

**REGISTERED NUMBER: 04037250 (England and Wales)**

Report of the Directors and  
Financial Statements  
for the Year Ended 31 March 2019  
for  
BIS Limited

Contents of the Financial Statements  
for the Year Ended 31 March 2019

	Page
Company Information	1
Report of the Directors	2
Independent Auditors' Report	4
Statement of Comprehensive Income	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10

**DIRECTORS:**

D M Howson  
S K Mitchell

**REGISTERED OFFICE:**

Commodity Quay  
St Katharine Docks  
London  
E1W 1AZ

**REGISTERED NUMBER:**

04037250 (England and Wales)

**AUDITORS:**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
1 Embankment Place  
London  
WC2N 6RH

**SOLICITORS:**

Squire Patton Boggs LLP  
7 Devonshire Square  
London  
EC2M 4YH

Report of the Directors  
for the Year Ended 31 March 2019

The directors present their report with the financial statements of the company for the year ended 31 March 2019.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of the provision of managed data services including global network connectivity, online data backup, managed hosting and co-location services.

**DIVIDENDS**

No dividends have or will be distributed for the year ended 31 March 2019 (2018: £nil)

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2018 to the date of this report.

D M Howson  
S K Mitchell

**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 trading conditions and believe, based on these forecasts, 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.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued**

The directors 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 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.

**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 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 auditors are aware of that information.

**AUDITORS**

The auditors, PricewaterhouseCoopers LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

S K Mitchell - Director

20 August 2019

## **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

### **Opinion**

In our opinion, BIS Limited's financial statements:-

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report of the Directors and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 March 2019; the Statement of Comprehensive Income, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### **Conclusions relating to going concern**

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

## **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

### **Report of the Directors**

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 year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is 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.

### **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 an auditors' report 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **OTHER REQUIRED REPORTING**

##### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

##### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Report of the Directors; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Jennifer Dickie (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
1 Embankment Place  
London  
WC2N 6RH

20 August 2019



Statement of Comprehensive Income  
for the Year Ended 31 March 2019

	Notes	2019 £'000	2018 £'000
<b>TURNOVER</b>	4	5,733	6,078
Cost of sales		<u>(3,734)</u>	<u>(3,770)</u>
<b>GROSS PROFIT</b>		1,999	2,308
Administrative expenses		<u>(1,083)</u>	<u>(1,695)</u>
<b>OPERATING PROFIT</b>	6	916	613
Income from shares in group undertakings		2,494	-
Interest receivable and similar income		<u>1,377</u>	<u>1,010</u>
		4,787	1,623
Amounts written off investments		<u>(1,320)</u>	<u>-</u>
		3,467	1,623
Interest payable and similar expenses		<u>(1,345)</u>	<u>(1,198)</u>
<b>PROFIT BEFORE TAXATION</b>		2,122	425
Tax on profit		-	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>		2,122	425
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>2,122</u>	<u>425</u>

Balance Sheet  
31 March 2019

	Notes	2019 £'000	2018 £'000
<b>FIXED ASSETS</b>			
Intangible assets	7	-	-
Tangible assets	8	3,327	4,384
Investments	9	82	1,402
		<u>3,409</u>	<u>5,786</u>
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	10	18,778	14,570
Cash at bank		207	707
		<u>18,985</u>	<u>15,277</u>
<b>CREDITORS</b>			
Amounts falling due within one year	11	(14,447)	(13,545)
<b>NET CURRENT ASSETS</b>		<u>4,538</u>	<u>1,732</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		7,947	7,518
<b>CREDITORS</b>			
Amounts falling due after more than one year	12	(5,282)	(6,975)
<b>NET ASSETS</b>		<u>2,665</u>	<u>543</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	415	415
Share premium		6,248	6,248
Accumulated losses		(3,998)	(6,120)
<b>SHAREHOLDERS' FUNDS</b>		<u>2,665</u>	<u>543</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements on pages 7 to 17 were approved by the Board of Directors on 20 August 2019 and were signed on its behalf by:

S K Mitchell - Director

Statement of Changes in Equity  
for the Year Ended 31 March 2019

	Called up share capital £'000	Accumulated losses £'000	Share premium £'000	Total equity £'000
<b>Balance at 1 April 2017</b>	415	(6,545)	6,248	118
<b>Changes in equity</b>				
Total comprehensive income	-	425	-	425
<b>Balance at 31 March 2018</b>	415	(6,120)	6,248	543
<b>Changes in equity</b>				
Total comprehensive income	-	2,122	-	2,122
<b>Balance at 31 March 2019</b>	415	(3,998)	6,248	2,665

**1. STATUTORY INFORMATION**

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

The presentation currency of the financial statements is the Pound Sterling (£).

**2. STATEMENT OF COMPLIANCE**

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.

**3. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements have been prepared under the historical cost convention.

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

**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 trading conditions and believe, based on these forecasts, 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.

**Preparation of consolidated financial statements**

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 requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, CB-SDG Midco Limited, within the United Kingdom.

**Related party exemption**

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.

3. **ACCOUNTING POLICIES - continued**

**Critical accounting judgements and key sources of 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.

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.

**Turnover**

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

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software is being amortised evenly over its estimated useful life of three years.

**Tangible assets**

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

	Years
Long leasehold	25
Fixtures and fittings	3 to 5
Network equipment	3 to 5

**Investments in subsidiaries**

Investments in subsidiary undertakings are recognised at cost.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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 March 2019

3. **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 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 at the Balance Sheet date 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.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

4. **TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

5. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was NIL (2018 - NIL).

All staff are employed by Six Degrees Holdings Limited, a fellow group company, and their costs are recharged via a management fee. It is not practical to allocate individuals to individual companies within the group.

6. **OPERATING PROFIT**

The operating profit is stated after charging:

	2019	2018
	£'000	£'000
Depreciation - owned assets	44	48
Depreciation - assets on finance leases	<u>1,013</u>	<u>871</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2019

7. **INTANGIBLE ASSETS**

**COST**

At 1 April 2018  
and 31 March 2019

Computer  
software  
£'000

652

**AMORTISATION**

At 1 April 2018  
and 31 March 2019

652

**NET BOOK VALUE**

At 31 March 2019

-

At 31 March 2018

-

8. **TANGIBLE ASSETS**

**COST**

At 1 April 2018  
and 31 March 2019

Long  
leasehold  
£'000

Fixtures  
and  
fittings  
£'000

Network  
Equipment  
£'000

Totals  
£'000

16,412

758

8,091

25,261

**DEPRECIATION**

At 1 April 2018  
Charge for year  
At 31 March 2019

12,263

627

7,987

20,877

1,013

39

5

1,057

13,276

666

7,992

21,934

**NET BOOK VALUE**

At 31 March 2019

3,136

92

99

3,327

At 31 March 2018

4,149

131

104

4,384

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2019

8. **TANGIBLE ASSETS - continued**

Fixed assets, included in the above, which are held under finance leases are as follows:

	Long leasehold £'000
<b>COST</b>	
At 1 April 2018 and 31 March 2019	<u>16,407</u>
<b>DEPRECIATION</b>	
At 1 April 2018	12,263
Charge for year	<u>1,013</u>
At 31 March 2019	<u>13,276</u>
<b>NET BOOK VALUE</b>	
At 31 March 2019	<u>3,131</u>
At 31 March 2018	<u>4,144</u>

9. **INVESTMENTS**

	Shares in group undertakin £'000
<b>COST</b>	
At 1 April 2018	1,402
Impairments	<u>(1,320)</u>
At 31 March 2019	<u>82</u>
<b>NET BOOK VALUE</b>	
At 31 March 2019	<u>82</u>
At 31 March 2018	<u>1,402</u>

The company's investments at the Balance Sheet date in the share capital of companies include the following:

**SKD 21 Ltd**

Registered office: United Kingdom  
Nature of business: Dormant

	% holding
Class of shares:	
Ordinary	100.00



Notes to the Financial Statements - continued  
for the Year Ended 31 March 2019

9. **INVESTMENTS - continued**

**BIS Datacentres Limited**

Registered office: United Kingdom

Nature of business: Non-trading

Class of shares:	%
Ordinary	holding 100.00

The registered office of the above companies is Commodity Quay, St Katharine Docks, London E1W 1AZ.

10. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019 £'000	2018 £'000
Trade debtors	967	808
Amounts owed by group undertakings	16,359	12,328
Other debtors	905	849
Prepayments and accrued income	547	585
	<u>18,778</u>	<u>14,570</u>

11. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019 £'000	2018 £'000
Finance leases (see note 13)	1,694	1,722
Trade creditors	442	1,062
Amounts owed to group undertakings	10,570	8,838
Social security and other taxes	55	64
Other creditors	108	99
Accruals and deferred income	1,578	1,760
	<u>14,447</u>	<u>13,545</u>

12. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2019 £'000	2018 £'000
Finance leases (see note 13)	<u>5,282</u>	<u>6,975</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2019

**13. LEASING AGREEMENTS**

Minimum lease payments under finance leases fall due as follows:

	Finance leases	
	2019	2018
	£'000	£'000
Gross obligations repayable:		
Within one year	1,997	2,115
Between one and five years	<u>5,670</u>	<u>7,658</u>
	<u>7,667</u>	<u>9,773</u>
Finance charges repayable:		
Within one year	303	393
Between one and five years	<u>388</u>	<u>683</u>
	<u>691</u>	<u>1,076</u>
Net obligations repayable:		
Within one year	1,694	1,722
Between one and five years	<u>5,282</u>	<u>6,975</u>
	<u>6,976</u>	<u>8,697</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 2023 and 2028. There is also a break clause effective 15th February 2023.

**14. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			2019	2018
Number:	Class:	Nominal value:	£'000	£'000
408,727	Ordinary A	£1	409	409
581,158	Ordinary X	£0.01	<u>6</u>	<u>6</u>
			<u>415</u>	<u>415</u>

The Ordinary A and Ordinary X shares rank pari-passu

**15. POST BALANCE SHEET EVENTS**

On 3 April 2019 the Group, of which the company is a member, refinanced its external debt. Further details can be found in the consolidated financial statements of CB-SDG Topco Ltd.

**16. ULTIMATE CONTROLLING PARTY**

The Company's parent is Six Degrees Investments Limited and its ultimate parent is CB-SDG Jersey Limited.

The smallest group within which the results of the Company are consolidated is CB-SDG Midco Limited and the largest group within which the result of the Company are consolidated is CB-SDG Topco Limited. Financial statements for both groups are available from [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk).

The ultimate controlling party is Charlesbank Capital Partners LLC on behalf of funds under its management, which is incorporated in the United States of America.

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.