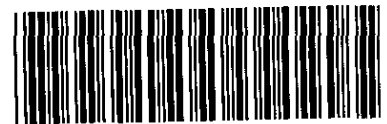


Group Strategic Report,
Report of the Directors and
Audited
Consolidated Financial Statements
for the Year Ended 31 March 2021
for
CB-SDG Topco Limited

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CB-SDG Topco Limited

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for the Year Ended 31 March 2021

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CB-SDG Topco Limited

Company Information
for the Year Ended 31 March 2021

DIRECTORS:

R Carroll
M W Choe
S K Mitchell
K DesGarrenes
P Vaz
D G Norfolk
S Crawley-Trice

REGISTERED OFFICE:

Commodity Quay
St Katharine Docks
London
E1W 1AZ

REGISTERED NUMBER:

09641615 (England and Wales)

INDEPENDENT AUDITORS:

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

SOLICITORS:

Squire Patton Boggs LLP
2 Park Lane
Leeds
LS3 1ES

CB-SDG Topco Limited

Group Strategic Report for the Year Ended 31 March 2021

The Directors present their strategic report, the report of the Directors and the audited financial statements of CB-SDG Topco Limited ("the Company") and its subsidiaries ("the Group") for the year ended 31 March 2021.

REVIEW OF BUSINESS

Throughout the period under review, the Group has retained focus on achieving its objective of being the market-leading provider of secure cloud-led converged managed services to UK-based large and mid-market clients. In order to continually strive towards this objective, the Group works as a collaborative technology partner by offering market-facing, tailor made solutions that enable our clients' brilliance and assist them in making a digital transformation.

KEY PERFORMANCE INDICATORS

The directors use key performance indicators (KPIs) to monitor and assess the group's performance. The figures in the table below outline the performance of the group for the year ended 31 March 2021 and for the comparative year ended 31 March 2020.

The principal KPIs are as follows:

	2021	2020
	£'000	£'000
Turnover	83,995	93,516
Gross profit	48,907	51,530
Earnings before interest, taxation, depreciation, amortisation and exceptional items ("EBITDAE")	21,016	20,901

The onset of the COVID-19 pandemic materially impacted the sale and subsequent delivery of both recurring and non-recurring products and services in the first half of the financial year. Despite a recovery in sales volumes in the second half of the year, turnover in the year ended 31 March 2021 was 10% lower than the prior year.

In contrast to the reduction in turnover overall, turnover in our key focus areas of Public Cloud, Cyber Security and Agile Workspace all increased year-on-year. An ongoing cost optimisation programme across all elements of cost of goods sales old mitigated the impact of the turnover reduction on gross profit, which declined by 5%.

Operating expenses were tightly controlled during the year and this, supported by use of the UK government's Coronavirus Job Retention Scheme for part of the year, meant that EBITDA increased by 1% compared to the year-ended 31 March 2020.

As at 31 March 2021, net liabilities of the Group were £231,516k (2020: £182,665k).

BEYOND CLOUD

The Group trades in the market as the brand "Six Degrees Group". During the year, the group has become a Microsoft Azure Expert MSP, one of only eight UK organisations to be awarded this accreditation. Six Degrees also has an Azure-aligned UK onshore Cyber Security Organisations Centre (CSOC), enabling customers to enhance their cyber maturity by quickly identifying and addressing cyber threats.

BEYOND CLOUD - continued

Six Degrees has also launched its new Beyond Cloud proposition, giving customers the most flexible, secure cloud services available so they can look beyond the day-to-day and focus on the future of their organisations. With its unrivalled range of secure cloud services, and the newly attained Microsoft Azure Expert MSP status, Six Degrees offers a compelling combination of managed services with high-calibre security expertise to UK businesses.

Six Degrees is a secure cloud services provider. It works as a collaborative technology partner to businesses making a digital transition. Always placing clients at the heart of its strategy, Six Degrees' passionate teams combine technical expertise and deep sector-specific knowledge to innovate, craft and manage the right solutions to power our clients' businesses. Six Degrees works collaboratively and builds long-term partnerships through exceptional services that match its clients' needs. It continually innovates to deliver solutions that go beyond the norm and that enable clients to take their organisations to the next level.

The Group is one of the UK's largest independent providers of secure cloud-led converged technology managed services, selling primarily to a UK large and mid-market customer base. We provide technology services that leverage both our own technology assets, including three data centres, cloud platforms and networks, and partner infrastructure so that we can address our clients' outsourcing needs. We have capabilities across multiple product categories, including but not limited to:

Cyber Security

Organisations face an increasingly complex and ever-changing security landscape with an escalating rate of cyber-attacks from an ever-more professional and organised cybercrime fraternity. Malicious attackers are increasingly treating security as a business by seeking out and leveraging weaknesses in organisations' holistic security ecosystems to steal and monetise stolen information. Using cybersecurity expertise and experience, and those of our best-in-class partners, the Group offers the soundest approach - a multi-layered security strategy, which provides multiple redundant safeguards to secure clients' organisations.

Cloud

The Group delivers and manages best-of-breed cloud services as one of the core pillars of its business. Since inception, the Group has built an extensive range of internal expertise to assist customers on their journey to the cloud. Highly scalable enterprise-grade cloud environments are hosted in the Group's own data centres, and utilise the Group's own Next Generation Network ("NGN") infrastructure. The Group provides customisable cloud solutions on cutting-edge, high-performance Dell and HP hardware. The cloud infrastructure has been designed to offer clients the flexibility, scalability and performance required to support their business solutions. Beyond the core Infrastructure as a Service (IaaS) capabilities, the Group offers additional services such as Backup as a Service (BaaS), Disaster Recover as a Service (DRaaS) as well as a range of managed service offerings.

Connectivity

At the centre of the business is the carrier-class 100Gb capable NGN. This network underpins every Group client. As the NGN is owned and operated by the Group, it allows the Group to deliver standard solutions whilst being nimble enough to deliver bespoke, customer-designed and complex solutions. The Group offers cost-effective solutions from single site Direct Internet Access (DIA) connectivity to private Wide Area Network (WAN) L3VPN and on-net L2VPN solutions. To ensure support is provided when it is needed, the Group has a customer portal that allows clients to raise incidents and change requests, as well as being a central location to review network utilisation.

BEYOND CLOUD - continued

Agile Workspace

The Group's aim is to enhance clients' working practices by ensuring they can communicate, collaborate and work more efficiently. We provide full end-to-end visibility of the complete call path rather than relying on third parties. These networks enable the Group to offer market-leading availability times for all UC services. Due to the breadth of the product portfolio, the Group is in a great position to help clients migrate from their legacy platforms to new cutting-edge technologies.

Colocation

Underpinning all of the core services are the Group's geographically diverse data centres. The Group operates three UK data centres specifically designed to meet its clients' cloud data and physical asset storage requirements and provide the highest levels of availability and security. From hybrid cloud to dedicated, high-security cages, the data centres offer clients the flexibility they need in order to meet their business requirements. The data centres are connected to the Groups NGN, providing clients with cost-effective, fast and low latency connectivity to the majority of data centres in the UK and Europe, as well as to the public cloud providers including AWS, Azure and Google. All of the data centres are supported by a 24x7 Service Management Centre and dedicated on-site facilities engineering teams, providing experienced technical expertise whenever required.

Managed Services

The Group offers a comprehensive suite of end-to-end IT Managed Services. These complement the existing Cloud, Connectivity and Agile Workspace offerings, and allow the Group to deliver a truly holistic service to clients. The Managed Services offerings allow clients to fully outsource their IT system management and support, enabling them to focus on their core business deliverables, safe in the knowledge that their systems are secure and running optimally. The Group's centralised Service Desk can deliver IT incident resolution to businesses throughout the world, operating on a 24x7 basis and staffed by a team of highly qualified and experienced engineers. The IT Managed Services suite delivers continuity and security through a range of best-in-class vendors, all managed by specialist product teams. The Group implements and manages antivirus, backup, disaster recovery, mail and web security, mobile device management and remote system monitoring and management on behalf of clients. These services integrate seamlessly, allowing clients to benefit from the highest levels of performance, uptime, security and availability, all with minimal management overheads.

Mobility

The Groups' mobility offering has been providing clients with the right mobile solutions for their business with a personal touch, far beyond what the networks could offer directly. The Group advises, administers and monitors clients' accounts in an honest way so that they can get what is best for their business. Further to this, the Group leverages its position in the industry to help reduce costs and consolidate the supply chain by delivering multi-network mobility solutions.

Each of the product groups noted above all contribute turnover across the three different revenue recognition profiles, namely monthly recurring revenue, non-recurring revenue and usage-based charges although due the very nature of the services provided , Some product groups will be more closely aligned to one revenue type due to the nature of the services provided. For example, subscription-based services delivered within the Cloud and Connectivity product groups are recognised on a recurring basis whereas Security services tend to be recognised on a non-recurring basis.

The Group manages turnover at a product group level with the nature of services delivered to clients deriving the contribution to each of the three criteria within reported turnover.

PRINCIPAL RISKS AND UNCERTAINTIES

Economic downturn

The success of the business may be affected by any downturn in the general economic environment. In particular, this could influence the availability of finance and the cost of that finance, clients' willingness and ability to take on services or invest in capital goods, client settlement patterns and the incidence of bad debts.

In response to this risk, senior management aim to keep abreast of economic conditions. Effective relationships are established with the group's bankers and other debt providers and there are regular reviews of clients' credit worthiness and debt levels.

In relation to the risk of economic downturn presented by Brexit, the United Kingdom formally left the European Union on 29 January 2020 and a new trade deal came into effect on 31 December 2020. Management have performed an updated risk assessment of the impact of the UK's exit and have concluded that there is limited direct risk due to trade being predominantly with United Kingdom based customers, costs are incurred mainly in the United Kingdom and with transactions denominated in sterling.

The potential impact on the Group of an economic downturn as a result of the COVID-19 pandemic has been assessed elsewhere within the Strategic Report.

Liquidity risks

While the addressable market for cloud based converged managed services provided by the Group has grown and is forecast to continue to grow, there is a level of uncertainty over the availability of finance available to fund the growth and as a result to what level the anticipated market growth will crystallise as additional revenue for the Group.

Whilst this uncertainty remains, a significant proportion of the Group's revenue is contracted and is recurring in nature which gives a high degree of visibility and predictability to revenue forecasts that provides a high degree of certainty on the liquidity forecasts and working capital position.

The Group seeks to mitigate any financial risk by ensuring that sufficient liquidity is available to meet foreseeable needs and to invest cash in assets safely and profitably in order to deliver a return on the investment.

As part of the refinancing that was completed in the previous year, the Group secured a Revolving Credit Facility amounting to £15.0m to support the working capital and liquidity needs of the business. Of this facility, £14.5m was drawn down in March 2020 in response to the COVID-19 pandemic and management's risk planning approach. This amount has been repaid in full during the current year such that the amount drawn down at March 2021 is nil.

Interest rate risk

The Group finances its operations through a combination of cash balances and committed external facilities in the form of bank loans. The Group manages its exposure to interest rate fluctuations by the acquisition of an interest rate cap, which limits the Group's exposure to fluctuations in GBP-LIBOR to a maximum of 1.8% on an amount equivalent to 75% of the principal loan facilities.

Credit risk

The Group's principal financial assets are cash and trade debtors. The principal credit risk arises from trade debtors. The Group 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 finance department on a regular basis.

PRINCIPAL RISKS AND UNCERTAINTIES - continued

Currency risk

The Group has limited exposure to translation and transaction foreign exchange risk as the significant majority of its transactions are conducted in sterling.

Price risk

The continued success of the Group may be affected by new entrants to the market place increasing competitive pricing pressure. To mitigate this, Management ensures that it is constantly abreast of the market so that the Group always offers high value products and services and maintains an ability to flex many costs directly in relation to changes in client demand.

Data protection and cyber security

The Group holds a significant volume of confidential data. Failure to comply with data privacy regulations and standards or weaknesses in internet security, either through an internal weakness or an external attack, may result in a major data privacy breach causing reputational damage to the Group's brand and possible financial loss. To mitigate this risk, the Group has extensive safeguards in place. The Group has the ISO 27001 accreditation and is subject to regular and frequent audits of this and the related procedures by external third parties.

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 as a whole with a number of industry sectors, most notably the hospitality and retail sectors being those where there has been 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 potential knock-on impact on the Groups' future financial position and performance in the going concern assessment.

When considering the impact of the COVID-19 pandemic and the steps required to mitigate those risks, the Group has identified the following areas:

People

Risks

- Employees becoming infected with the Coronavirus through either direct or indirect transmission with additional contagion risk to their immediate and extended support network.
- Ability to continue to deliver the client services and maintain productivity levels whilst working away from the office environment.

Mitigations and actions

- Continuation of working from home policy throughout periods of both lockdown and local easing with only a minimal number of employees being allowed to access company sites on an operational needs basis.
- Company-wide surveys and employee engagement to identify employees who may be at risk or whose circumstances mean that they may be adversely impacted so that contingencies and plans can be put into place.
- Ensuring that employees receive the appropriate level of support to enable them to maintain productivity levels.
- Regularly engagement with employees to understand if and when employees are ready to return to the office.

Outcomes

- Employees seamlessly moved to a home working policy with little or no impact on the levels of productivity.
- High levels of employee engagement has been maintained throughout the period through the proactive use of online meeting tools and the promotion of activities primarily designed to increase that engagement.
- Employee health and wellbeing has been maintained.
- A new Hybrid Working policy has been rolled out with a focus on employees working both from the office (once permitted and when everyone feels comfortable doing so) and from home.

Liquidity

Risks

- Reduction in collections as clients hold on to their cash or clients in the badly affected sectors going in administration.
- Suppliers enforcing stricter payment terms to offset the impact of above on their liquidity.

Mitigations and actions

- In March 2020, the Revolving Credit Facility was drawn down in full to ensure funds are available if required (this has been paid back in full during the year).
- Utilisation of Government VAT deferral scheme.
- Actively re-negotiated key supplier agreements to provide short term working capital improvements.
- Address the needs of clients seeking to extend payment terms in the short term by a period of 3 months.
- Increased frequency of reviews of working capital position with additional focus on the escalation process to ensure issues are resolved in short order.
- Additional working capital reporting requirements to Directors and ultimate controlling party.

Outcomes

- Successfully negotiated deferred payments terms with key clients and suppliers ensuring certainty of cash flow projections within the financial forecasts.
- The Revolving Credit Facility was drawn down in full in March 2020 to mitigate the liquidity risks identified; however, this has since been paid back in full by the year-end as the exposure was far lower than anticipated.
- Working capital performance remains in line with forecast.

CB-SDG Topco Limited

Group Strategic Report for the Year Ended 31 March 2021

Financial Performance

Risks

- Potential reduction in recurring/non-recurring revenue resulting from clients reviewing the services that they obtain from the Group to prepare for the "new normal".

Mitigations and actions

- Review of short-term profit and loss forecasts to incorporate forecast changes in the impacted sectors on a service/product group basis.
- Expansion into less-affected sectors to diversify existing customer base.
- Utilisation of Government Coronavirus Job Retention Scheme ("CJRS" scheme) in the areas of operational businesses that serve clients that have been adversely impacted by the virus to reduce the adverse EBITDA impact.

Outcome

- Reported EBITDA for the period to the date of this report in line with forecasts.
- The Group made use of the CJRS scheme predominantly in the first half of the year. By the end of Q3, only three employees remained in the scheme and by the year-end the Group was no longer utilising the scheme.

Whilst the full adverse impact of the COVID-19 pandemic on the wider UK economy continues to remain unclear, it is becoming increasingly apparent that the UK economy has suffered significantly as a result of the COVID-19 pandemic and that a full recovery will take significant time. For Six Degrees, the COVID-19 pandemic materially impacted the sale and subsequent delivery of both recurring and non-recurring products and services in the first half of the financial year ended 31 March 2021. Despite a recovery in sales volumes in the second half of the year, turnover in the year ended 31 March 2021 was 9% lower than the prior year. As the wider economy stabilises, the broad range of service lines and the product categories delivered by the group should mean that it is somewhat protected from periods of further economic difficulty, due to the breadth of sectors in which it operates. A number of areas in which the group operates have seen an increase in demand as a result of the pandemic, most notably Agile Workspace, Cloud Services and Cyber Security as those services allow clients to work on an agile and flexible basis and, as a result, have continued to present opportunities for growth.

In the short term this manifested itself in the form of assisting clients in moving to working remotely while maintaining employee productivity and without compromising IT security. In the medium and longer-term, the group has seen an improvement across those service lines that assist clients in delivering their new working practices.

Whilst appreciating there is an underlying level of uncertainty, based on the scenarios that have been prepared and considering the mitigating actions outlined above, the directors do not expect a long-term material impact on the stability of the business and as such the going concern basis adopted in the financial statements is appropriate.

REFINANCE OF EXTERNAL DEBT

In the prior year, the Group successfully completed a refinancing of its external debt and entered into a new facility with Ares Management Limited amounting to £169.0m, with a term of 7 years that falls due in April 2026. The Group secured additional committed facilities in the form of a Revolving Credit facility (for working capital purposes) of £15.0m and an acquisition facility of £20.0m to support future inorganic expansion. As at the balance sheet date, both the Revolving Credit facility and the acquisition facility are undrawn.

As part of the refinancing, on 28 March 2019 the Group listed Unsecured A Loan Notes with principal value £76.6m on the Bermuda Stock Exchange. As at the date of this report the listings remain active.

STRATEGY

During the year, the Group has continued its core strategy of striving to be the market leading provider of cloud led converged managed services to UK large and mid-market customers, underpinned by:

- creating a work environment that attracts and retains high calibre people
- delivering products and services that provide a brilliant client experience
- developing propositions and offers, tailored to clients' needs
- excellent operational execution

The Group has continued to invest in the development and implementation of its transformation programme that is delivering, on one platform, the ability to support our wide range of products and solutions via a consistent and coherent service model from inception, through to the launch, sale and implementation of those offerings. This single platform approach underpins the Group's strategic ambitions and organic growth capabilities.

The enhanced Group operating model will be a combination of the existing functional model and a solution-based approach; the focus of which is to eliminate ambiguity, drive an increase sense of accountability and allow the Group to offer a fully blended portfolio of products and services to specifically meet the bespoke needs of our customers across each sector speciality.

Coupled with the refreshed operating model, the transformation programme is enabling our extensive solutions and capabilities to be offered to all of our existing and new targeted clients. These capabilities are expected to provide additional revenue and EBITDAE growth opportunities for the group in the short and medium term.

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

The Group is required to disclose the global energy use and associated greenhouse gas (GHG) for which it is responsible. The reporting is due according to the number of tonnes of carbon dioxide equivalent (CO2-e)

Calculation methodology

The Group has assessed the GHG emissions and uses the 2019 emission conversion factors developed by the UK Department for Environment, Food and Rural Affairs ("Defra") and the Department for Business, Energy and Industrial Strategy in the calculation of the GHG emissions and intensity metrics.

The Group has applied the financial controls approach to the SECR requirements.

The scope of the GHG emissions assessment includes:

- Transport related energy consumption (Scope 1)
- Buildings related energy consumption (Scope 2)

Transport related energy usage includes employee owned vehicle fuel and hire car related travel.

Results

The table below shows the results for the period under review. As this is the first year of the reporting requirements, the Group has not included prior year comparatives.

	2021 tCO2-e	2020 tCO2-e
Direct emissions (Scope 1) - Travel related energy consumption	10.1	68.3
Indirect emissions (Scope 2) - Buildings related purchased energy consumption	5,050.1	5,032.7
Total tCO2-e (Scope 1 & 2)	5,060.2	5,101.1
Intensity metric: Scope 1 and 2 GHG emissions per average full time employee	11.3	11.4
Intensity metric: Scope 1 and 2 GHG emissions per £M turnover	60.2	54.5
Total energy consumption (kWh) (Scope 1&2 only)	19,799,481	19,969,210

Energy efficiency

The Group attempts to limit unnecessary energy usage wherever possible whilst ensuring the continuity of the operational delivery of the products and services provided by the Group. However, the Group does not currently have centrally managed carbon reduction or offsetting programmes.

DUTY TO PROMOTE THE SUCCESS OF THE COMPANY

Section 172 of the Companies Act 2006 requires the Directors to act in such a way that they consider, in good faith, would be the most likely to promote the success of the Group and Company for the benefits of its members as a whole, and in doing so have regards to:

- a) The likely consequences of any decision in the long term
- b) The interests of the company's employees
- c) The need to foster the company's business relationships with suppliers, customers and others
- d) The impact of the company's operations on the community and the environment
- e) The desirability of the company maintaining a reputation for high standard of business conduct
- f) The need to act fairly as between the members of the company

The Board confirms that, during the year, it has had due regard to the matters set out above. Further details as to how the Directors have fulfilled their duties with reference to relevant areas within these financial statements, are set out below.

Risk Management

The Board recognises the importance of identification, evaluation and management of the Group and Company's risks. Details of the principal risks and uncertainties of the Group and Company are set out on pages 4 to 6.

Employees

The Board is committed to the Group being a responsible employer and strives to create a working engagement where employees are informed and involved in the relevant decision-making processes so that they remain fully engaged. The Group's employment policies and related information set out in the Directors Report on pages 14 to 16.

Community and the environment

The Board recognises their responsibilities to making positive contributions to the community and achieving good environmental practices.

Business conduct and relationships

The Board recognises the importance of a strong culture that considers the best interests of its employees, business partners and shareholders alongside other external stakeholders including but not limited to clients, contractors and suppliers.

DUTY TO PROMOTE THE SUCCESS OF THE COMPANY

The level of engagement for each stakeholder group is set out as follows:

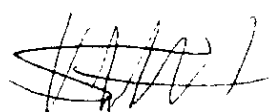
Stakeholder group	How the Board undertakes to deliver on its s172 obligations	Why do we engage
Investors	<p>The Annual Report and Financial Statements are laid before the company's shareholders at the Board Meeting immediately after the completion of the financial audit and the signing of the Annual Report and Financial statements.</p> <p>Provision of monthly management reporting packs, annual budget and forecasts where appropriate and regular business updates from the CEO/CFO.</p> <p>Investor representatives from the ultimate controlling undertaking are directors of the company, which provides for direct engagement and transparency of Board decision-making.</p>	To ensure the shareholders of the Group and Company maintain a detailed understanding of the ongoing performance of the business to provide them with the confidence that the agreed business strategy will deliver the medium and long-term financial targets.
Debt holders	<p>The Annual Report and Financial Statements are provided alongside annual compliance certificate.</p> <p>Provision of monthly management reporting packs, quarterly compliance certificates, annual budget and forecasts where appropriate and an annual business update from the CEO/CFO.</p>	As part of the Senior Facilities Agreement, there is a Legal obligation to provide the information. It is key for our debt holders to understand how the business is performing and the strategy in the short and medium term and the provision of this information is a key element of that process.
Clients	Continual collection, monitoring and review of the Net Promoter Score key performance indicator to ensure service delivery standards are being maintained and actions taken to remedy where required.	The Group's strong relationships with its clients are critical to achieving the long-term sustainable growth.

CB-SDG Topco Limited

Group Strategic Report
for the Year Ended 31 March 2021

Stakeholder group	How the Board undertakes to deliver on its s172 obligations	Why do we engage
Suppliers	The Group performs quarterly reviews with key suppliers to discuss the levels of performance for each of the services being provided by those suppliers and to ensure that the Service Level Agreement (SLA) targets are being achieved.	To actively promote a business partnering model whereby all concerned parties work together to deliver the benefit to the end user.

ON BEHALF OF THE BOARD:



S K Mitchell - Director

26 August 2021

CB-SDG Topco Limited

Report of the Directors for the Year Ended 31 March 2021

The directors present their report with the audited financial statements of the company for the year ended 31 March 2021.

PRINCIPAL ACTIVITY

The principal activity of CB-SDG Topco Limited ('the Company'), along with its subsidiaries, CB-SDG Holdco Limited, CB-SDG Midco Limited and CB-SDG Limited, is an investment vehicle for Charlesbank Capital Partners, LLC ('Charlesbank') within the United Kingdom.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2021.

RESULTS

The loss for the period, before taxation, was £49.0m (2020 - £53.3m)

The net liabilities of the Group were £231.5m (2020 - £182.7m).

MATTERS COVERED IN THE STRATEGIC REPORT

The strategic report can be found on pages 2 to 13. This contains the review of business, details of the Group's principal risks and uncertainties and strategy.

FUTURE DEVELOPMENTS

The directors aim to maintain the management policies of growth by both acquisition and organic growth. Management believe that growth in the coming year will be driven by gains in sales from continuing operations. Further detail on future developments are provided in the Strategic report on pages 2 to 13.

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 2020 to the date of this report.

R Carroll
M W Choe
D M Howson
S K Mitchell
K DesGarrenes
P Vaz

Other changes in directors holding office are as follows:

D G Norfolk - appointed 18 December 2020

S Crawley-Trice was appointed as a director after 31 March 2021 but prior to the date of this report.

D M Howson ceased to be a director after 31 March 2021 but prior to the date of this report.

POLITICAL DONATIONS

There were no political donations made during the year (2020 - £Nil).

GOING CONCERN

The directors have adopted the going concern basis in preparing the financial statements. When producing the financial budget and forecasts for the short and medium term that derive the Group's future cash and revenue projections, 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 onset of the covid-19 pandemic materially impacted the sale and subsequent delivery of both recurring and non-recurring products and services in the first half of the financial year. Usage based revenue in both Private Cloud and Voice saw a material reduction as client consumption patterns changed considerably. Uncertainty remains about the extent to which these patterns and associated usage volumes will return to pre-covid levels. In addition to the impact of Covid-19, the year ended 31 March 2021 also saw the full year impact of a number of client churn events experienced in the prior financial year. This particularly impacted revenue in our Connectivity, Private Cloud and Managed Workplace product. Despite a strong recovery in sales volumes in the second half of the year, turnover in the year ended 31 March 2021 was 10% lower than the prior year. In contrast to the reduction in turnover overall, turnover in our key focus areas of Public Cloud, Cyber Security and Agile Workspace all increased year-on-year. Collectively, revenue increased by 21% year-on-year across these three products.

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.

As at the balance sheet date, the Group has net current assets of £0.4m and net liabilities of £231.5m, primarily driven by future obligations due to the external investors and bank loans. 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 ('Charlesbank'), which is available until the earlier of (i) a period of 12 months from the date of the approval of the financial statements for the year ended 31 March 2021; and (ii) the date upon which Charlesbank disposed the Group.

As such, the directors are confident that the Group has the sufficient resources to meet its debt service obligations and to continue as a going concern for a period of not less than 12 months from the date of signing these financial statements.

DIVERSITY AND INCLUSION

The Group's diversity, equality and inclusion activities are led by its experienced, CIPD-accredited People Team.

DIVERSITY AND INCLUSION - continued

At Six Degrees, we believe in harnessing a truly diverse and inclusive (D&I) culture within our organisation. Our goal is to create a work culture where different perspectives and experiences are valued, diversity of thought is encouraged and there is fairness and equality of opportunity for all. We believe this will enable our people to grow, develop and be brilliant throughout their career, instilling inclusion within Six Degrees, and inspiring change in the wider community.

Six Degrees is not interested in paying lip-service to diversity and inclusion, and just observing our statutory duties. We recognise it is not enough to express a commitment to diversity and inclusion (D&I) in mission statements and policies; rather, we actively prioritise the embedding of D&I within our organisation and are take proactive steps to ensure our workplace is somewhere people feel safe to be their whole self, ask questions and talk openly. We are also an active member of the Employers Network for Equality and Inclusion (ENEI), who support us with our work to continually re-affirm our commitment to cultivating a workplace and society that embraces and vigorously defends equity, diversity and inclusion

Disabled employees

The Group considers applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the Group's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Equality

The Group operates a number of strategies and initiatives that support its equality aims, including:

Talent Acquisition: The Group seeks to employ the best person for the job, regardless of personal characteristics (protected or otherwise). The Group aims to attract candidates from a variety of backgrounds and assesses applicants against objective skill and behavioural frameworks. In addition to removing gender bias from its recruitment advertisements, the Group has proactively engaged with schools, universities and a wider range of organisations to ensure that our employees are reflective of the communities in which we operate. The Group is undertaking a number of initiatives and outreach activities to support younger people and women when entering the Science, Technology, Engineering and Mathematics sector and is currently targeting a minimum of one female candidate for every recruitment shortlist.

Learning and Development: The Group is committed to providing access to learning and development for all employees, and has set itself the internal target that 60% of all role opportunities are filled internally, by providing its people with the necessary skills and experience to progress. In the last financial year, a number of learning initiatives have served to promote understanding of diversity- and inclusion-related issues, including unconscious bias, recruitment training, legal obligations with respect to equality, and good management practice.

Employee Relations: The Groups' CIPD-accredited People Business Partners and People Advisors support employees and managers in managing the full range of issues which can arising in the workplace, giving due care to all aspects of equality, diversity and inclusion. This can include performance- or redundancy-related conversations, for example, ensuring that processes are best-practice.

DIVERSITY AND INCLUSION – continued

Employee Engagement: The Group operates a broad range of forums to support and promote diversity, equality and inclusion in the workplace. These are covered within the "360 Degrees Committee" and include, but are not limited to, the below sub-committees:

- 'Including Everyone, Everywhere' co-ordinates activities to raise awareness and support diversity and inclusion in the workplace;
- 'For The Benefit of Others' raises awareness of and supports fundraising and other beneficial activities for charitable organisations;
- 'Healthy Minds, Healthy Lives' focuses on mental health and well-being of our employees through agile working policies, social initiatives and adapting to working from home;
- 'Minority Awareness and Progression Community (MAPC)' provides a space for colleagues to come together and share their experiences and thoughts whilst also providing guidance to the 360 Degrees Team and the wider organisation on how to be better allies and how to provide support.

Reward and Recognition: The Group routinely reviews key elements of its reward strategy to ensure that is being fairly applied; for example, this may be through reviewing its Gender Pay Gap outcomes, reviewing the distribution of gender across organisation levels, respective rates of promotion/salary increase or access to bonus or other executive compensation arrangements.

Health and Wellbeing: The Group seeks to ensure at all times that its employees are best supported to achieve in their roles. The Group will engage specialist support (such as Occupational Health assessments) where there is a need for the organisation to better understand the needs of its people in order to put commensurate adjustments in place. The Group has also introduced a dedicated 'Healthy Minds, Healthy Lives' committee to advise and provide continued support to employees.

Community Engagement: The Group undertakes a significant amount of community-oriented activity. In addition to being a patron of MacMillan, the Groups' Corporate and Social Responsibility activity include diversity and inclusion-oriented activities, currently including the Future Frontiers programme (providing coaching for disadvantaged young people) and working with local schools to provide IT equipment for young people in need.

Employee involvement: The Group is committed not only to meeting its obligations with respect to consulting with employees where appropriate over matters that affect their employment, but also to ensuring that they are sufficiently well informed about company performance to adequately carry out their roles. Generally, this will include communication through monthly 'All-Hands' meetings, structured information cascades or team briefings, all of which encourage feedback and a free-flow of ideas.

Employees are also encouraged to understand and contribute to the Groups overall strategy and operations, through regular Employee Opinion Surveys (on the back of which significant action-planning takes place to address key areas of concern) as well as weekly 'pulse' surveys, quarterly performance discussions, issues-based forums such as the 'Back To The Future' exit from the COVID-19 lockdown programme and others. Employee engagement is principally facilitated and encouraged through the Groups' 360-Degrees employee forum, an employee-led forum that leads on diversity and inclusion but also encompasses the Groups leading on charitable and socially-oriented activities.

FINANCIAL RISK MANAGEMENT

The Group's financial risk management policy is outlined in the Group Strategic Report.

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 Group and Company 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", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and 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, 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 group and company will continue in business.

The directors are also responsible for safeguarding the assets of the Group and 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 group and company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

DIRECTORS' CONFIRMATIONS

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.

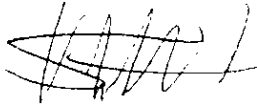
CB-SDG Topco Limited

Report of the Directors
for the Year Ended 31 March 2021

AUDITORS

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

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'S K Mitchell', written over a horizontal line.

S K Mitchell - Director

26 August 2021

Independent auditors' report to the members of CB-SDG Topco Limited

Report on the audit of the financial statements

Opinion

In our opinion, CB-SDG Topco Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2021 and of the group's loss and the group's cash flows 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", 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 Group Strategic Report, Report of the Directors and Audited Consolidated Financial Statements (the "Annual Report"), which comprise: the Consolidated and Company Balance Sheets as at 31 March 2021; the Consolidated Statement of Comprehensive Income, the Consolidated Cash Flow Statement, and the Consolidated and Company Statements 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 group 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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 Strategic report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Report of the Directors for the year ended 31 March 2021 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 group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and 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 group's and 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 group or 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to but not limited to applicable tax legislation and employment law and general data protection regulation (GDPR), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to manipulation of financial statement line items through manual journal postings and the use of inappropriate assumptions or management bias in determining accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations including *unusual or unexpected journal postings to the income statement*; and
- Reviewing the financial statement disclosures and agreeing to underlying supporting documentation.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

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 obtained 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 company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Kevin Reynard (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
26 August 2021

CB-SDG Topco Limited

Consolidated Statement of Comprehensive Income
for the Year Ended 31 March 2021

	Notes	2021 £'000	2020 £'000
TURNOVER	4	83,995	93,516
Cost of sales		<u>(35,088)</u>	<u>(41,986)</u>
GROSS PROFIT		48,907	51,530
Administrative expenses		<u>(69,915)</u>	<u>(73,109)</u>
		(21,008)	(21,579)
Other operating income	5	<u>878</u>	<u>-</u>
OPERATING LOSS	7	(20,130)	(21,579)
Analysed As:			
EBITDA		21,016	20,901
Depreciation	7	(5,785)	(6,465)
Exceptional Items	7	(1,426)	(2,612)
Amortisation	7	(33,935)	(33,402)
OPERATING LOSS	7	(20,130)	(21,579)
Interest receivable and similar income	9	<u>7</u>	<u>6</u>
		(20,123)	(21,573)
Interest payable and similar expenses	10	<u>(28,873)</u>	<u>(31,738)</u>
LOSS BEFORE TAXATION		(48,996)	(53,311)
Tax on loss	11	<u>146</u>	<u>1,056</u>
LOSS FOR THE FINANCIAL YEAR		(48,850)	(52,255)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(48,850)</u>	<u>(52,255)</u>

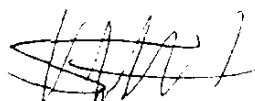
The notes form part of these financial statements

CB-SDG Topco Limited (Registered number: 09641615)

Consolidated Balance Sheet
31 March 2021

	Notes	2021 £'000	2020 £'000
FIXED ASSETS			
Intangible assets	14	112,384	143,305
Tangible assets	15	<u>13,698</u>	<u>17,535</u>
		<u>126,082</u>	<u>160,840</u>
CURRENT ASSETS			
Debtors	17	26,595	26,592
Cash at bank and in hand		<u>3,876</u>	<u>15,013</u>
		30,471	41,605
CREDITORS			
Amounts falling due within one year	18	<u>(30,053)</u>	<u>(42,598)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>418</u>	<u>(993)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		126,500	159,847
CREDITORS			
Amounts falling due after more than one year	19	<u>(358,016)</u>	<u>(342,513)</u>
NET LIABILITIES		<u>(231,516)</u>	<u>(182,666)</u>
CAPITAL AND RESERVES			
Called up share capital	22	-	-
Share premium account	23	2,272	2,272
Other reserves	23	(15,742)	(10,433)
Retained earnings	23	<u>(218,046)</u>	<u>(174,505)</u>
SHAREHOLDERS' FUNDS		<u>(231,516)</u>	<u>(182,666)</u>

The financial statements on pages 23 to 56 were approved by the Board of Directors and authorised for issue on 26 August 2021 and were signed on its behalf by:



S K Mitchell - Director

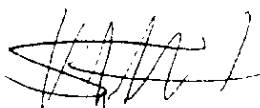
The notes form part of these financial statements

Company Balance Sheet

31 March 2021

		2021	2020
		£'000	As restated £'000
FIXED ASSETS	Notes		
Investments	16	<u>100,319</u>	<u>94,913</u>
CREDITORS			
Amounts falling due within one year	18	<u>(445)</u>	<u>(373)</u>
NET CURRENT ASSETS		(445)	(373)
Debtors: Amounts falling due after more than one year	17	<u>5,812</u>	<u>5,306</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		105,686	99,846
CREDITORS			
Amounts falling due after more than one year	19	<u>(89,950)</u>	<u>(84,165)</u>
NET ASSETS		<u>15,736</u>	<u>15,681</u>
CAPITAL AND RESERVES			
Called up share capital	22	-	-
Share premium account	23	2,272	2,272
Other reserves	23	(15,742)	(10,433)
Retained earnings	23	<u>29,206</u>	<u>23,842</u>
SHAREHOLDERS' FUNDS		<u>15,736</u>	<u>15,681</u>
Company's profit for the financial year		<u>55</u>	<u>47</u>

The financial statements on pages 23 to 56 were approved by the Board of Directors and authorised for issue on 26 August 2021 and were signed on its behalf by:



S K Mitchell - Director

The notes form part of these financial statements

CB-SDG Topco Limited

Consolidated Statement of Changes in Equity
for the Year Ended 31 March 2021

	Called up share capital £'000	Retained earnings £'000	Share premium account £'000	Other reserves £'000	Total equity £'000
Balance at 1 April 2019	-	(127,613)	2,272	(5,070)	(130,411)
Total comprehensive loss	-	(52,255)	-	-	(52,255)
Transfers	-	5,363	-	(5,363)	-
Balance at 31 March 2020	-	(174,505)	2,272	(10,433)	(182,666)
Total comprehensive loss	-	(48,850)	-	-	(48,850)
Transfers	-	5,309	-	(5,309)	-
Balance at 31 March 2021	-	(218,046)	2,272	(15,742)	(231,516)

The notes form part of these financial statements

CB-SDG Topco Limited

Company Statement of Changes in Equity
for the Year Ended 31 March 2021

	Called up share capital £'000	Retained earnings £'000	Share premium account £'000	Other reserves £'000	Total equity £'000
Balance at 1 April 2019	-	21,075	2,272	(5,070)	18,277
Prior year restatement	-	(2,643)	-	-	(2,643)
Balance at 1 April 2019, as restated	-	18,432	2,272	(5,070)	15,634
Changes in equity					
Total comprehensive income	-	1,553	-	-	1,553
Prior year restatement	-	(1,506)	-	-	(1,506)
Total comprehensive income (Restated)	-	47	-	-	47
Transfers	-	5,363	-	(5,363)	-
Balance at 31 March 2020	-	23,842	2,272	(10,433)	15,681
Changes in equity					
Transfers	-	5,309	-	(5,309)	-
Total comprehensive income	-	55	-	-	55
Balance at 31 March 2021	-	29,206	2,272	(15,742)	15,736

The notes form part of these financial statements

CB-SDG Topco Limited

Consolidated Cash Flow Statement
for the Year Ended 31 March 2021

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities			
Cash generated from operations	27	20,870	11,139
Interest element of finance lease payments paid		(215)	(355)
Tax credit received in relation to R&D		-	898
Net cash from operating activities		<u>20,655</u>	<u>11,682</u>
Cash flows from investing activities			
Payments for intangible fixed assets		(2,998)	(3,985)
Purchase of tangible fixed assets		(1,964)	(3,273)
Interest received		7	-
Net cash from investing activities		<u>(4,955)</u>	<u>(7,258)</u>
Cash flows from financing activities			
Proceeds from bank loans and overdrafts		-	183,500
New bank loans - borrowing		-	(6,298)
Repayment of bank loans and overdrafts		(14,545)	(135,107)
Loan notes (settled) / issued in year		-	(20,891)
Capital repayments in year		(1,919)	(2,144)
Interest paid		<u>(10,373)</u>	<u>(10,522)</u>
Net cash from financing activities		<u>(26,837)</u>	<u>8,538</u>
(Decrease)/increase in cash and cash equivalents		<u>(11,137)</u>	<u>12,962</u>
Cash and cash equivalents at beginning of year	28	<u>15,013</u>	<u>2,050</u>
Cash and cash equivalents at end of year	28	<u><u>3,876</u></u>	<u><u>15,013</u></u>

The notes form part of these financial statements

1. STATUTORY INFORMATION

CB-SDG Topco 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 General Information page.

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

The principal activity of CB-SDG Topco Limited ('the Company') is an investment vehicle for Charlesbank Capital Partners, LLC ('Charlesbank') within the United Kingdom.

2. ACCOUNTING POLICIES

Basis of preparation of the financial statements

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" 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 these financial statements are set out below and have been applied consistently to all years presented, unless otherwise stated.

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 group and company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, as disclosed in note 3.

The company has taken advantage of the exemption available from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the company's cash flows.

Going concern

The directors have adopted the going concern basis in preparing the financial statements. When producing the financial budget and forecasts for the short and medium term that derive the Group's future cash and revenue projections, 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 onset of the covid-19 pandemic materially impacted the sale and subsequent delivery of both recurring and non-recurring products and services in the first half of the financial year. Usage based revenue in both Private Cloud and Voice saw a material reduction as client consumption patterns changed considerably. Uncertainty remains about the extent to which these patterns and associated usage volumes will return to pre-covid levels. In addition to the impact of Covid-19, the year ended 31 March 2021 also saw the full year impact of a number of client churn events experienced in the prior financial year. This particularly impacted revenue in our Connectivity, Private Cloud and Managed Workplace product.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021

ACCOUNTING POLICIES - continued

Going concern - continued

Despite a strong recovery in sales volumes in the second half of the year, turnover in the year ended 31 March 2021 was 10% lower than the prior year. In contrast to the reduction in turnover overall, turnover in our key focus areas of Public Cloud, Cyber Security and Agile Workspace all increased year-on-year. Collectively, revenue increased by 21% year-on-year across these three products.

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.

As at the balance sheet date, the Group has net current assets of £0.4m and net liabilities of £231.5m, primarily driven by future obligations due to the external investors and bank loans. The directors have considered the Group's result for the year ended 31 March 2021 and the current financial performance to date against budget in the year 31 March 2022, 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 ('Charlesbank'), which is available until the earlier of (i) a period of 12 months from the date of the approval of the financial statements for the year ended 31 March 2021; and (ii) the date upon which Charlesbank disposed the Group.

As such, the directors are confident that the Group has the sufficient resources to meet its debt service obligations and to continue as a going concern for a period of not less than 12 months from the date of signing these financial statements

Basis of consolidation

The group consolidated financial statements include the financial statements of the company and all of its subsidiary undertakings made up to 31 March.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where a subsidiary has different accounting policies to the group, adjustments are made to those subsidiary financial statements to apply the group's accounting policies when preparing the consolidated financial statements.

Any subsidiary undertakings sold or acquired during the year are included up to, or from, the dates of change of control.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021

2. ACCOUNTING POLICIES - continued

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.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Turnover

Turnover 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.

The Group will recognise revenue when the following criteria have been met;

- the significant risks and rewards of ownership have been transferred to the buyer;
- the Group 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 Group's sales channels have been met.

Subject to the revenue recognition conditions noted above being met, the Group reports revenue within each product group as one of the following three categories:

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. Consultation services provided to clients within the Security product group that is billed on a periodic basis as the project progresses is reported in this category as it is non-recurring in nature.

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 with actual usage.

Goodwill

Goodwill arising on acquisitions is capitalised and amortised to the statement of comprehensive income on a straight line basis over its expected useful life. Goodwill is amortised over a period not exceeding 10 years.

Goodwill is assessed for impairment when there are indicators of impairment; any impairment is charged to the statement of comprehensive income. Reversals of goodwill impairment are recognised when the reasons for impairment no longer apply.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021

2. ACCOUNTING POLICIES - continued

Other intangibles

Expenditure on internally generated goodwill and brand is recognised in the statement of comprehensive income as an expense as is incurred.

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
Computer software	3 to 5
Development costs	3

Other intangibles - continued

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. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

In determining the amounts to be capitalised management makes assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

2. ACCOUNTING POLICIES - continued

Tangible assets

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.

Depreciation and residual values

Depreciation on tangible 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.

The estimated useful lives are as follows:

	Years
Freehold property	50
Long leasehold	25 (or the remaining useful life of the lease, if shorter)
Plant and machinery	3 to 7
Computer equipment	3 to 5
Fixtures and fittings	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.

Financial instruments

The Group 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 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.

2. ACCOUNTING POLICIES - 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.

(iv) Redeemable preference share capital

Within these financial statements, the redeemable preference share capital is accounted for as debt and dividends are treated as interest payable on the basis that payment is not within control of the Company. During the period, a 8% coupon rate dividend was accrued in respect of the Company's redeemable preference share capital.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated 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.

2. ACCOUNTING POLICIES - continued

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.

Foreign currencies

The company's functional and presentation currency is the pound sterling. Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

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.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

2. ACCOUNTING POLICIES - continued

Provisions

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Government grants

The group treats income received from both the Research and Development Expenditure Credit ("RDEC") and the Coronavirus Job Retention Scheme ("CJRS") in accordance with FRS 24 Government Grants, as required. The group chooses to recognise the RDEC grant using the performance model and, as such, the income is recognised as the performance related conditions are met. Once it becomes virtually certain that the claim has been approved and the grant will be paid, the company recognises the benefit. In accordance with FRS 102.24 Government Grants, for both the RDEC and CJRS, the group recognises the gross amount received as Other Operating Income.

Interest receivable and interest payable

Interest payable and similar charges include interest payable, finance leases recognised in profit or loss using the effective interest method and net foreign exchange losses that are recognised in the profit and loss account. Borrowing costs that are directly attributable to the acquisitions are capitalised as part of goodwill.

Other interest receivable and similar income includes interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit and loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payment is established. Foreign currency gains and losses are reported on a net basis.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCER

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.

Goodwill - useful economic life

Positive goodwill acquired on each business combination is capitalised, classified as an asset on the Consolidated Balance Sheet and amortised on a straight line basis over its useful life. The Directors consider goodwill to have an assumed useful economic life of 10 years, based on the nature of the markets it trades in and the obsolete nature of old technology and amortise accordingly. The Directors consider annually whether there are any indicators of impairment to goodwill.

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 Group will receive benefits from the software, but not exceeding the licence term. For unique software products controlled by the Group, 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 Group's amortisation charge.

Business combinations

The recognition of business combinations requires the excess of the cost of the business combination over the net book value of assets acquired to be allocated to the assets and liabilities of the acquired entity. The Group makes judgements and estimates in relation to the fair value allocation of the purchase price. If any unallocated portion is positive it is recognised as goodwill.

Impairment of non-financial assets

Where there are indicators of impairment of individual assets, the Group performs impairment tests based on the higher of 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 Group 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.

An impairment loss is reversed if, and only if, the reasons for impairment have ceased to apply. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, not of depreciation or amortisation, if no impairment loss had been recognised.

**CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION
UNCERTAINTY - continued****Exceptional items**

The Directors believe that separate presentation of exceptional items below EBITDA is relevant to an understanding of the group'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. Examples which have been included in the current and/or prior years include property rationalisation charges, business restructuring programmes and redundancies.

4. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	2021 £'000	2020 £'000
United Kingdom	82,543	90,570
Europe	244	299
Rest of World	1,208	2,647
	<u>83,995</u>	<u>93,516</u>

The Group operates in one principal area of activity, namely the provision of cloud led integrated managed data, security products and professional services.

5. OTHER OPERATING INCOME

	2021 £'000	2020 £'000
Research and Development Expenditure Credit	455	-
Coronavirus Job Retention Scheme	<u>423</u>	<u>-</u>
Other operating income	878	-

Research and Development Expenditure Credit (RDEC)

A group undertaking submitted a tax return through the RDEC scheme. Since the group has extensive losses available to offset its current tax liability, the amount claimed is received as a cash refund from Her Majesty's Revenue and Customs (HMRC).

Coronavirus Job Retention Scheme (CJRS)

The group joined the CJRS in April 2020 as part of the pandemic relief options offered by the government. There were 58 employees on furlough for a short period and majority of them returned to work within three months. The group has no employees on furlough at the date of this report. In accordance with the scheme guidance and FRS 102.24, the group has recognised this income as a government grant.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021

6. EMPLOYEES AND DIRECTORS

	2021	2020
	£'000	£'000
Wages and salaries	20,368	23,123
Social security costs	2,573	3,017
Other pension costs	794	818
	<u>23,735</u>	<u>26,958</u>

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

	2021	2020
Directors	2	2
Operations	313	329
Sales and Marketing	72	64
Administration	64	54
	<u>451</u>	<u>449</u>

The costs relating to those directors of the Company who are not employees of subsidiary undertakings are borne by the ultimate controlling entity. It is not practicable to allocate the costs relating to specific employees to individual entities within the Group.

The value of labour capitalised as part of Intangible Fixed Assets in the year under review and prior year is as follows:

	2021	2020
	£'000	£'000
Development costs	<u>2,789</u>	<u>3,392</u>

	2021	2020
	£	£
Directors' remuneration	667,949	720,717
Directors' pension contributions to money purchase schemes	<u>15,433</u>	<u>8,000</u>

Information regarding the highest paid director is as follows:

	2021	2020
	£	£
Emoluments etc	<u>461,006</u>	<u>519,950</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021

7. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	2021	2020
	£'000	£'000
Operating lease charge	957	1,411
Depreciation - owned assets	4,764	5,360
Depreciation - assets on finance leases	1,021	1,104
Goodwill amortisation	30,185	30,185
Development costs amortisation	3,308	2,695
Computer software amortisation	442	522
Auditors remuneration – statutory audit	146	169
Auditors remuneration - for tax compliance	52	52
Foreign exchange differences	(48)	(17)

8. EXCEPTIONAL ITEMS

	2021	2020
	£000	£000
Staff restructuring costs	614	1,164
Property costs	276	365
Refinance of external debt	-	247
M&A activity	37	193
Advisory fee	400	400
Other	99	232
Total	1,426	2,601

Staff restructuring costs

As part of the ongoing integration of the acquired businesses and a specific in-year review of the overall business operating model, a number of duplicate roles were identified that have been made redundant. The cost of making these roles redundant, including associated legal fees, are disclosed as exceptional as they are not in the normal course of business operations.

Property costs

Following acquisitions in prior years, the Group has continued to relocate staff in the acquired businesses to its existing offices, resulting in the legacy office locations becoming redundant. The Group has also continued to review its existing property portfolio and has sought to streamline this where possible. Once an exit is agreed, any subsequent or duplicated costs have been treated as exceptional, along with fees relating to the contractual negotiations.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021

EXCEPTIONAL ITEMS - continued

M&A activity

The Group continues to explore potential acquisition opportunities as it seeks to grow. During the year, costs have been incurred as the Group has considered potential opportunities. Since these potential opportunities did not convert to realised acquisitions, the Group has disclosed these costs as exceptional.

Advisory fee

The ultimate controlling party, Charlesbank Capital Partners LLC, charge a fee for services rendered in relation to ongoing business advice and operational and strategic support for the underlying trading performance of the Group.

Other

The Group has incurred expenditure on a number of items that are not considered to be in the normal course of the operational business. These include but are not limited to costs related to the decommissioning of legacy systems and final account settlement costs relating to the entity simplification programme from the prior year not previously provided for.

9. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021 £'000	2020 £'000
Interest from related parties	<u>7</u>	<u>6</u>

10. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021 £'000	2020 £'000
Interest on loan notes payable to parent undertaking	6,762	6,272
Term loans and overdrafts	15,526	18,656
Hire purchase	215	355
Interest on loan notes payable to related parties	1,061	1,092
Preference share dividend	<u>5,309</u>	<u>5,363</u>
	<u>28,873</u>	<u>31,738</u>

11. TAXATION

Analysis of the tax credit

The tax credit on the loss for the year was as follows:

	2021 £'000	2020 £'000
Current tax:		
UK corporation tax	<u>(146)</u>	<u>(1,056)</u>
Tax on loss	<u>(146)</u>	<u>(1,056)</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021

11. **TAXATION - continued**

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK.
The difference is explained below:

	2021 £'000	2020 £'000
Loss before tax	<u>(48,996)</u>	<u>(53,311)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	(9,309)	(10,129)
Effects of:		
Expenses not deductible for tax purposes	2,872	2,727
Income not taxable for tax purposes	(4)	(7)
Depreciation in excess of capital allowances	271	196
Adjustments to tax charge in respect of previous periods	(281)	(158)
Tax losses not recognised	430	1,478
Amortisation of goodwill	5,742	5,735
Tax paid/ (credit received) in relation to Research & Development	<u>133</u>	<u>(898)</u>
Total tax credit	<u>(146)</u>	<u>(1,056)</u>

Factors that may affect future tax charges

In the Budget held on 3 March 2021, the Government announced that the corporation tax charge will increase to 25% from 1 April 2023; however, this change has not yet been substantively enacted.

12. **INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME**

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021

13. PRIOR YEAR ADJUSTMENT

In the current financial year, management identified a computational error in the preference share dividend income. This error resulted in a material overstatement of the dividend income in 2020 and the prior financial years. Redeemable preference shares were issued by CB-SDG Holdco Limited to CB-SDG Topco Limited. The prior year restatement only affects the company and it does not affect the consolidated financial statements for the group since the transactions eliminate as intercompany transactions.

The error has been corrected by restating each of the affected financial statement line items for the prior periods as follows:

	31 March 2020 Original £000	31 March 2020 Restated £000
Dividend income	£6,912	£5,406
Retained earnings	£30,712	£29,206
Investments – preference share loan to subsidiary	£99,063	£94,913
		1 April 2019 £000
Investments – preference share loan to subsidiary		£2,643
Retained earnings		£2,643

14. INTANGIBLE FIXED ASSETS

Group

	Goodwill £'000	Development costs £'000	Computer software £'000	Totals £'000
COST				
At 1 April 2020	270,351	11,897	5,988	288,236
Additions	-	2,789	225	3,014
At 31 March 2021	270,351	14,686	6,213	291,250
AMORTISATION				
At 1 April 2020	132,767	6,926	5,238	144,931
Amortisation for year	30,185	3,308	442	33,935
At 31 March 2021	162,952	10,234	5,680	178,866
NET BOOK VALUE				
At 31 March 2021	107,399	4,452	533	112,384
At 31 March 2020	137,584	4,971	750	143,305

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021

15. TANGIBLE FIXED ASSETS

Group

	Freehold property £'000	Long leasehold £'000	Plant, machinery, fixtures and fittings £'000	Computer equipment £'000	Totals £'000
COST					
At 1 April 2020	3,850	10,909	9,601	22,474	46,834
Additions	-	-	201	1,747	1,948
At 31 March 2021	<u>3,850</u>	<u>10,909</u>	<u>9,802</u>	<u>24,221</u>	<u>48,782</u>
DEPRECIATION					
At 1 April 2020	365	6,716	8,189	14,029	29,299
Charge for year	<u>77</u>	<u>1,548</u>	<u>875</u>	<u>3,285</u>	<u>5,785</u>
At 31 March 2021	<u>442</u>	<u>8,264</u>	<u>9,064</u>	<u>17,314</u>	<u>35,084</u>
NET BOOK VALUE					
At 31 March 2021	<u>3,408</u>	<u>2,645</u>	<u>738</u>	<u>6,907</u>	<u>13,698</u>
At 31 March 2020	<u>3,485</u>	<u>4,193</u>	<u>1,412</u>	<u>8,445</u>	<u>17,535</u>

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

	Long leasehold £'000	Plant, machinery, fixtures and fittings £'000	Totals £'000
COST			
At 1 April 2020	6,711	4,121	10,832
Transfer to ownership	-	(751)	(751)
At 31 March 2021	<u>6,711</u>	<u>3,370</u>	<u>10,081</u>
DEPRECIATION			
At 1 April 2020	4,545	1,176	5,721
Charge for year	1,021	-	1,021
Transfer to ownership	-	(655)	(655)
At 31 March 2021	<u>5,566</u>	<u>521</u>	<u>6,087</u>
NET BOOK VALUE			
At 31 March 2021	<u>1,145</u>	<u>2,849</u>	<u>3,994</u>
At 31 March 2020	<u>2,166</u>	<u>2,945</u>	<u>5,111</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021

15. TANGIBLE FIXED ASSETS - continued

Group

During the year, leased items totalling £751k, with a NBV of £96k were fully paid and transferred from assets held under lease to owned assets

16. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings as restated £'000
COST	
At 1 April 2020	94,913
Additions	<u>5,406</u>
At 31 March 2021	<u>100,319</u>
NET BOOK VALUE	
At 31 March 2021	<u>100,319</u>
At 31 March 2020	<u>94,913</u>

Shares in group undertakings include preference share loan to a subsidiary amounting to £82,600k (2020: £77,291k).

CB-SDG Topco LimitedNotes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021**16. FIXED ASSET INVESTMENTS - continued**

Details of the investments in which the Company (unless indicated) holds 20% or more of the nominal value of any class of share capital are as follows:

Name	Nature of Business	Interest
CB-SDG Holdco Limited	Holding company	100% preference and ordinary share capital
CB-SDG Midco Limited	Holding company	100% ordinary share capital
CB-SDG Limited	Holding company	100% ordinary share capital
<i>Six Degrees Holdings Limited</i>	<i>Holding company</i>	<i>100% ordinary share capital</i>
Six Degrees Technology Limited	Holding company	100% ordinary share capital
Six Degrees Investments Limited	Holding company	100% ordinary share capital
Convergent Holdings (London) Limited	Holding company	100% ordinary share capital
Six Degrees Property Limited	Property investment	100% ordinary share capital
Six Degrees Technology Group Limited	Trading	100% ordinary share capital
BIS Limited	Trading	100% ordinary share capital
Capital Support Inc	Trading	100% ordinary share capital
Carrenza B.V.	Trading	100% ordinary share capital
Convergent Network Solutions Limited	Trading	100% ordinary share capital
BIS Datacentres Ltd	Dormant	100% ordinary share capital
C24 Ltd	Dormant	100% ordinary share capital
Capital Support Group Limited	Dormant	100% ordinary share capital
Capital Support Limited	Dormant	100% ordinary share capital
Carrenza Limited	Dormant	100% ordinary share capital
CNS HUT3 Limited	Dormant	100% ordinary share capital
Convergent Employee Benefit Trust Limited	Dormant	100% ordinary share capital
Convergent Managed Services Limited	Dormant	100% ordinary share capital
Insite Limited	Dormant	100% ordinary share capital
Sunrise Associates Limited	Dormant	100% ordinary share capital
Sunrise Group Holdings Limited	Dormant	100% ordinary share capital
Sunrise Unified Solutions Limited	Dormant	100% ordinary share capital
SKD 1 Limited	Dormant	100% ordinary share capital
SKD 2 Limited	Dormant	100% ordinary share capital
SKD 3 Limited	Dormant	100% ordinary share capital
SKD 4 Limited	Dormant	100% ordinary share capital
SKD 5 Limited	Dormant	100% ordinary share capital
SKD 6 Limited	Dormant	100% ordinary share capital
SKD 8 Limited	Dormant	100% ordinary share capital
SKD 15 Limited	Dormant	100% ordinary share capital
SKD 17 Limited	Dormant	100% ordinary share capital
SKD 18 Limited	Dormant	100% ordinary share capital
SKD 19 Limited	Dormant	100% ordinary share capital
SKD 20 Limited	Dormant	100% ordinary share capital
SKD 21 Limited	Dormant	100% ordinary share capital

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021

16. FIXED ASSET INVESTMENTS - continued

The company's investment in CB-SDG Holdco Limited is direct ownership; all other investments are indirect ownership.

All subsidiaries are incorporated in the United Kingdom except Carrenza B.V. which is incorporated in the Netherlands and Capital Support Inc which is incorporated in the USA.

The registered office of the above companies is Commodity Quay, St Katharine Docks, London E1W 1AZ with the exception of Carrenza B.V. which is registered at Barbara Stozzilaan 101, 1083H and Capital Support Inc which is registered at Suite B 1675 S. State St., Dover, Kent 19901 DE.

17. DEBTORS

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	12,253	15,108	-	-
Amounts owed by parent undertakings	83	69	-	-
Other debtors	3,082	3,779	-	-
Tax receivable	-	57	-	-
Prepayments and accrued income	11,177	7,579	-	-
	<u>26,595</u>	<u>26,592</u>	<u>-</u>	<u>-</u>
Amounts falling due after more than one year:				
group undertakings	<u>-</u>	<u>-</u>	<u>5,812</u>	<u>5,306</u>
Aggregate amounts	<u>26,595</u>	<u>26,592</u>	<u>5,812</u>	<u>5,306</u>

Amounts owed by parent undertakings are repayable on demand and interest is applied at 9%.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Bank loans and overdrafts (see note 20)	3,255	17,800	-	-
Finance leases (see note 21)	1,991	1,920	-	-
Trade creditors	6,465	5,310	5	-
Amounts owed to parent undertakings	-	-	440	374
Tax	-	334	-	-
Social security and other taxes	4,711	2,979	-	-
Other creditors	2,003	2,115	-	(1)
Derivative financial instruments	-	1	-	-
Accruals and deferred income	11,628	12,139	-	-
	<u>30,053</u>	<u>42,598</u>	<u>445</u>	<u>373</u>

Amounts owed to parent undertakings are repayable on demand and interest is applied at 9%.

As at the balance sheet date, the Group utilised the UK Government's VAT Payment Deferral Scheme and did not make payment of the VAT liability for the quarter-ended 31 March 2020. The value of the outstanding liability is disclosed within social security and other taxes.

Derivative financial instruments - Interest rate cap

The Group has entered into an interest rate cap derivative financial instrument to limit its exposure to interest rate volatility. The interest rate cap was entered in to on 31 May 2019 and limits exposure to interest rates of 1.8% above LIBOR. The notional value of this financial instrument is £126,900,000.

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

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Loan notes payable to related parties (see note 20)	12,858	11,828	7,350	6,874
Bank loans (see note 20)	170,426	165,715	-	-
Loan notes payable to group undertakings (see note 20)	173,438	161,367	82,600	77,291
Finance leases (see note 21)	1,273	3,263	-	-
Other creditors	<u>21</u>	<u>340</u>	<u>-</u>	<u>-</u>
	<u>358,016</u>	<u>342,513</u>	<u>89,950</u>	<u>84,165</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021

20. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Amounts falling due within one year or on demand:				
Bank loans and overdrafts	<u>3,255</u>	<u>17,800</u>	<u>-</u>	<u>-</u>
Amounts falling due in more than five years:				
Repayable otherwise than by instalments				
Loan notes payable	12,858	11,828	7,350	6,874
Bank loans - >5 yrs	170,426	165,715	-	-
Loan notes payable to parent undertaking	90,838	84,076	-	-
Preference shares	<u>82,600</u>	<u>77,291</u>	<u>82,600</u>	<u>77,291</u>
	<u>356,722</u>	<u>338,910</u>	<u>89,950</u>	<u>84,165</u>

Details of loans

Bank loans

Included in loans due within one year or on demand is £0m (2020 - £14.5m) for a revolving bank credit facility with interest charged at LIBOR + 3.5%. This was fully repaid during the year. The total committed facility is £15.0m and the expiration date of the facility is 3 April 2026.

Included in loans falling due after more than five years are term loans with total principal value £175.4m (2020 - £169.0m) that were entered in to as part of the refinancing of the Group. Under the terms of the loans, cash interest is charged at a rate of 5.00% over LIBOR and interest payable as Payment-in-Kind notes is charged at 2.125%. Capital is only repayable at the end of the term loan on 3 April 2026.

Amounts falling due after more than five years also includes the bank loan arrangement fees. The arrangement fees are being amortised over the life of the loan and the value of fees unamortised as at the balance sheet date was £5.0m (2020 - £6.0m).

The bank loan facilities are subject to successfully passing a financial condition test as set out in the Senior Facilities Agreement and apply to the consolidated financial statements of CB-SDG Midco Limited group, a intermediate group within the CB-SDG Topco Limited group of companies. As at the balance sheet date the financial condition test was passed and based on current forecasts the directors expect the financial condition test to be passed at each quarter end date for a period of not less than 12 months from the date of signing of the financial statements which is further explained note 2.

20. LOANS - continued

Loan notes payable to related parties

Loan notes payable to related parties encompasses unsecured 8% loan notes issued by the Company and the immediate subsidiary undertaking and are held by private investors. Interest payable is charged at 8% and is capitalised on an annual basis. The loan notes issued by the Company and the immediate subsidiary undertaking are both due for settlement in 2028.

Loan notes payable to parent undertaking

Loan notes payable encompasses unsecured 8% loan notes issued by the immediate subsidiary undertaking and are held by the ultimate parent undertaking. Interest payable is charged at 8% and is capitalised on an annual basis. The loan notes issued are due for settlement in 2028.

Redeemable preference shares

Preference shares carry an entitlement to a dividend of 8% per share per annum on the Subscription Price and may be redeemed at any time at the option of the Company, subject to the Investor's consent and are redeemable on sale of the business. Holders of the share have the right on a winding up to receive, in priority to any other classes of shares, the full amount paid for each share and any unpaid coupon rate dividends.

Details of shares shown as liabilities are as follows:

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021	2020 as restated
			£	£
66,857,992	Preference	0.001 p	<u>77,291,170</u>	<u>77,291,170</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021

21. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

Group

	Finance leases	
	2021	2020
	£'000	£'000
Gross obligations repayable:		
Within one year	2,115	2,136
Between one and five years	<u>1,311</u>	<u>3,426</u>
	<u>3,426</u>	<u>5,562</u>
Finance charges repayable:		
Within one year	124	216
Between one and five years	<u>38</u>	<u>163</u>
	<u>162</u>	<u>379</u>
Net obligations repayable:		
Within one year	1,991	1,920
Between one and five years	<u>1,273</u>	<u>3,263</u>
	<u>3,264</u>	<u>5,183</u>

Group

	Non-cancellable operating leases	
	2021	2020
	£'000	£'000
Within one year	1,154	1,219
Between one and five years	3,267	3,977
In more than five years	<u>2,307</u>	<u>2,695</u>
	<u>6,728</u>	<u>7,891</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021

22. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £	2020 £
874,578 (2020 - 874,578)	A Ordinary	0.001p	9	9
74,875 (2020 - 74,875)	B Ordinary	0.001p	1	1
4 (2020 - 4)	D Ordinary	£50.00	200	200
903,334 (2020 - 930,221)	E Ordinary	0.001p	9	8
15,989 (2020 - 15,989)	F Ordinary	0.000001p	-	-
	Redeemable preference shares			
66,857,992 (2020 - 66,857,992)		0.001p	669	669
			<u>888</u>	<u>887</u>

As at 31 March 2021, the ordinary share capital comprised of "A" ordinary shares, "B" ordinary shares, "D" ordinary shares, "E" ordinary shares and "F" ordinary shares.

"A" ordinary shares and "D" ordinary shares rank pari passu with each other in respect of voting rights. "B" ordinary shares, "E" ordinary shares and "F" ordinary shares have no voting rights attached.

"F" ordinary shares rank highest in respect of dividend payments, provided that the preference shareholders have received their return. After the payment of dividends to the "F" ordinary shareholders and to the preference shareholders, "E" ordinary shareholders shall be entitled to share in 15% of the remaining balance being distributed amongst the remaining holders of ordinary shares. "A" ordinary shares, "B" ordinary shares and "D" ordinary shares then rank pari passu with each other in respect of dividend payments and are entitled to share in 85% of the remaining balance being distributed amongst the holders of ordinary shares.

"F" ordinary shares rank highest in respect of the return of capital upon liquidation or otherwise. On return of capital, the amount shall be distributed to the "F" ordinary shareholders pro-rata to the number of "F" ordinary shares held by them (ranking ahead of the preference shareholders). "E" ordinary shares rank after the "F" ordinary shares and the preference shares for the rights to a return of capital. "A" ordinary shares, "B" ordinary shares and "D" ordinary shares then rank pari passu with each other in respect of the return of capital.

The preference shares are redeemable and the company shall (unless directed to the contrary by an investor director) redeem all of the preference shares that are then in issue, immediately before an exit. The Company recognises its preference shares within non-current liabilities rather than equity.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021

23. **RESERVES**

Group

	Retained earnings £'000	Share premium account £'000	Other reserves £'000	Totals £'000
At 1 April 2020	(174,505)	2,272	(10,433)	(182,666)
Deficit for the year	(48,850)			(48,850)
SoCIE line item with acc967/33	<u>5,309</u>	<u>-</u>	<u>(5,309)</u>	<u>-</u>
At 31 March 2021	<u>(218,046)</u>	<u>2,272</u>	<u>(15,742)</u>	<u>(231,516)</u>

Company

	Retained earnings £'000	Share premium account £'000	Other reserves £'000	Totals £'000
At 1 April 2020	23,842	2,272	(10,433)	15,681
Profit for the year	55			55
SoCIE line item with acc967/33	<u>5,309</u>	<u>-</u>	<u>(5,309)</u>	<u>-</u>
At 31 March 2021	<u>29,206</u>	<u>2,272</u>	<u>(15,742)</u>	<u>15,736</u>

Share premium

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

Other reserves

This reserve enables the maintenance of capital in respect of holders of the 8% redeemable preference shares which are classified as liabilities within "Creditors: amounts falling due within one year". As at the balance sheet date, no amount has been paid in respect of these preference shares.

Transfers between other reserve and called up share capital are recognised to maintain the correct amount of preference shares due to the cumulative preference share coupon dividend. The value of the transfer is £5,309k (2020 - £5,363k).

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021

24. RELATED PARTY DISCLOSURES

During the year, the Group was charged an Advisory fee of £400,000 (2020 : £400,000) by its ultimate shareholder Charlesbank Capital Partners LLC. This advisory fee relates to ongoing advice provided to support the ongoing trade of the Group. The balance owing at the year end was £1,493,000 (2020 : £1,093,000). This balance is payable on demand and interest free.

During the year, a group undertaking engaged with Ciao Consulting Limited for the provision of consultancy services, including coaching and mentoring activities of employees. Mr D Norfolk is a director of both Ciao Consulting Limited and CB-SDG Topco Limited (the ultimate parent company of the company). The amount invoiced during the year-ended 31 March 2021 was £54,000 (2020: £nil), of this £39,000 was outstanding at the year-end (2020: £nil)

During the year, a group undertaking provided colocation services to Park Place Technologies Limited. CB-SDG Midco Limited and Park Place Technologies Limited share the same ultimate shareholder, Charlesbank Capital Partners LLC. The amount invoiced during the year-ended 31 March 2021 was £197,799 (2020: £44,023), of this £15,690 was outstanding at the year-end (2020: £2,659)

25. EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period to disclose.

26. CONTROLLING PARTY

The Company's immediate parent and ultimate parent undertaking is CB-SDG Jersey Limited, a company registered in the Bailiwick of Jersey.

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

27. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2021 £'000	2020 £'000
Loss before taxation	(48,996)	(53,311)
Depreciation and amortisation charges	39,721	39,866
Finance costs	28,873	31,738
Finance income	(7)	(6)
	19,591	18,287
(Increase)/decrease in trade and other debtors	(429)	1,250
Increase/(decrease) in trade and other creditors	1,708	(8,398)
Cash generated from operations	20,870	11,139

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021

28. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2021

	31/3/21	1/4/20
	£'000	£'000
Cash and cash equivalents	<u>3,876</u>	<u>15,013</u>

Year ended 31 March 2020

	31/3/20	1/4/19
	£'000	£'000
Cash and cash equivalents	<u>15,013</u>	<u>2,050</u>

29. ANALYSIS OF CHANGES IN NET DEBT

	At 1/4/20 £'000	Cash flow £'000	At 31/3/21 £'000
Net cash			
Cash at bank and in hand	<u>15,013</u>	<u>(11,137)</u>	<u>3,876</u>
	<u>15,013</u>	<u>(11,137)</u>	<u>3,876</u>
Debt			
Finance leases	(5,183)	1,919	(3,264)
Debts falling due within 1 year	(17,800)	14,545	(3,255)
Debts falling due after 1 year	<u>(338,910)</u>	<u>(17,812)</u>	<u>(356,722)</u>
	<u>(361,893)</u>	<u>(1,348)</u>	<u>(363,241)</u>
Total	<u>(346,880)</u>	<u>(12,485)</u>	<u>(359,365)</u>

30. SUBSIDIARIES EXEMPT FROM AUDIT AND CONTINGENT LIABILITY

The Company has guaranteed the liabilities of the following subsidiaries in order that they qualify for the exemption from audit under Section 479A of the Companies Act 2006 in respect of the year ended 31 March 2021. As a condition of the exemption, the Company has guaranteed the year-end liabilities of the relevant subsidiaries until they are settled in full.

Company	Company Number	Amount Guaranteed '000s
Six Degrees Investments Limited	07652542	120,126
Six Degrees Property Limited	07623054	
Six Degrees Technology Limited	07623061	
BIS Limited	04037250	
Convergent Network Solutions Limited	03750954	
Convergent Holdings London Limited	07722329	

In the prior year, the following group companies took the audit exemption under Section 479A. The exemption has not been taken in the year ending 31st March 2021:

Company	Company Number	Amount Guaranteed '000s
BIS Datacentres Ltd	03740487	-
Capital Support Group Limited	08025896	2,577
Capital Support Limited	04375903	-
Sunrise Group Holdings Limited	07633745	-
Sunrise Associates Limited	06373049	-
Sunrise Unified Solutions Limited	07712155	-
C24 Ltd	06972877	-
Insite Limited	02899725	-
Carrenza Limited	04189775	-
CNS HUT3 Limited	07723177	-

31. GOVERNMENT GRANTS

The Group made use of two further government grant schemes in the year being the Coronavirus Job Retention Scheme (CJRS) and Research and Development Expenditure Credit scheme (RDEC). Please see note 5, Other Operating Income, for further information.