At 31 March 2017	<u>5,015</u>	<u>92</u>	<u>158</u>	<u>5,265</u>
At 1 April 2016	<u>5,691</u>	<u>155</u>	<u>5</u>	<u>5,851</u>

Included in the amounts above are the following amounts relating to assets held under finance leases:

	2017 £000's	2016 £000's
Cost	19,749	19,749
Depreciation	(12,464)	(11,541)
Impairment loss	(2,286)	(2,536)
Net book value	<u>4,999</u>	<u>5,672</u>

11 Intangible fixed assets

	Software licences	Total
	£000's	£000's
Cost		
At 1 April 2016 and 31 March 2017	<u>652</u>	<u>652</u>
Amortisation		
At 1 April 2016 and 31 March 2017	<u>652</u>	<u>652</u>
Net book value		
At 1 April 2016 and 31 March 2017	<u>-</u>	<u>-</u>

BIS Limited**Notes to the financial statements at 31 March 2017****12 Fixed asset investments****£000's**

Cost: At 1 April 2016 and 31 March 2017

1,402

The Company owns 100% of the ordinary share capital of SKD 21 Limited (formerly Aurora Networks Limited) and BIS Datacentres Limited, both companies are incorporated in England and Wales. The principal activity of BIS Datacentres Limited is the supply of telecommunications services.

The Directors believe that the carrying value of the investments is supported by their underlying net assets.

SKD 21 Limited (formerly Aurora Networks Limited) is a dormant company. The investment in SKD 21 Limited (formerly Aurora Networks Limited) has been accounted for using merger relief. This means that the investment in SKD 21 Limited (formerly Aurora Networks Limited) has been included at the nominal value of shares issued by the company.

13 Debtors

	2017	2016
	£000's	£000's
Trade debtors	789	1,085
Amounts owed by group undertakings	10,372	6,766
Other debtors	745	1,195
Prepayments and accrued income	632	934
	<u>12,538</u>	<u>9,980</u>

14 Creditors: amounts falling due within one year

	2017	2016
	£000's	£000's
Obligations under finance leases	1,913	1,278
Trade creditors	891	1,274
Amounts owed to group undertakings	6,106	3,037
Other taxes and social security	14	175
Other creditors	1,828	63
Accruals and deferred income	141	2,345
	<u>10,893</u>	<u>8,172</u>

15 Creditors: amounts falling due after more than one year

	2017	2016
	£000's	£000's
Obligations under finance leases	<u>8,231</u>	<u>10,119</u>

BIS Limited**Notes to the financial statements at 31 March 2017****16 Obligations under finance lease liabilities**

The maturity of obligations under finance lease contracts is as follows:

	2017	2016
	£000's	£000's
Amounts payable:		
Within one year	1,913	1,278
In the second to fifth years	6,971	8,715
Later than five years	2,815	3,530
	<u>11,699</u>	<u>13,523</u>
Less future finance charges	(1,555)	(2,126)
	<u><u>10,144</u></u>	<u><u>11,397</u></u>

The finance lease relates to the Greenwich Datacentre. This is a 25 year lease running to 2033 with rent review dates on 15th February 2018, 2023 and 2028. There is also a break clause effective 15th February 2023.

17 Financial instruments

	2017	2016
	£000's	£000's
Financial assets measured at amortised cost:		
Trade debtors	789	1,085
Other debtors	745	1,195
Amounts owed by group undertakings	10,372	6,766
	<u><u>11,906</u></u>	<u><u>9,046</u></u>

Financial liabilities measured at amortised cost:

Trade creditors	891	1,274
Other creditors	1,828	63
Obligations under finance leases	10,144	11,397
Amounts owed to group undertakings	6,106	3,037
	<u><u>18,969</u></u>	<u><u>15,771</u></u>

18 Share capital

	2017	2016
	£000's	£000's
Authorised		
847,380 (2016: 847,380) Ordinary A shares of £1.00 each	847	847
3,000,000 (2016: 3,000,000) Ordinary X shares of £0.01 each	30	30
	<u><u>877</u></u>	<u><u>877</u></u>
Allotted, called up and fully paid		
408,727 (2016: 408,727) Ordinary A shares of £1.00 each	409	409
581,158 (2016: 581,158) Ordinary X shares of £0.01 each	6	6
	<u><u>415</u></u>	<u><u>415</u></u>

BIS Limited

Notes to the financial statements at 31 March 2017

18 Share capital (continued)

Both Ordinary A and Ordinary X shares rank equally and each ordinary share gives the holder one vote at a general meeting of the Company and the rights to participate in the profits of the Company by way of a dividend.

This share premium reserve records the amount above the nominal value received for shares sold, less transaction costs.

19 Related party transactions

The Company has taken advantage of the exemption available in accordance with FRS 102.33.1A not to disclose transactions entered into between two or more wholly owned members of a group.

20 Ultimate control

The Company's parent is Six Degrees Investments Limited.

The smallest group within which the results of the Company are consolidated is CB-SDG Midco Limited Group and the largest group within which the result of the Company are consolidated is CB-SDG Topco Limited Group. Financial Statements for both groups are available from www.companieshouse.gov.uk.

Charlesbank Capital Partners LLC is the ultimate controlling party, which is incorporated in the United States of America.