

REGISTERED NUMBER: 04037250 (England and Wales)

Report of the Directors and  
Audited Financial Statements  
for the Year Ended 31 March 2018  
for  
BIS Limited



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**for the Year Ended 31 March 2018**

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**BIS Limited**

**Company Information**  
**for the Year Ended 31 March 2018**

**DIRECTORS:**

D M Howson  
S K Mitchell

**REGISTERED OFFICE:**

Commodity Quay  
St Katharine Docks  
London  
E1W 1AZ

**REGISTERED NUMBER:**

04037250 (England and Wales)

**AUDITORS:**

Ernst & Young LLP  
1 More London Place  
London  
SE1 2AF

**SOLICITORS:**

Squire Patton Boggs LLP  
7 Devonshire Square  
London  
EC2M 4YH

**Report of the Directors**  
**for the Year Ended 31 March 2018**

The directors present their report with the financial statements of the company for the year ended 31 March 2018.

**PRINCIPAL ACTIVITY**

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

**DIRECTORS**

D M Howson has held office during the whole of the period from 1 April 2017 to the date of this report.

Other changes in directors holding office are as follows:

M A Ing - resigned 8 September 2017  
S K Mitchell - appointed 6 March 2018  
R W Smith - resigned 30 April 2017

**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 Report of the Directors 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Directors  
for the Year Ended 31 March 2018

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

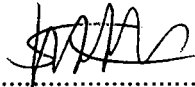
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

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

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**



.....  
S K Mitchell - Director

Date: ..... 02 October 2018

Independent Auditors' Report to the Members of  
BIS Limited

**Opinion**

We have audited the financial statements of BIS Limited (the 'company') for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the 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.

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditors' Report to the Members of  
BIS Limited

**Opinion on other matters prescribed by the Companies Act 2006**

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 financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

Independent Auditors' Report to the Members of  
BIS Limited

**Use of our report**

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 Auditors' 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.

*Alastair John Richard Nuttall*

Alastair John Richard Nuttall (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP  
1 More London Place  
London  
SE1 2AF

Date: *4/10/18*



**Statement of Comprehensive Income**  
**for the Year Ended 31 March 2018**

	Notes	2018 £'000	2017 £'000
<b>TURNOVER</b>	<b>3</b>	<b>6,078</b>	<b>7,920</b>
Cost of sales		<u>(3,770)</u>	<u>(5,183)</u>
<b>GROSS PROFIT</b>		<b>2,308</b>	<b>2,737</b>
Administrative expenses		<u>(1,695)</u>	<u>(1,973)</u>
<b>OPERATING PROFIT</b>	<b>5</b>	<b>613</b>	<b>764</b>
Interest receivable and similar income		<u>1,010</u>	<u>790</u>
		<b>1,623</b>	<b>1,554</b>
Interest payable and similar expenses		<u>(1,198)</u>	<u>(979)</u>
<b>PROFIT BEFORE TAXATION</b>		<b>425</b>	<b>575</b>
Tax on profit		<u>-</u>	<u>-</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>425</b>	<b>575</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><b>425</b></u>	<u><b>575</b></u>

The notes form part of these financial statements

**Balance Sheet**  
**31 March 2018**

	Notes	2018 £'000	2017 £'000
<b>FIXED ASSETS</b>			
Intangible assets	7	-	-
Tangible assets	8	4,384	5,265
Investments	9	<u>1,402</u>	<u>1,402</u>
		<u>5,786</u>	<u>6,667</u>
<b>CURRENT ASSETS</b>			
Debtors	10	14,570	12,537
Cash at bank		<u>707</u>	<u>41</u>
		15,277	12,578
<b>CREDITORS</b>			
Amounts falling due within one year	1	(13,545)	(10,896)
	1	<u>          </u>	<u>          </u>
<b>NET CURRENT ASSETS</b>		<u>1,732</u>	<u>1,682</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		7,518	8,349
<b>CREDITORS</b>			
Amounts falling due after more than one year	1	(6,975)	(8,231)
	2	<u>          </u>	<u>          </u>
<b>NET ASSETS</b>		<u>543</u>	<u>118</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	415	415
Share premium		6,248	6,248
Accumulated losses		<u>(6,120)</u>	<u>(6,545)</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>543</u>	<u>118</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A "Small Entities".

The financial statements were approved by the Board of Directors on 02 October 2018 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 2018**

	Called up share capital £'000	Accumulated losses £'000	Share premium £'000	Total equity £'000
<b>Balance at 1 April 2016</b>	415	(7,120)	6,248	(457)
<b>Changes in equity</b>				
Profit for the year	-	575	-	575
Total comprehensive income	-	575	-	575
<b>Balance at 31 March 2017</b>	415	(6,545)	6,248	118
<b>Changes in equity</b>				
Profit for the year	-	425	-	425
Total comprehensive income	-	425	-	425
<b>Balance at 31 March 2018</b>	415	(6,120)	6,248	543

Notes to the Financial Statements  
for the Year Ended 31 March 2018

**1. STATUTORY INFORMATION**

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

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Financial Reporting Standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

**Going Concern**

The consolidated and company financial statements have been prepared on a going concern basis. The Directors have reviewed the Group's future cash flow 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 the formal support available from Charlesbank Capital Partners LLC through the ultimate parent 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 Ltd, within the United Kingdom.

**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.

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2018

**2. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

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

**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 Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**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. TURNOVER**

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

**4. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was NIL (2017 - 13).

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2018**

**4. EMPLOYEES AND DIRECTORS - continued**

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.

**5. OPERATING PROFIT**

The operating profit is stated after charging:

	2018	2017
	£'000	£'000
Depreciation - owned assets	48	97
Depreciation - assets on finance leases	<u>871</u>	<u>848</u>

**6. EXCEPTIONAL ITEMS**

	2018	2017
	£'000	£'000
Staff restructuring costs	<u>-</u>	<u>(29)</u>

**7. INTANGIBLE FIXED ASSETS**

	Computer software £'000
<b>COST</b>	
At 1 April 2017 and 31 March 2018	<u>652</u>
<b>AMORTISATION</b>	
At 1 April 2017 and 31 March 2018	<u>652</u>
<b>NET BOOK VALUE</b>	
At 31 March 2018	<u>-</u>
At 31 March 2017	<u>-</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2018

**8. TANGIBLE FIXED ASSETS**

	Long leasehold £'000	Fixtures and fittings £'000	Network Equipment £'000	Totals £'000
<b>COST</b>				
At 1 April 2017	16,407	758	8,057	25,222
Additions	<u>5</u>	<u>-</u>	<u>34</u>	<u>39</u>
At 31 March 2018	<u>16,412</u>	<u>758</u>	<u>8,091</u>	<u>25,261</u>
<b>DEPRECIATION</b>				
At 1 April 2017	11,392	601	7,965	19,958
Charge for year	<u>871</u>	<u>26</u>	<u>22</u>	<u>919</u>
At 31 March 2018	<u>12,263</u>	<u>627</u>	<u>7,987</u>	<u>20,877</u>
<b>NET BOOK VALUE</b>				
At 31 March 2018	<u>4,149</u>	<u>131</u>	<u>104</u>	<u>4,384</u>
At 31 March 2017	<u>5,015</u>	<u>157</u>	<u>92</u>	<u>5,264</u>

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

	Long leasehold £'000
<b>COST</b>	
At 1 April 2017 and 31 March 2018	<u>16,407</u>
<b>DEPRECIATION</b>	
At 1 April 2017	11,392
Charge for year	<u>871</u>
At 31 March 2018	<u>12,263</u>
<b>NET BOOK VALUE</b>	
At 31 March 2018	<u>4,144</u>
At 31 March 2017	<u>5,015</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2018

**9. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £'000
<b>COST</b>	
At 1 April 2017 and 31 March 2018	<u>1,402</u>
<b>NET BOOK VALUE</b>	
At 31 March 2018	<u>1,402</u>
At 31 March 2017	<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

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

	2018 £'000	2017 £'000
Trade debtors	808	789
Amounts owed by group undertakings	12,328	10,373
Other debtors	849	744
Prepayments and accrued income	<u>585</u>	<u>631</u>
	<u>14,570</u>	<u>12,537</u>

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

	2018 £'000	2017 £'000
Finance leases (see note 13)	1,722	1,913
Trade creditors	1,062	892
Amounts owed to group undertakings	8,838	6,106
Social security and other taxes	64	14
Other creditors	99	1,829
Accruals and deferred income	<u>1,760</u>	<u>142</u>
	<u>13,545</u>	<u>10,896</u>



**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2018**

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

	2018 £'000	2017 £'000
Finance leases (see note 13)	<u>6,975</u>	<u>8,231</u>

**13. LEASING AGREEMENTS**

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

	2018 £000's	2017 £000's
Amounts payable:		
Within one year	2,115	1,913
In the second to fifth years	7,658	6,971
Later than five years	<u>-</u>	<u>2,815</u>
	9,773	11,699
Less future finance charges	<u>(1,076)</u>	<u>(1,555)</u>
	<u>8,697</u>	<u>10,144</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:			2018	2017
Number:	Class:	Nominal value:	£'000	£'000
408,727	Ordinary A	£1	415	415
581,158	Ordinary X	£0.01	<u>-</u>	<u>-</u>
			<u>415</u>	<u>415</u>

**15. ULTIMATE CONTROLLING PARTY**

The company's parent is Six Degrees Investments Ltd.

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](http://www.companieshouse.gov.uk)

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