

REGISTERED NUMBER: 04037250 (England and Wales)

Report of the Directors and
Financial Statements
for the Year Ended 31 March 2020
for
BIS Limited

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for the Year Ended 31 March 2020

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BIS Limited

Company Information
for the Year Ended 31 March 2020

DIRECTORS:

D M Howson
S K Mitchell

SECRETARY:

M Redding

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

Report of the Directors
for the Year Ended 31 March 2020

The directors present their report with the financial statements of the company for the year ended 31 March 2020.

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. The Company is a wholly owned subsidiary within CB-SDG Midco Limited ("the Group")

RESULTS

The profit for the period, before taxation, was £2.6m (2019 - £2.1m)

The net assets of the Company were £5.2m (2019 - £2.7m).

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2020 (2019 - £Nil).

FUTURE DEVELOPMENTS

The directors expect the company to continue in the same activities in the future.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2019 to the date of this report.

D M Howson
S K Mitchell

GOING CONCERN

The directors have adopted the going concern basis in preparing the financial statements. As at the balance sheet date, the Company has net current assets of £6,148k (2019 - £4,538k).

When producing the financial budget and forecasts for the short and medium term that derive the Group's future cash and revenue projection and as a result the income stream that will allow the entity to remain a going concern, the directors have modelled a number of scenarios that incorporate past experience and an assessment of the likely financial impact of the COVID-19 pandemic and associated control measures that were in place as at the balance sheet date.

The scenarios reviewed include a number of downside scenarios where the revenue forecasts are adversely affected by the ongoing COVID-19 pandemic and in each case the directors have factored in a number of reasonable actions which could be taken in order to mitigate any deterioration in the financial performance of the Group. These scenarios also consider the potential upside across a number of business lines that would see an increase in the demand for the services provided by those business lines directly as a result of existing and new clients moving to new agile working practices.

The severe but plausible downside scenario assumes an overall reduction in revenue across each business line but includes a number of assumptions in relation to the internal and external resources required to deliver those services in order to minimise the adverse impact on the financial performance of the Group.

Report of the Directors
for the Year Ended 31 March 2020

GOING CONCERN - continued

The directors have considered the Group's result for the year ended 31 March 2020 and the current financial performance to date against budget in the year 31 March 2021, the revenue and cash flow projections for the remainder of the financial year alongside the potential impact of Brexit and the COVID-19 pandemic. As a result of these considerations, and the current forecasts management have compiled for the Group going forward, the directors do not believe that formal support will be required; however, a letter of support is available from the ultimate controlling entity, Charlesbank Capital Partners LLC, on behalf of funds under its management through the ultimate parent undertaking CB-SDG Topco Limited. As such, the directors are confident that the Company has sufficient resources to continue as a going concern for a period of not less than 12 months from the date of signing these financial statements.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

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 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.

COVID-19 PANDEMIC

The COVID-19 pandemic and subsequent virus control measures implemented by UK Government have had a significant adverse impact across the UK economy with a number of industry sectors, most notably leisure and retail, experiencing a significant reduction in economic activity.

The Group has a number of clients that operate predominantly within those sectors most affected by the control measures and, in conjunction with the broader potential economic consequences of the pandemic, management has considered the knock-on impact on the Groups' future financial position and performance in the going concern assessment.

For full consideration of the risk presented by COVID-19 to the group, please refer to the CB-SDG Topco Limited financial statements.

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.

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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.

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.

DIRECTORS CONFIRMATION

In the case of each director in office at the date the Directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the group and company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group and company's auditors are aware of that information.

STRATEGIC REPORT

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 prepare a strategic report.

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

16 December 2020

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 2020 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 2020; the Statement of Comprehensive Income and 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

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- 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.

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.

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.

Reporting on other information- continued

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 2020 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, 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. This description forms part of our auditors' report.

Independent Auditors' Report to the Members of
BIS Limited

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; 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

16 December 2020

Statement of Comprehensive Income
for the Year Ended 31 March 2020

	Notes	2020 £'000	2019 £'000
TURNOVER	4	4,581	5,733
Cost of sales		<u>(1,251)</u>	<u>(3,734)</u>
GROSS PROFIT		3,330	1,999
Administrative expenses		<u>(1,068)</u>	<u>(1,083)</u>
OPERATING PROFIT	6	2,262	916
Income from shares in group undertakings		-	2,494
Interest receivable and similar income	7	<u>1,755</u>	<u>1,377</u>
		4,017	4,787
Amounts written off investments		<u>-</u>	<u>(1,320)</u>
		4,017	3,467
Interest payable and similar expenses	8	<u>(1,447)</u>	<u>(1,345)</u>
PROFIT BEFORE TAXATION		2,570	2,122
Tax on profit		-	-
PROFIT FOR THE FINANCIAL YEAR		<u>2,570</u>	<u>2,122</u>
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		-	-
FOR THE YEAR		<u>2,570</u>	<u>2,122</u>

Balance Sheet
31 March 2020

	Notes	2020 £'000	2019 £'000
FIXED ASSETS			
Intangible assets	9	-	-
Tangible assets	10	2,268	3,327
Investments	11	82	82
		<u>2,350</u>	<u>3,409</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	12	23,067	18,778
Cash at bank		27	207
		<u>23,094</u>	<u>18,985</u>
CREDITORS			
Amounts falling due within one year	13	(16,946)	(14,447)
NET CURRENT ASSETS		<u>6,148</u>	<u>4,538</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,498	7,947
CREDITORS			
Amounts falling due after more than one year	14	(3,263)	(5,282)
NET ASSETS		<u>5,235</u>	<u>2,665</u>
CAPITAL AND RESERVES			
Called up share capital	16	415	415
Share premium		6,248	6,248
Accumulated losses		(1,428)	(3,998)
SHAREHOLDERS' FUNDS		<u>5,235</u>	<u>2,665</u>

BIS Limited (Registered number: 04037250)

Balance Sheet - continued

31 March 2020

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

The financial statements on pages 8 to 22 were approved by the Board of Directors on 16 December 2020 and were signed on its behalf by:

S K Mitchell - Director

The notes form part of these financial statements

Statement of Changes in Equity
for the Year Ended 31 March 2020

	Called up share capital £'000	Accumulated losses £'000	Share premium £'000	Total equity £'000
Balance at 1 April 2018	415	(6,120)	6,248	543
Changes in equity				
Total comprehensive income	-	2,122	-	2,122
Balance at 31 March 2019	415	(3,998)	6,248	2,665
Changes in equity				
Total comprehensive income	-	2,570	-	2,570
Balance at 31 March 2020	415	(1,428)	6,248	5,235

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 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.

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the Financial Reporting Standard 102. "The Financial Reporting Standards applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention. The principal accounting policies applied in the preparation of the financial statements are set out below and have been consistently applied to all years presented, unless otherwise stated.

Going Concern

The directors have adopted the going concern basis in preparing the financial statements. As at the balance sheet date, the Company has net current liabilities of £6,148k (2019 - £4,538k).

When producing the financial budget and forecasts for the short and medium term that derive the Group's future cash and revenue projection and as a result the income stream that will allow the entity to remain a going concern, the directors have modelled a number of scenarios that incorporate past experience and an assessment of the likely financial impact of the COVID-19 pandemic and associated control measures that were in place as at the balance sheet date.

The scenarios reviewed include a number of downside scenarios where the revenue forecasts are adversely affected by the ongoing COVID-19 pandemic and in each case the directors have factored in a number of reasonable actions which could be taken in order to mitigate any deterioration in the financial performance of the Group. These scenarios also consider the potential upside across a number of business lines that would see an increase in the demand for the services provided by those business lines directly as a result of existing and new clients moving to new agile working practices.

The severe but plausible downside scenario assumes an overall reduction in revenue across each business line but includes a number of assumptions in relation to the internal and external resources required to deliver those services in order to minimise the adverse impact on the financial performance of the Group.

GOING CONCERN - continued

The directors have considered the Group's result for the year ended 31 March 2020 and the current financial performance to date against budget in the year 31 March 2021, the revenue and cash flow projections for the remainder of the financial year alongside the potential impact of Brexit and the COVID-19 pandemic. As a result of these considerations, and the current forecasts management have compiled for the Group going forward, the directors do not believe that formal support will be required; however, a letter of support is available from the ultimate controlling entity, Charlesbank Capital Partners LLC, on behalf of funds under its management through the ultimate parent undertaking CB-SDG Topco Limited. As such, the directors are confident that the Company has sufficient resources to continue as a going concern for a period of not less than 12 months from the date of signing these financial statements.

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.

Turnover

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, discounts and rebates allowed by the group and value added taxes.

Where the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes a financing transaction, the fair value of the consideration is measured as the present value of all future receipts using the imputed rate of interest.

2. ACCOUNTING POLICIES - continued

Turnover - continued

The company recognises revenue when;

- the significant risks and rewards of ownership have been transferred to the buyer;
- the company retains no continuing involvement or control over the goods;
- the amount of revenue can be measured reliably;
- it is probable that future economic benefits will flow to the entity; and
- the specific criteria relating to each of the company's sales channels have been met.

The company typically recognises three streams of revenue.

Monthly Recurring Revenue (MRR) - this relates to a on-going delivery of services over a set period, typically up to 3 years. MRR is contracted and includes a full range of managed support, maintenance, subscription and service agreements. MRR is spread over the agreed duration of the contract as services are provided.

Non-Recurring Revenue (NRR) - this relates to one-time revenue billed under a contractual right and typically is either a provision of a one-time service with no on-going commitments or a sale of assets, NRR is typically recognised at the point at which the service is delivered.

Usage - this relates to revenue that is billed on a contractually agreed per-unit rate, based on actual usage in a period. Revenue is recognised in accordance to actual usage.

Intangible assets

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
Computer Software	3 to 5

Amortisation is charged to administrative expenses in the profit and loss account. Intangible assets are amortised from the date they are available for use.

Where factors such as technological advancement or changes in market price, indicate the residual value, useful life or amortisation rate require adjusting, they are amended prospectively to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Costs associated with maintaining computer software are recognised as an expense as incurred.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2020

2. ACCOUNTING POLICIES - continued

Tangible assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Tangible 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.

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

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefit.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost less any provision for impairment.

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.

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 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.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2020

2. ACCOUNTING POLICIES - continued

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.

3. 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.

Impairment of investments

The carrying value of investments is subject to an annual review for indicators of impairment based on whether the current or future events and circumstances suggest that their recoverable value may be less than their carrying value. The recoverable amount is based on value-in-use calculations, which requires extensions of future cash flows and the discount rate to apply in order to calculate the present values of these cash flows.

Classification of lease

The Company acts as a lessee and obtains use of a datacentre, which is used for the provision of many of its services and to generate revenue. The classification of this lease requires the Company to determine, based on the evaluation of the terms and conditions of the arrangements, whether it acquired the significant risks and rewards of ownership of these assets and accordingly whether the lease required an asset and liability to be recognised in the Balance Sheet.

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 2 (2019 - 2) .

The costs relating to all staff, including directors, who are employed by subsidiary undertakings within the Group, Six Degrees Holdings Limited or CB-SDG Limited, are recharged via a management fee. It is not practicable to allocate the costs relating to specific employees to the Company.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2020

6. **OPERATING PROFIT**

The operating profit is stated after charging:

	2020	2019
	£'000	£'000
Depreciation - owned assets	36	44
Depreciation - assets on finance leases	<u>1,023</u>	<u>1,013</u>

7. **INTEREST RECEIVABLE AND SIMILAR INCOME**

	2020	2019
	£'000	£'000
Interest due from group undertakings	<u>1,755</u>	<u>1,377</u>

8. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	2020	2019
	£'000	£'000
Interest due to group undertakings	1,144	952
Hire purchase	303	393
	<u>1,447</u>	<u>1,345</u>

9. **INTANGIBLE ASSETS**

	Computer software £'000
COST	
At 1 April 2019	
and 31 March 2020	
AMORTISATION	
At 1 April 2019	
and 31 March 2020	
NET BOOK VALUE	
At 31 March 2020	-
At 31 March 2019	-

Notes to the Financial Statements - continued
for the Year Ended 31 March 2020

10. TANGIBLE ASSETS

	Long leasehold £'000	Fixtures and fittings £'000	Network Equipment £'000	Totals £'000
COST				
At 1 April 2019 and 31 March 2020	<u>16,412</u>	<u>758</u>	<u>8,091</u>	<u>25,261</u>
DEPRECIATION				
At 1 April 2019	13,276	666	7,992	21,934
Charge for year	<u>1,023</u>	<u>36</u>	<u>-</u>	<u>1,059</u>
At 31 March 2020	<u>14,299</u>	<u>702</u>	<u>7,992</u>	<u>22,993</u>
NET BOOK VALUE				
At 31 March 2020	<u>2,113</u>	<u>56</u>	<u>99</u>	<u>2,268</u>
At 31 March 2019	<u>3,136</u>	<u>92</u>	<u>99</u>	<u>3,327</u>

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

	Long leasehold £'000
COST	
At 1 April 2019 and 31 March 2020	<u>16,407</u>
DEPRECIATION	
At 1 April 2019	13,276
Charge for year	<u>1,023</u>
At 31 March 2020	<u>14,299</u>
NET BOOK VALUE	
At 31 March 2020	<u>2,108</u>
At 31 March 2019	<u>3,131</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2020

11. INVESTMENTS

	Shares in group undertakin £'000
COST	
At 1 April 2019 and 31 March 2020	<u>82</u>
NET BOOK VALUE	
At 31 March 2020	<u>82</u>
At 31 March 2019	<u>82</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

BIS Datacentres Limited

Registered office: United Kingdom
Nature of business: Dormant

	% holding
Class of shares: Ordinary	100.00

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

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £'000	2019 £'000
Trade debtors	573	967
Amounts owed by group undertakings	21,341	16,359
Other debtors	962	905
Prepayments and accrued income	191	547
	<u>23,067</u>	<u>18,778</u>

Amounts owed by group undertakings are repayable on demand and interest is applied to the balances at 9%

Notes to the Financial Statements - continued
for the Year Ended 31 March 2020

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£'000	£'000
Finance leases (see note 15)	1,900	1,694
Trade creditors	319	442
Amounts owed to group undertakings	13,855	10,570
Social security and other taxes	19	55
Other creditors	109	108
Accruals and deferred income	744	1,578
	<u>16,946</u>	<u>14,447</u>

Amounts owed to group undertakings are repayable on demand and interest is applied to the balances at 9%

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£'000	£'000
Finance leases (see note 15)	<u>3,263</u>	<u>5,282</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2020

15. LEASING AGREEMENTS

Minimum lease payments under finance leases fall due as follows:

	Finance leases	
	2020	2019
	£'000	£'000
Gross obligations repayable:		
Within one year	2,115	1,997
Between one and five years	<u>3,426</u>	<u>5,670</u>
	<u>5,541</u>	<u>7,667</u>
Finance charges repayable:		
Within one year	215	303
Between one and five years	<u>163</u>	<u>388</u>
	<u>378</u>	<u>691</u>
Net obligations repayable:		
Within one year	1,900	1,694
Between one and five years	<u>3,263</u>	<u>5,282</u>
	<u>5,163</u>	<u>6,976</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.

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2020	2019
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

17. 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.

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.