REGISTERED NUMBER: 13997347 (England and Wales)

Group Strategic Report,

Report of the Directors and

Audited

Consolidated Financial Statements

for the Period 23 March 2022 to 31 March 2023

for

6DG Topco Limited

Contents of the Consolidated Financial Statements for the Period 23 March 2022 to 31 March 2023

6DG Topco Limited

Company Information
for the Period 23 March 2022 to 31 March 2023

DIRECTORS:	R Carroll M Choe P Vaz S Crawley-Trice D G Norfolk M McGuire D Manuel
REGISTERED OFFICE:	Commodity Quay St Katharine Docks London E1W 1AZ
REGISTERED NUMBER:	13997347 (England and Wales)
INDEPENDENT AUDITOR:	Grant Thornton UK LLP Chartered Accountants and Statutory Auditors 17th Floor 103 Colmore Row Birmingham B3 3AG

Group Strategic Report
for the Period 23 March 2022 to 31 March 2023

The Directors present their strategic report, the report of the Directors and the consolidated financial statements of 6DG Topco Limited ("the Company") and its subsidiaries ("the Group") for the period ended 31 March 2023.

REVIEW OF BUSINESS

The company was incorporated on 23 March 2022. On 29 March 2022, the company acquired 100% of the share capital of CB-SDG Midco Limited, via its wholly owned subsidiary 6DG Holdco Limited. There is no additional trading activity within the Group above that of the acquired companies.

The Group is preparing first-year accounts hence no comparative information is provided; however, CB-SDG Midco Limited has traded for a number of years so an assessment of the performance of the Group, relative to the prior year, is provided for full context.

Throughout the period under review, the Group has retained focus on achieving its objective of being the UK's number one provider of secure, integrated cloud services. To continually strive towards this objective, the Group works to enable organisations to thrive in the cloud through secure solutions, powered by our passionate people.

At the start of this financial year, the business had embarked on a wide ranging, multi-year transformation programme that underpinned its 3 year plan and that included:

- Changes to the Executive team;
- Investments in sales and service delivery management capabilities;
- Investment in, and launch of, new products;
- Standardisation and simplification of our products, systems, processes and data.

This was all underpinned by a commitment to an improvement in day to day customer service.

In order to allow management to fully achieve their ambitious plans, the scope of the transformation programme has been extended in the year. The external environment saw the Group needing to address the cost-of-living crisis for our employees, at the same time as dealing with higher interest rates, and rising inflation.

The combined impact of this has been that the Group's financial performance has been below expectation, particularly for the second half of the year under review. Whilst the acquired Group has been broadly successful in halting the 4-year decline in revenue, EBITDAE has roughly halved compared to the prior year due to the impact of a slowdown in the Group's professional services business, which has a relatively fixed cost base, a shift in sales mix to lower margin products and cost inflation. The investment in the period under review, has inevitably reduced EBITDA but is expected to help drive long-term growth.

In response to this, the Group has undertaken a review of its capital structure to ensure that the business is best placed to deliver its objectives moving forward. Critically, in FY24 the Group has undertaken a further Capital Restructure, with the support of its stakeholders, to reset the level of external debt within the Group. This Capital Restructure has seen long term debt reduced to £100m, a reset of facility covenants and an injection of £10m of cash. The Directors believe this puts the Group on a solid financial foundation to deliver its ambitious growth plans.

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 period ended 31 March 2023.

The principal KPIs are as follows:

	2023 £'000
Turnover	80,888
Gross profit	40,878
Earnings before interest, taxation, depreciation, amortisation, exceptional items and non-underlying items ('EBITDAE')	6,948
Net cash from operating activities	(11,839)
Liquidity	10,794

The acquired Group was broadly successful in stopping the 4-year plus decline in turnover. The main reasons behind this were the steps taken to improve bookings, reduce churn and make tactical changes to pricing. The Group also had a record-breaking year for Mobile bookings, which positively impacted revenue and gross margin.

Gross profit has declined in the year due to three reasons. Firstly, the Group has incurred higher rental costs for the Datacentre that was included in the sale and leaseback agreement in the prior year. Secondly, the product mix of new sales has been at a lower margin as customers have migrated to recurring monthly revenue contracts. Thirdly, there was a slow down in the demand for professional services, the Group took the decision to retain staff through this slow down which had a short term impact on profitability but was in the Group's long term best interest.

The increase in the level of inflation in the UK has specifically required the Group to respond with cost-of-living increases for its people. The Group is proud of its response and the support offered to its people, but this has inevitably affected operating margins and profitability. Whilst this was partially offset by the price changes introduced in the year, not all additional spending to address the cost-of-living crisis was able to be fully offset. This, in turn, has reduced both gross profit and operating profit year on year.

EBITDAE has fallen in the year, but this reflects management's commitment to investing in the Group and its people. As highlighted above, additional costs have been incurred in relation to property, rising energy costs and implementing a cost-of-living increase.

During the year, the Group saw significant improvements in cash management, which allowed the previously fully drawn down RCF of £15.0m to be wholly repaid during the year. The Group also saw particularly strong results for cash collections, with a particular focus on the resolution of old and disputed debt. Whilst liquidity initially appears weaker than in the prior year, much of the reason for FY22 being so strong was driven by one off events relating to the Group restructure and the sale and leaseback of a previous freehold property.

Net cash from operating activities is an outflow of £11.8m. Much of this is driven by the movement in exceptional costs year on year, specifically the cash outflows relating to the new transformation programme and the Group's ongoing review of its property portfolio.

As at 31 March 2023, net liabilities of the Group were £133.6m.

Secure, Integrated Cloud Services
The Group trades in the market as the brand "Six Degrees". The Group remains a Microsoft Azure Expert MSP and is very proud that it is one of the few UK organisations to be awarded this accreditation. Six Degrees also has an Azure-aligned Cyber Security Organisations Centre (CSOC), enabling customers to enhance their cyber maturity by quickly identifying and addressing cyber threats. The Group is also a proud member of the Microsoft Intelligent Security Association (MISA), which is an exceptionally difficult accreditation to achieve. With its unrivalled range of secure cloud services, and Microsoft Azure Expert MSP status, Six Degrees continues to offer an unrivalled coupling of managed services with high-calibre security expertise to UK businesses.

Six Degrees is a secure, integrated 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. It provides technology services that leverage both its own technology assets, including data centres, cloud platforms and networks, and partner infrastructure so that it can address its clients' outsourcing needs. It has capabilities across multiple product categories, including but not limited to:

1. 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 expansive 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 centre 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 Recovery as a Service (DRaaS) as well as a range of managed service offerings.

Six Degrees has recently made Public Sector Private Cloud and Hyperscale Public Cloud a key focus area. The Group works closely with organisations throughout the UK public sector, and our Public Sector Private Cloud is trusted by Central Government departments, Local Authorities and more to host services that keep Britain running. The Group's Microsoft Azure Expert status and unique cloud adoption methodology builds on Microsoft's established Cloud Adoption Framework and introduces mature cyber security capabilities to deliver secure, high performance Microsoft Azure deployments that are purpose built to align with its client's cloud drivers.

2. 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.

3. 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. The Group provides Foundational Connectivity Services such as Dedicated Internet Access, MPLS and Virtual Point to Point Services. The NGN also used to support the Group SD-WAN service, offering Secure Network Generation networking to support customer Cloud and Software as a Service Adoption.

4. Agile Workspace
The Group's aim is to enhance clients' working practices by ensuring they can communicate, collaborate and work more efficiently. It provides 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 Agile Workspace 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.

5. Colocation
Underpinning all the core services are the Group's geographically diverse data centres. The Group operates two UK data centres and it sublets additional space in a number of third party 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 the data centres are supported by a 24x7 Service Management Centre and dedicated on-site facilities engineering teams, providing experienced technical expertise whenever required.

6. Managed Services
The Group offers a comprehensive suite of end-to-end IT Managed Services, covering Hybrid Cloud, Cyber Security, Connectivity, Voice, Moder Work and Mobile technology, allowing the Group to deliver a truly holistic service to clients. The Managed Services offerings allow clients to choose between last-line expert support services and fully outsourced IT solutions, 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 and Security Operations Centre 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, coupled with extensive professional service offerings to support transformation and migration projects of any size. These offerings integrate seamlessly, allowing clients to benefit from the highest levels of performance, uptime, security and availability, all with minimal management overheads.

7. Mobile
The Group's mobile 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. 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.

ACQUISITION OF CB-SDG MIDCO GROUP
On 29 March 2022, 6DG Topco Limited, via its wholly owned subsidiary 6DG Holdco Limited, acquired 100% of the share capital of CB-SDG Midco Limited:

	£'000
Fair value of consideration and costs of acquisition	**22,598**
Goodwill acquired	**165,713**

This acquisition, and the funding of it, was linked to the wider capital restructure that the CB-SDG Midco Limited group undertook at the same time.

At the period-end, management assessed this for impairment and concluded that an impairment charge of £109.8m is required, and that the remaining balance should be amortised over a 10 year period. The carrying value of goodwill at the period end is £50.3m.

STRATEGY
In the latter part of the previous year, the business identified that it needed to fundamentally overhaul its strategic direction. Several changes were introduced to allow the business to successfully deliver this new strategy. In the current financial year, whilst there have been challenges in delivering this strategy at the pace initially targeted by management, the directors remain confident that the strategic focus of the Group remains appropriate.

The business will focus on several areas to deliver profit growth in FY24 and beyond.

1. Grow Sales Bookings across the Security and Cloud products. The Group has a clear understanding of our capabilities and has an executable roadmap to deliver this.

2. Control and reduce churn. This will be achieved through having strong and mutually beneficial relationships with customers and by improving our service so that the Group can delight customers with the service it delivers.

3. Launch new products, which will be across the Secure Integrated Cloud Services and Intelligence-Led Security Services.

4. Simplify and streamline the cost base to deliver price competitive products at an acceptable level of profitability.

The need to invest in systems, tools and process improvement to drive a level of standardisation and simplification from the organisation has continued to gather momentum through FY23 and is still at the heart of the Group's strategy. Its primary focus remains to "make it easier to get things done".

Post year end (31 March 2023), the Group identified a further need to transform, in order to allow the business to thrive. The difficult trading environment experienced has meant that the Group has had to further review its cost base. In response to this, the Group has pursued three initiatives in FY24.

1. Review of Property Portfolio
The Group has continued to rationalise its property portfolio to reduce costs. In the prior year, the Group undertook a sale and leaseback of an owned datacentre. In the current year, it has exercised a break clause on a finance lease for a second datacentre. After the year-end, the Group has exited its main head office space in London and relocated to a smaller office space that better aligns with current working styles and the business needs of the Group.

2. Review of People Costs
The Group has reviewed its current operating model, including its people costs, and identified that it is lagging behind several other companies in the same industry. In response to this, two proposals have been explored in FY24:-

a) Internal Restructure
Operating efficiencies through a more simple structure have been identified through streamlining of roles and consolidating of teams to allow better collaboration whilst reducing the span of control between the leadership and customers. The business has also identified opportunities where work can be cost-effectively performed by third-party organisations without disrupting the service that we provide. As such the Group undertook a redundancy programme in FY24.

b) Offshoring
Management has identified offshoring as a strategically viable option for Six Degrees as it allows the Group to maximise client experience and resourcing whilst operating within the limitation of its cost base. Many of the Group's competitors have already adopted similar strategies to deliver certain activities offshore and are improving their competitiveness from a cost perspective whilst also benefitting from improved efficiency, agility and scalability.

3. Capital Restructure
In FY24, the Group has undertaken a further capital restructure, with the support of its stakeholders. The purpose of this has been to reduce the level of external debt and reset the associated covenants, thereby allowing the Group to build momentum and successfully deliver the growth that all stakeholders believe the current strategic focus is capable of. The outcome of this has been:
- Reduce the absolute level of debt to £100m;
- Extend the term of the Senior Loan Facility to April 2028 and reduce the interest rate;
- A reset of facility covenants; and
- An injection of £10m of cash.

The Group was in compliance with its debt covenants at the date of signing of these accounts. The Directors are confident that the implementation of the Capital Restructure provides the solid capital foundation for the Group to deliver on its strategy of being the UK's number one provider of secure, integrated cloud services.

The Group's liquidity is strong. As at 31 March 2023, it has net cash of £10.8m and an undrawn Revolving Credit Facility (RCF) of £15.0m. Management considers the renegotiation to be a substantial modification of the terms of the facility and will account for this as an extinguishment of the old loan and recognition of the new loan in the FY24 financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES
Strategic Risks

As part of the refresh of the governance process management have looked at the principal risks faced by the Group. These include:

- A focus on ensuring it has the right product set, for which it has undertaken product portfolio reviews and are planning future product launches. The Group actively seeks regular feedback from both new and existing clients to ensure that it is aware of current market trends and that it is best positioned to respond to changes in the market.

- Retaining, motivating and incentivising talent to help deliver the Group's objectives. In response to the cost of living challenges and inflationary environment, the Group continues to focus on ensuring competitive and rewarding packages for both new and existing employees.

- Ensuring that security is at the heart of everything the Group does to protect both its and its customers' business and data; and maintain its reputation as a cyber-security expert. It continues to invest in its capabilities and people to ensure that it has the resources needed to protect the business from security incidents.

- Embedding risk governance at all levels of the business, to mitigate existing risks and to identify new risks and the necessary controls to mitigate those threats. Operational and technical risk registers are reported on and discussed at the quarterly Audit and Risk Committee meetings held at Board Level.

- Ensuring the continued financial stability of the business in these uncertain economic conditions. As disclosed in the Strategic Report, the Group has recently undertaken a Capital Restructure where it has reset the level of external debt and the associated covenants. The result of this has been to secure the long term financial stability of the business.

- Meeting ESG commitments both for the Group and for its customers. The Group is committed to minimising its carbon footprint and is taking numerous steps to achieve this. It has recently succeeded in ensuring that all its energy is sourced from green-energy sources.

- Retention and compliance with the right capability, equipment, accreditations and reporting required to win and keep business, for example: ISO, Cyber Essentials, MS Expert, Carbon Reduction Plan and D&I. The Group allocates ownership of each accreditation to a member of the leadership team who act as a sponsor throughout the process.

- Ensuring the Group meets its contractual commitments and provides a high level of reliable service. Performance against its contractual obligations is regularly and rigorously monitored through several forums to ensure that the Group holds itself accountable for its clients' innovation.

DUTY TO PROMOTE THE SUCCESS OF THE COMPANY (SECTION 172(1) STATEMENT)
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 8 and 9.

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 13 to 20.

Community and the environment
The Board recognises its 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.

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	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.	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.
	Provision of monthly management reporting packs, annual budget and forecasts where appropriate and regular business updates from the CEO/CFO.	
	Investor representatives from the ultimate controlling undertaking are directors of the company, which provides for direct engagement and transparency of Board decision-making.	
Debt holders	The Annual Report and Financial Statements are provided alongside annual compliance certificate.	As part of the Senior Facilities Agreement, there is a Legal obligation to provide the information.
	Provision of monthly management reporting packs, quarterly compliance certificates, annual budget and forecasts where appropriate and an annual business update from the CEO/CFO.	It is key for the Group's 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.

Stakeholder Group	How the board undertakes to deliver on its s172 obligations	Why do we engage
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.
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.
Employees	Employee engagement is principally facilitated and encouraged through the Groups' 360 Degrees Team, an employee led forum that leads on diversity and inclusion but also encompasses the Groups charitable and socially-oriented activities.	The Group's employees are at the heart of its business; their individual commitment ensures successful trading and development of the business.
	The Group is committed to ensuring that employees are sufficiently well informed about company performance. 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.	The Group prides itself on being a supportive and 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.

Employees are also encouraged to understand and contribute to the Group's overall strategy and operations, through regular Employee Opinion Surveys as well as weekly 'pulse' surveys and quarterly performance discussions.

ON BEHALF OF THE BOARD:

David Manuel

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D Manuel - Director

Date: 7 March 2024

Report of the Directors
for the Period 23 March 2022 to 31 March 2023

The directors present their report with the financial statements of the company and the group for the period 23 March 2022 to 31 March 2023.

INCORPORATION
The group was incorporated on 23 March 2022 and commenced trading on 29 March 2022.

PRINCIPAL ACTIVITY
The principal activity of 6DG Topco Limited ('the Company') is an investment vehicle for Charlesbank Capital Partners LLC ('Charlesbank') within the United Kingdom.

The Group's principal activity is the provision of secure, integrated cloud services.

DIVIDENDS
No dividends will be distributed for the period ended 31 March 2023.

RESULTS
The loss for the period, before taxation, was £144.1m.

The net liabilities of the group were £133.6m.

MATTERS COVERED IN THE STRATEGIC REPORT
The strategic report can be found on pages 2 to 12. This contains the review of business, key performance indicators, strategy, details of the Group's risks and uncertainties and section 172 report.

RESEARCH AND DEVELOPMENT
Overall, the Group continually invests in the improvement of existing and development of new products and services to enhance its customer offerings and address existing requirements. In the current year, Management has particularly focused on investing in and launching new products and also standardising and simplifying existing products, systems, processes and data. The need to invest in systems, tools and process improvement has continued to gather momentum through FY23 and is still at the heart of the Group's overall strategy. Its primary focus remains to "make it easier to get things done".

FUTURE DEVELOPMENTS
Management strategy is growth in the coming year, this will be driven by gains in sales from continuing operations. Further details on future developments are provided in the Strategic report.

EVENTS SINCE THE END OF THE PERIOD
In June 2023, Six Degrees Technology Group Limited, a wholly owned subsidiary of CB-SDG Midco Limited, committed to the purchase of $5.2 million worth of fixed assets with one supplier. These assets all relate to investment in our core network and an ongoing project to refresh and upgrade our underlying asset infrastructure.

In January 2024, the Group concluded a renegotiation of its external debt facilities (the Capital Restructure). This resulted in:
- the facility being reduced to £100m with the remaining £135m equitized into preference shares;
- the facility being extended to April 2028 from April 2026;
- a reduction of the interest rate on the drawn debt; and
- changes being made to the covenants.

The RCF remained at £15m with a maturity date of April 2025. £10m of cash was injected into the Group on issuance of preference shares.

The Directors are confident that the implementation of the Capital Restructure provides the solid capital foundation for the Group to deliver its strategy of being the UK's number one provider of secure, integrated cloud services.

Since the year end the following fixed asset investments have been dissolved. BIS Datacentres Ltd, Capital Support US Inc, Capital Support Limited, Carrenza Limited, CNS HUT3 Limited, Convergent Employee Benefit Trust Limited, Convergent Managed Services Limited, Insite Limited, SKD 3 Limited, SKD 5 Limited, SKD 6 Limited, SKD 17 Limited, SKD 18 Limited and Sunrise Unified Solutions Limited.

DIRECTORS
The directors who have held office during the period from 23 March 2022 to the date of this report are as follows:

S Karaolis - appointed 23 March 2022 - resigned 11 May 2022
R Carroll - appointed 23 March 2022
M Choe - appointed 23 March 2022
P Vaz - appointed 23 March 2022
S Crawley-Trice - appointed 23 March 2022
D G Norfolk - appointed 23 March 2022
M McGuire - appointed 29 March 2022
D Manuel - appointed 11 May 2022

All the directors who are eligible offer themselves for election at the forthcoming first Annual General Meeting.

POLITICAL DONATIONS AND EXPENDITURE
There were no political donations made during the period.

GOING CONCERN
In determining the appropriate basis of preparation of the financial statements for the year ended 31 March 2023, the Board is required to consider whether the Group and Parent Company can continue in operational existence for the foreseeable future. The Board has concluded that it is appropriate to adopt the going concern basis, having undertaken a rigorous assessment of the financial forecasts, key uncertainties and sensitivities, as set out below. Accounting standards require that 'the foreseeable future' for going concern assessment covers a period of at least twelve months from the date of approval of these financial statements, although those standards do not specify how far beyond twelve months a Board should consider. In its going concern assessment, the Board has considered the period from the date of approval of these financial statements to 31 March 2025 which is more than twelve months from the date of approval of these financial statements ('the going concern period').

The Board has also considered any material committed outflows beyond this period in forming their assessment. The base case financial forecasts used in the going concern assessment are derived from the 2024-2026 business plans as approved by the Board in January 2024. The going concern assessment considers the Group's sources and uses of liquidity and covenant compliance throughout the period under review. The value of the Group's existing committed RCF was £15m at 31 March 2023 and it expires on 2 April 2025.

Financial position at 31 March 2023
The Group had net debt of £199.9m at 31 March 2023 and EBITDAE was £6.9m for the year ended 31 March 2023. The Group was in compliance with all debt covenants at 31 March 2023. The Group had liquidity of £10.8m at 31 March 2023.

Board assessment - Base case scenario
Under the base case scenario, completion of the Group's transformation programme has simplified and strengthened the business and facilitates further efficiency savings enabling sustainable growth in revenue, profit and cash flow over the medium term. This enables the generation of positive free cash flows, and when combined with available committed facilities allows the Group to continue into the future. The base case financial forecasts demonstrate liquidity headroom and compliance with all covenant measures throughout the going concern period to 31 March 2025. The base case assumes an improved financial position for the Group as a result of the realisation of the benefits from completion of the transformation plan. The key sensitivity to the base case is the execution associated with delivering revenue growth.

Board assessment - severe but plausible downside
In considering severe but plausible downside scenarios, the Board has taken account of trading downside risks, which assume the Group is not successful in delivering the anticipated levels of revenue growth and sustainable free cash flows. The downside scenario used for the going concern assessment also includes potential adverse financial impacts due to additional inflationary pressure which cannot be passed on to customers, not achieving targeted margins on new or major contracts, unforeseen operational issues leading to contract losses and cash outflows, and not achieving targeted margins related to the planned offshoring programme

Absent any mitigating actions, liquidity and EBITDAE under this severe but plausible downside scenario over the going concern period reduce substantially so that there is a risk of a potential covenant breach. There are however mitigations, under the direct control of the Group, that would be implemented to address any immediate shortfalls. These include reductions in variable pay rises, setting aside any bonus payments and limiting discretionary spend. While these are available as possible short-term mitigations and would be actioned if required to ensure compliance with covenants, the Board is mindful that such restrictions may be detrimental to the longer-term success of the Group. Adoption of the going concern basis reflect the Board's confidence in the benefits expected from the completion of the transformation programme.

The Board has concluded that the Group and Parent Company will be able to continue in operation and meet their liabilities as they fall due over the period to 31 March 2025. Consequently, these financial statements do not include any adjustments that would be required if the going concern basis of preparation were to be inappropriate.

EQUALITY, DIVERSITY AND INCLUSION
Equality
In line with its established equality, diversity and inclusion aims, the Group operates a number of strategies and initiatives, 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 uses diverse, representative hiring panels to assess applicants against objective skill and behavioural frameworks. The Group is challenging of its recruitment partners in ensuring that their commitment to equality and diversity matches its own and that there is diversity in candidates presented for consideration. In addition to ensuring its recruitment advertisements incorporate appropriately inclusive language and imagery, the Group has proactively engaged with a wide range of candidate sourcing channels to ensure that its employees are reflective of the communities in which it operates. This includes incentivising candidate referrals from existing employees, and adopting a 'grow your own' approach to promoting from within.

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 targeting a minimum of one female candidate for every recruitment shortlist. The Group supports its candidates and our people on an ongoing basis through recruitment and selection processes to ensure equality of access, and consistency and good practice in assessment.

Learning and Development
The Group is committed to providing access to learning and development for all employees 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. The Group actively promotes self-directed learning and supporting individuals driving their own careers. The Group has also invested in an online learning portal that all employees have access to. This includes training for role specific requirements, new manager training and also supportive modules for employee wellbeing such as managing stress and mental health.

The Group has established a series of career pathways to help individuals progress their careers, regardless of their background, which is anticipated to support under-represented groups into more senior positions. Advancement opportunities are shared transparently, and the Group operates a quarterly target to ensure that a minimum number of roles are awarded internally to support progression. These are augmented by a range of mentoring relationships, with a particular focus on supporting female progression, plus financial and other support for professional development, and a commitment to providing regular, meaningful performance and development feedback and support for all individuals.

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. All roles are subject to an at least annual pay review. Six Degrees is a Real Living Wage employer to support those individuals who are most vulnerable.

The Group provides a benefits selection that reflects and supports the diverse needs of its people, including 6 months' paid Maternity, Adoption and Shared Parental Leave, additional paternity leave, Sabbatical Leave, and a range of new and improved types of leave to better support work-life balance, such as paid Menopause leave.

The Group operates a range of reward and recognition initiatives, such as its 'Above and Beyond' awards which recognises every individual, regardless of role, based on their individual performance, contribution, and embodiment of the Group's values.

Employee Engagement and Involvement
Six Degrees believes in harnessing a truly diverse and inclusive (D&I) culture. The goal is to create a work culture where different perspectives and experiences are valued, diversity of thought is encouraged, employees are psychologically safe and encouraged to discuss their experiences and challenges. Six Degrees aims to promote a space where there is fairness and equality of opportunity for all. Overwhelmingly, employees confirm via polls that Six Degrees provides a space that is safe and free from discrimination of any kind.

In aid of this, 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 employees through agile working policies, social initiatives and adapting to working from home.

In 2021, Six Degrees launched its Women in Tech initiative, aiming to support the identification and promotion of opportunities for females within the Group. This has proven to be a very successful initiative. The Women in Tech forum meets frequently to discuss current issues and to plan future events. Following this, we are proud that Six Degrees was shortlisted as a finalist in 4 categories of the Women in Tech Employer Awards 2023.

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 excel in their roles. Generally, this will include communication through monthly Group-level 'All-Hands' meetings, Business Unit-level All Hands, structured information cascades, team briefings, newsletters and other channels, all of which encourage feedback and a free-flow of ideas.

Employees are encouraged to understand and contribute to the Group's overall strategy and operations, through biannual 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 and issue-based forums.

Six Degrees is an active member of the Employers Network for Equality and Inclusion (ENEI). The Group is proud to have received its Silver award in 2023 on account of its activities to cultivate a workplace and society that embraces and vigorously defends equity, diversity and inclusion.

The Group remains proud to have been recognised as one of Newsweek's UK Top 100 Most Loved Workplaces in 2022. The list recognises the efforts of workplaces that put respect, caring and appreciation at the forefront of their agenda with more than 1.4 million employees surveyed across the UK. This is a fantastic achievement for Six Degrees as we continue our journey in becoming a brilliant place to work; where our people feel connected, inspired and empowered to succeed.

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

Health and Wellbeing:
The Group ensures that its employees are best supported 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 to put commensurate adjustments in place. The Group has trained and deployed a number of 'Mental Health First Aiders' across every workplace to ensure that the needs of its people are supported in the face of a challenging climate. External support is available to every employee, via the Employee Assistance Programme, that supports individuals with not only physical and mental wellbeing concerns, but also legal, financial and other advice and guidance. A range of other materials is also available, for example programmes designed to support pre- and peri-menopausal women, and advice on achieving a better work-life balance in the age of agile working . These resources are frequently shared and reinforced amongst employees.

Six Degrees recognises that all of its employees have different needs and wants. Where appropriate, the Group operates customisable policies, particularly with respect to flexible working and agile working, to enable employees best to juggle their responsibilities outside of work with those in work.

The Group offers enhanced Maternity, Paternity and Adoption arrangements, and a range of flexible benefits and paid time off, to support health and wellbeing (particular with respect to female employees, for example Menopause Leave, Fertility Treatment Leave and Pregnancy Bereavement Leave).

Six Degrees has nominated employee spokespeople for some specific issues related to diversity, for example a Menopause Representative, who supports individuals through their menopause journey.

Employee Relations
The Group's CIPD-accredited People Business Partners and People Advisors support employees and managers in managing the full range of issues which can arise in the workplace, giving due care to all legal responsibilities as well as all aspects of equality, diversity, and inclusion. Practices are underpinned by a policy base that reflects the needs of the Group's diverse population.

Community Engagement:
The Group undertakes a significant amount of community-oriented activity. In addition to being a patron of Macmillan Cancer Support, the Group's Corporate and Social Responsibility activity includes encouraging, and providing paid time off, for employees to work within communities on a voluntary basis and engage with issues that are important to them.

STREAMLINED ENERGY AND CARBON REPORTING
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 current year.

	2023 tCO2-e
Direct emissions (Scope 1) - Travel related energy consumption	**13.4**
Indirect emissions (Scope 2) - Buildings related purchased energy consumption	**3,313.0**
Total tCO2-e (Scope 1 & 2)	**3,326.4**
Intensity metric: Scope 1 and 2 GHG emissions per average full-time employee	**7.3**
Intensity metric: Scope 1 and 2 GHG emissions per £M turnover	**41.1**
Total energy consumption (kWh) (Scope 1&2 only)	**16,010,054**

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.

DIRECTORS' RESPONSIBILITIES STATEMENT
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

DIRECTORS' RESPONSIBILITIES STATEMENT - continued

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the 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 and profit or loss of the company and group 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 responsible for keeping adequate accounting records that are sufficient to show and explain the group's 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. They 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.

DIRECTORS' CONFIRMATIONS
The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the group's and company's auditor is unaware; and

- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the group's and company's auditor is aware of that information.

AUDITOR
The auditor, Grant Thornton UK LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

David Manuel

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D Manuel - Director

Date: 7 March 2024

Independent Auditor's Report to the Members of
6DG Topco Limited

Opinion
We have audited the financial statements of 6DG Topco Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 March 2023, which comprise the Consolidated Statement of Comprehensive Income, Consolidated and Company Balance Sheets, Consolidated and Company Statement of Changes in Equity, Consolidated Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2023 and of the group's loss for the period then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Conclusions relating to going concern
We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the group's and the parent company's business model including effects arising from macro-economic uncertainties such as the situation in Russia and Ukraine, increasing interest rates and increasing cost of living, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the group's and the parent company's financial resources or ability to continue operations over the going concern period.

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.

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 parent 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.

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

Other information
The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006
In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or

- the parent company financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement set out on page 20, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 parent 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 parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and parent company and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the financial frameworks (FRS 102 and the Companies Act 2006) and the relevant tax compliance regulations in the jurisdictions in which the company operates;

- We obtained an understanding of the legal and regulatory frameworks applicable to the group and parent company and the industry in which it operates through our general and commercial and sector experience and discussions with management. We obtained an understanding of how the company is complying with those legal and regulatory frameworks by making inquiries of management and of those responsible for legal and compliance procedures. We corroborated our inquiries through our review of board minutes;

- We enquired with management and those charged in governance, whether they were aware of any instances of non-compliance with laws and regulations including health & safety or whether they had any knowledge of actual, suspected or alleged fraud;

- We assessed the susceptibility of the group's and parent company's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:
- potential management bias in determining accounting estimates;
- the occurrence of revenues; and
- journal entries (in particular manual journal entries determined to be large or relating to unusual transactions).
Our procedures included:

- evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
- challenging assumptions and judgements made by management in its significant accounting estimates; and
- identifying and testing journal entries with a focus on material manual journals and in particular any journal entries posted affecting earnings before interest, taxes, depreciation and amortisation (EBITDA).

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;

- Our assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
- understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation;
- knowledge of the industry in which the client operates;
- understanding of the legal and regulatory requirements specific to the entity/regulated entity including:
  -the provisions of the applicable legislation;
  -the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules; and
  -the applicable statutory provisions.

- We did not identify any matters relating to non-compliance with laws and regulation or relating to fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

David White BA FC (Senior Statutory Auditor)
for and on behalf of Grant Thornton UK LLP
Chartered Accountants and Statutory Auditors
17th Floor
103 Colmore Row
Birmingham
B3 3AG

8/3/2024
Date: ....

6DG Topco Limited (Registered number: 13997347)

Consolidated Statement of Comprehensive Income
for the Period 23 March 2022 to 31 March 2023

	Notes	£'000
TURNOVER	4	**80,888**
Cost of sales		**(40,010)**
GROSS PROFIT		**40,878**
Administrative expenses		**(159,128)**
		(118,250)
Other operating income	5	**484**
OPERATING LOSS	7	**(117,766)**

Analysed as:

EBITDAE		**6,948**
Depreciation	13	**(3,322)**
Amortisation	12	**(6,497)**
Impairment of goodwill	12	**(109,780)**
Exceptional items	8	**(4,715)**
Non-underlying items	8	**(400)**
OPERATING LOSS	7	**(117,766)**

Interest payable and similar expenses	9	**(26,296)**
LOSS BEFORE TAXATION		**(144,062)**
Tax on loss	10	**(86)**
LOSS FOR THE FINANCIAL PERIOD		**(144,148)**
OTHER COMPREHENSIVE INCOME		**-**
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(144,148)**

The notes form part of these financial statements

6DG Topco Limited (Registered number: 13997347)

Consolidated Balance Sheet
31 March 2023

	Notes	£'000
FIXED ASSETS		
Intangible assets	12	**54,872**
Tangible assets	13	**7,015**
Investments	14	**-**
		61,887
CURRENT ASSETS		
Debtors: amounts falling due within one year	15	**29,457**
Cash at bank		**10,794**
		40,251
CREDITORS		
Amounts falling due within one year	16	**(25,113)**
NET CURRENT ASSETS		**15,138**
TOTAL ASSETS LESS CURRENT LIABILITIES		**77,025**
CREDITORS		
Amounts falling due after more than one year	17	**(210,673)**
NET LIABILITIES		**(133,648)**
CAPITAL AND RESERVES		
Called up share capital	20	**1,050**
Share premium	21	**9,450**
Retained earnings	21	**(144,148)**
SHAREHOLDERS' FUNDS		**(133,648)**

The financial statements on pages 25 to 55 were approved by the Board of Directors and authorised for issue on 7 March 2024 and were signed on its behalf by:

David Manuel

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D Manuel - Director

6DG Topco Limited (Registered number: 13997347)

Company Balance Sheet
31 March 2023

	Notes	£'000
CURRENT ASSETS		
Debtors: amounts falling due within one year	15	**341**
CREDITORS		
Amounts falling due within one year	16	**(43)**
NET CURRENT ASSETS		**298**
TOTAL ASSETS LESS CURRENT LIABILITIES		**298**
CAPITAL AND RESERVES		
Called up share capital	20	**1,050**
Share premium	21	**9,450**
Retained earnings	21	**(10,202)**
SHAREHOLDERS' FUNDS		**298**
Company's loss for the financial year		**(10,202)**

The financial statements were approved by the Board of Directors and authorised for issue on 7 March 2024 and were signed on its behalf by:

David Manuel

....
Director

6DG Topco Limited (Registered number: 13997347)

Consolidated Statement of Changes in Equity
for the Period 23 March 2022 to 31 March 2023

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	Total equity £'000
Changes in equity				
Issue of share capital	1,050	-	9,450	10,500
Total comprehensive loss	-	(144,148)	-	(144,148)
Balance at 31 March 2023	1,050	(144,148)	9,450	(133,648)

The notes form part of these financial statements

6DG Topco Limited (Registered number: 13997347)

Company Statement of Changes in Equity for the Period 23 March 2022 to 31 March 2023

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	Total equity £'000
Changes in equity				
Issue of share capital	1,050	-	9,450	10,500
Total comprehensive income	-	(10,202)	-	(10,202)
Balance at 31 March 2023	1,050	(10,202)	9,450	298

The notes form part of these financial statements

6DG Topco Limited (Registered number: 13997347)

Consolidated Cash Flow Statement
for the Period 23 March 2022 to 31 March 2023

	Notes	£'000
Cash flows from operating activities		
Cash generated from operations	25	(11,667)
Interest element of hire purchase or finance lease rental payments paid		(86)
Tax paid		(86)
Net cash from operating activities		(11,839)
Cash flows from investing activities		
Purchase of intangible fixed assets		(5,249)
Purchase of tangible fixed assets		(2,271)
Purchase of subsidiary (net cash acquired)		35,969
Net cash from investing activities		28,449
Cash flows from financing activities		
Repayments of bank loans		(15,000)
Capital elements of finance leases		(1,273)
Share issue		10,500
Interest paid		(43)
Net cash from financing activities		(5,816)
Increase in cash and cash equivalents		10,794
Cash and cash equivalents at beginning of period	26	-
Cash and cash equivalents at end of period	26	10,794

The notes form part of these financial statements

1. STATUTORY INFORMATION

6DG Topco Limited is a private company, limited by shares, registered and incorporated in England and Wales. The company's registered number and registered office address can be found on the Company information page. The principal activity of the Company is as an investment vehicle for Charlesbank Capital Partners LLC ("Charlesbank") within the United Kingdom.

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with 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
In determining the appropriate basis of preparation of the financial statements for the year ended 31 March 2023, the Board is required to consider whether the Group and Parent Company can continue in operational existence for the foreseeable future. The Board has concluded that it is appropriate to adopt the going concern basis, having undertaken a rigorous assessment of the financial forecasts, key uncertainties and sensitivities, as set out below. Accounting standards require that 'the foreseeable future' for going concern assessment covers a period of at least twelve months from the date of approval of these financial statements, although those standards do not specify how far beyond twelve months a Board should consider. In its going concern assessment, the Board has considered the period from the date of approval of these financial statements to 31 March 2025 which is more than twelve months from the date of approval of these financial statements ('the going concern period').

The Board has also considered any material committed outflows beyond this period in forming their assessment. The base case financial forecasts used in the going concern assessment are derived from the 2024-2026 business plans as approved by the Board in January 2024. The going concern assessment considers the Group's sources and uses of liquidity and covenant compliance throughout the period under review. The value of the Group's existing committed RCF was £15m at 31 March 2023 and it expires on 2 April 2025.

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Financial position at 31 March 2023
The Group had net debt of £199.9m at 31 March 2023 and EBITDAE was £6.9m for the year ended 31 March 2023. The Group was in compliance with all debt covenants at 31 March 2023. The Group had liquidity of £10.8m at 31 March 2023.

Board assessment - Base case scenario
Under the base case scenario, completion of the Group's transformation programme has simplified and strengthened the business and facilitates further efficiency savings enabling sustainable growth in revenue, profit and cash flow over the medium term. This enables the generation of positive free cash flows, and when combined with available committed facilities allows the Group to continue into the future. The base case financial forecasts demonstrate liquidity headroom and compliance with all covenant measures throughout the going concern period to 31 March 2025. The base case assumes an improved financial position for the Group as a result of the realisation of the benefits from completion of the transformation plan. The key sensitivity to the base case is the execution associated with delivering revenue growth.

Board assessment - Severe but plausible downside
In considering severe but plausible downside scenarios, the Board has taken account of trading downside risks, which assume the Group is not successful in delivering the anticipated levels of revenue growth and sustainable free cash flows. The downside scenario used for the going concern assessment also includes potential adverse financial impacts due to additional inflationary pressure which cannot be passed on to customers, not achieving targeted margins on new or major contracts, unforeseen operational issues leading to contract losses and cash outflows, and not achieving targeted margins related to the planned offshoring programme

Absent any mitigating actions, liquidity and EBITDAE under this severe but plausible downside scenario over the going concern period reduce substantially so that there is a risk of a potential covenant breach. There are however mitigations, under the direct control of the Group, that would be implemented to address any immediate shortfalls. These include reductions in variable pay rises, setting aside any bonus payments and limiting discretionary spend. While these are available as possible short-term mitigations and would be actioned if required to ensure compliance with covenants, the Board is mindful that such restrictions may be detrimental to the longer-term success of the Group. Adoption of the going concern basis reflect the Board's confidence in the benefits expected from the completion of the transformation programme.

The Board has concluded that the Group and Parent Company will be able to continue in operation and meet their liabilities as they fall due over the period to 31 March 2025. Consequently, these financial statements do not include any adjustments that would be required if the going concern basis of preparation were to be inappropriate.

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.

continued...

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. Adjustments are made to eliminate the profit or loss arising on transactions with associates to the extent of the group's interest in the entity.

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.

Revenue can only be recognised gross when the inflows of economic benefits received and receivable by the company are of its own account. The company has identified a small number of instances where it acts as an agency, rather than as a principal. In these situations, it recognises only the amount of its commission as revenue and excludes from revenue all amounts that have been collected on behalf of the principal, as these are not revenue of the company.

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 once 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.

continued...

2. **ACCOUNTING POLICIES - continued**

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.

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

	Years
Computer software	**3 to 5**
Development costs	**3**

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.

continued...

2. **ACCOUNTING POLICIES - continued**

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.

Tangible fixed 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 statement of comprehensive income 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
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.

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

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.

continued...

2. **ACCOUNTING POLICIES - continued**

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.

(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.

continued...

2. **ACCOUNTING POLICIES - continued**

Taxation

Taxation for the period 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.

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 taxation

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 period 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. 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.

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.

continued...

2. ACCOUNTING POLICIES - continued

Government grants
The group treats income received from the Research and Development Expenditure Credit ("RDEC") 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 the gross amount of the RDEC benefit is recognised 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.

Refinance of External Debt (Note 18)
In March 2022, the Group concluded a renegotiation of its external debt facility. The term of the loan remains unchanged, and the covenants were revised based upon the Group's new three-year business plan. Management concluded that the renegotiation was a substantial modification of the terms of the facility and was accounted for as an extinguishment of the old loan and recognition of the new loan.

continued...

Goodwill - recognition (Note 12)
As part of the acquisition of the CB-SDG Midco Limited Group, management has assessed whether there are any separately identifiable intangible assets that should be recognised, beyond goodwill. In management's judgement, computer software intangible assets relating to the acquisition do meet all three criteria for recognition under FRS 102 and have therefore been recognised as a separate asset on acquisition. Conversely, development costs relating to the acquisition did not meet all three criteria therefore, no separately identifiable development cost assets have been recognised in the business combination. Management has also considered whether any other assets should be recognised but have concluded that none meet the recognition criteria, beyond goodwill.

Goodwill - useful economic life (Note 12)
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. Management have deemed the useful economic life of goodwill to be 10 years. This is due to the internally driven synergies outweighing the impact of both employee and customer attrition by this point in time. The Directors consider annually whether there are any indicators of impairment to goodwill.

Capitalised development costs - recognition (Note 12)
Management capitalise labour costs associated with internally generated intangible assets in accordance with the guidance of FRS 102.18. Labour costs are only capitalised when they are directly attributable to assets that are considered technically feasible and so ready for use or sale and that will generate probable future economic benefit. Further, management only capitalise costs against assets where there is an intention and ability to complete the intangible asset, which will then be used or sold. Finally, labour costs are only capitalised when they can be measured reliably. Capitalised labour costs are typically amortised over a 3 year period.

Impairment of non-financial assets (Note 12)
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.

Exceptional items (Note 8)
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.

continued...

Non-underlying items (Note 8)
The Directors believe that separate presentation of non-underlying 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. Non-underlying items differ to exceptional items only in that they recur annually in the form of an advisory fee charged by the group's ultimate parent undertaking for ongoing strategic advice and support.

Allowance for bad and doubtful debts (Note 15)
Where there are indicators that a balance may not be recoverable, it is considered for inclusion in the bad debt provision. The approach taken to bad debt is wholly specific. Management will review the specific customer balances and perform a risk assessment through consideration of a number of factors, with a provision made accordingly.

Recognition of deferred tax assets and liabilities (Note 10)
Unutilised tax losses are recognised as a deferred tax asset 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. The Group does not have any deferred tax assets recognised as it is not yet considered probable that will be recovered against a future taxable profit.

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:

	£'000
United Kingdom	**79,514**
Europe	**987**
United States of America	**387**
	80,888

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

5. OTHER OPERATING INCOME

	2023 £'000	2022 £'000
Research and Development Expenditure Credit	**447**	250
Other	**37**	-
Other operating income	**484**	250

continued...

Research and Development Expenditure Credit (RDEC)
The Group submitted a return through the RDEC scheme. Since the company 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). In accordance with FRS 102.24 Government Grants, the Group recognises the gross amount received as Other Operating Income.

6. EMPLOYEES AND DIRECTORS

	£'000
Wages and salaries	22,627
Social security costs	2,939
Other pension costs	872
	26,438

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

Directors	3
Operations	326
Sales and Marketing	65
Administration	60
	454

The average number of employees by undertakings that were proportionately consolidated during the period was 454.

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

	2023 £'000
Wages and salaries	4,025
Social security costs	399
Other pension costs	116
	4,540

	£
Directors' remuneration	643,469
Directors' pension contributions to money purchase schemes	10,796

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	3

continued...

6. EMPLOYEES AND DIRECTORS - continued

Information regarding the highest paid director is as follows:

	£
Emoluments etc	**302,719**
Pension contributions to money purchase schemes	**10,000**

7. OPERATING LOSS

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

	£'000
Other operating leases	**453**
Depreciation - owned assets	**3,322**
Profit on disposal of fixed assets	**(90)**
Goodwill amortisation	**5,593**
Development costs amortisation	**756**
Computer software amortisation	**148**
Auditor's remuneration	**232**
Auditor's remuneration - Taxation compliance services	**60**
Auditor's remuneration - Other compliance services	**5**
Foreign exchange differences	**56**
Impairment of goodwill	**109,780**

Auditor's Remuneration

	£'000
Fees payable to Company's auditor in respect of audit services for:	
Audit of the Group consolidated accounts	120
Audit of Company's subsidiaries pursuant to legislation	112
Total audit fees	**232**
Fees payable to Group's auditor in respect of:	
Covenant compliance	5
Tax compliance services	60
Total non audit fees	**65**

All audit fees are borne by Six Degrees Holdings Limited, a fellow group undertaking.

continued...

8. EXCEPTIONAL ITEMS

	2023 £000
Staff restructuring costs	737
Property costs	1.119
Refinancing & Restructuring Fees	1,105
Transformation costs	1,978
Other	94
	4,715

Staff restructuring costs
A new Executive Team was implemented in the prior year and this has in turn filtered through the company and led to an element of staff turnover within the business. All costs associated with redundancies, including associated legal fees, are disclosed as exceptional as they are not in the normal course of business operations. The Group has had a renewed focus on reducing the rate of attrition within the business, in response to this there have been a small number of retention bonuses that have been paid, which have similarly been disclosed as exceptional.

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. In particular, the Group has exited the Greenwich Datacentre it previously held under finance lease; all costs associated with this exit have been treated as exceptional.

Refinancing & Restructuring Professional Fees
In March 2022, the Group concluded a renegotiation of its external debt facility and a restructure of its corporate structure. A significant proportion of the professional fees in relation to the refinancing and restructure were incurred in the current year. The costs have been disclosed as exceptional items to reflect the one-off nature of these activities.

Transformation costs
Following the strategic review in the prior year, the Group identified the need to invest in systems, tools and process improvement to drive a level of standardisation and simplification that was missing from the organisation. This has been branded as Project Six internally; these costs are considered to be transformation costs necessary to help the business achieve its longer term strategic objectives. The Group has incurred costs through additional consultants and advisors, as well as through investment in new tools and systems. The costs are one-off in nature and so have been disclosed as exceptional.

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.

 continued...

NON-UNDERLYING ITEMS

During the year the Group has incurred the following expenditure that is considered to be non-underlying rather than exceptional due to it being recurring in nature:-

	2023 £000
Advisory fee	400
Total	400

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.

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	£'000
Loan interest	26,167
Interest to related parties	43
Hire purchase	86
	26,296

10. TAXATION

Analysis of the tax charge
The tax charge on the loss for the period was as follows:

	£'000
Current tax:	
UK corporation tax	86
Tax on loss	86

continued...

10. **TAXATION - continued**

Reconciliation of total tax charge included in profit and loss
The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	£'000
Loss before tax	(144,062)
Loss multiplied by the standard rate of corporation tax in the UK of 19%	(27,372)
Effects of:	
Expenses not deductible for tax purposes	26,137
R&D expenditure credits	147
Remeasurement of deferred tax for changes in tax rates	(278)
Movement in deferred tax not recognised	1,452
Total tax charge	86

Factors that may affect future tax charges
In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19% as previously enacted). This new law was substantively enacted on 24 May 2021.

Unutilised tax losses
Unutilised tax losses are recognised as a deferred tax asset 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. The Group does not have any deferred tax assets recognised as it is not yet considered probable that will be recovered against a future taxable profit. The Group has no deferred tax liabilities recognised. The Group currently has unrecognised gross tax losses available of £44.8m (2022: £34.8m).

11. **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.

continued...

12. INTANGIBLE FIXED ASSETS

Group

	Goodwill £'000	Development costs £'000	Computer software £'000	Totals £'000
COST				
Additions	165,713	5,234	242	171,189
Disposals	-	-	(90)	(90)
At 31 March 2023	165,713	5,234	152	171,099
AMORTISATION				
Amortisation for period	5,593	756	148	6,497
Eliminated on disposal	-	-	(50)	(50)
Impairments	109,780	-	-	109,780
At 31 March 2023	115,373	756	98	116,227
NET BOOK VALUE				
At 31 March 2023	50,340	4,478	54	54,872

13. TANGIBLE FIXED ASSETS

Group

	Long leasehold £'000	Plant and machinery £'000	Fixtures and fittings £'000	Computer equipment £'000	Totals £'000
COST					
Additions	1,036	1,221	90	7,854	10,201
Disposals	(50)	-	3	(42)	(89)
At 31 March 2023	986	1,221	93	7,812	10,112
DEPRECIATION					
Charge for period	568	326	45	2,383	3,322
Eliminated on disposal	(204)	-	(18)	(3)	(225)
At 31 March 2023	364	326	27	2,380	3,097
NET BOOK VALUE					
At 31 March 2023	622	895	66	5,432	7,015

continued...

14. **FIXED ASSET INVESTMENTS**

Company

	Shares in group *undertakings* £'000
COST	
Additions	10,200
At 31 March 2023	10,200
PROVISIONS	
Impairments	10,200
At 31 March 2023	10,200
NET BOOK VALUE	
At 31 March 2023	-

continued...

14. 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
6DG Holdco Limited	Holding company	100% ordinary share capital
CB-SDG Midco Limited	Holding company	100% ordinary share capital
CB-SDG Limited	Holding company	100% ordinary share capital
Six Degrees Holdings Limited	Holding company	100% ordinary share capital
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	Holding company	100% ordinary share capital
Six Degrees Technology Group Limited	Trading	100% ordinary share capital
BIS Limited	Trading	100% ordinary share capital
Capital Support US Inc	Trading	100% ordinary share capital
Carrenza B.V.	Trading	100% ordinary share capital
Convergent Network Solutions Limited	Dormant	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

The company's investment in 6DG Holdco Limited is direct ownership; all other investments are indirect ownership.

continued...

14. FIXED ASSET INVESTMENTS - continued

All subsidiaries are incorporated in the United Kingdom except Carrenza B.V. which is incorporated in the Netherlands and Capital Support US 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 US Inc which is registered at Suite B 1675 S. State St., Dover, Kent 19901 DE.

Impairment of Investments
The charge for the year relates to the impairment of the original investment by 6DG Topco Limited in 6DG Holdco Limited. This impairment charge is linked to the sale of the CB-SDG Midco group during the year-ended 31 March 2022.

Audit Exemption
The below subsidiary companies are exempt from audit under Section 479A of the Companies Act 2006 as 6DG Topco Limited has provided the companies with parental guarantee under section 479C of the Companies Act 2006:-

6DG Holdco Limited - Companies House number 13997697
BIS Limited - Companies House number 04037250
Six Degrees Investments Limited - Companies House number 07652542
Six Degrees Property Limited - Companies House number 07623054
Six Degrees Technology Limited - Companies House number 07623061

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group £'000	Company £'000
Trade debtors	11,793	-
Amounts owed by group undertakings	-	341
Other debtors	3,990	-
Accrued income	5,475	-
Prepayments	8,199	-
	29,457	341

Trade debtors is shown net of a bad debt provision of £1,936,000.

continued...

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

	Group £'000	Company £'000
Trade creditors	6,829	-
Amounts owed to ultimate parent company	42	43
Corporation tax	80	-
Social security and other taxes	2,293	-
Other creditors	2,257	-
Deferred income	3,604	-
Accruals	10,008	-
	25,113	43

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

	Group £'000
Bank loans (see note 18)	210,673

18. **LOANS**

An analysis of the maturity of loans is given below:

	Group £'000
Amounts falling due between two and five years:	
Bank loans and overdrafts	210,673

Details of loan

In January 2024 the Group concluded a renegotiation of its external debt facilities (the Capital Restructure). This resulted in changes to both the senior debt facility and the revolving credit facility.

As at 31 December 2023 the value of the outstanding debt under the senior debt facility was £235m. Under the terms of the Capital Restructure the following changes were made to the senior debt facility:-
- The facility was reduced to £100m with the remaining £135m equitized into preference equity shares;
- The facility was extended to April 2028 from April 2026;
- Changes were made to the covenants, and the interest rate on the drawn debt was reduced.

continued...

18. LOANS - continued

The RCF remained at £15m, and at the signing of these accounts was undrawn, with a maturity date of April 2025. The RCF covenants were reset as part of the Capital Restructure.

In addition £10m of cash was injected into the Group on issuance of further preference shares.

The Directors are confident that the implementation of the Capital Restructure provides the solid capital foundation for the Group to deliver on its strategy of being the UK's number one provider of secure, integrated cloud services.

19. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases **£'000**
Within one year	**2,678**
Between one and five years	**8,757**
In more than five years	**17,609**
	29,044

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	**£'000**
1,050,014,469	Ordinary	£0.001	**1,050**

1,050,014,469 Ordinary shares of £0.001 each were allotted as fully paid at a premium of £0.009 per share during the period.

21. RESERVES

Group

	Retained earnings £'000	**Share premium £'000**	**Total £'000**
Deficit for the period	**(144,148)**	**-**	**(144,148)**
Cash share issue	**-**	**9,450**	**9,450**
At 31 March 2023	**(144,148)**	**9,450**	**(134,698)**

continued...

21. RESERVES - continued

Company

	Retained earnings £'000	Share premium £'000	Total £'000
Deficit for the period	(10,202)		(10,202)
Cash share issue	-	9,450	9,450
At 31 March 2023	(10,202)	9,450	(752)

22. ULTIMATE PARENT COMPANY

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

23. RELATED PARTY DISCLOSURES

During the year, the Group was charged an Advisory fee of £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 £2,293,000. This balance is payable on demand and interest free.

As part of the refinancing undertaken in March 2022, certain Investors entered into a loan agreement with the 6DG Topco Limited (the "company"), pursuant to which Charlesbank Capital Partners LLC made a loan to the company of £612,338 to cover the full amount of the loan agreement. At the year-end, the company had repaid this loan in full to Charlesbank Capital Partners LLC but the interest accrued on this balance of £42,606 was unpaid. This interest was paid in the first quarter of FY24.

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 2023 was £139,516, of this £Nil was outstanding at the year-end.

During the year, the Group 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 6DG Topco Limited (the ultimate parent company of this company). The amount invoiced during the year-ended 31 March 2023 was £12,000, of this £Nil was outstanding at the year-end.

24. EVENTS AFTER THE REPORTING PERIOD

In June 2023, Six Degrees Technology Group Limited, a wholly owned subsidiary of CB-SDG Midco Limited, committed to the purchase of $5.2 million worth of fixed assets with one supplier. These assets all relate to investment in our core network and an ongoing project to refresh and upgrade our underlying asset infrastructure.

continued...

In January 2024, the Group concluded a renegotiation of its external debt facilities (the Capital Restructure). This resulted in:
- the facility being reduced to £100m with the remaining £135m equitized into preference shares;
- the facility being extended to April 2028 from April 2026;
- a reduction of the interest rate on the drawn debt; and
- changes being made to the covenants.

The RCF remained at £15m with a maturity date of April 2025. £10m of cash was injected into the Group on issuance of preference shares.

The Directors are confident that the implementation of the Capital Restructure provides the solid capital foundation for the Group to deliver its strategy of being the UK's number one provider of secure, integrated cloud services.

Since the year end the following fixed asset investments have been dissolved. BIS Datacentres Ltd, Capital Support US Inc, Capital Support Limited, Carrenza Limited, CNS HUT3 Limited, Convergent Employee Benefit Trust Limited, Convergent Managed Services Limited, Insite Limited, SKD 3 Limited, SKD 5 Limited, SKD 6 Limited, SKD 17 Limited, SKD 18 Limited and Sunrise Unified Solutions Limited.

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

	£'000
Loss before taxation	(144,062)
Depreciation charges	3,322
Profit on disposal of fixed assets	(96)
Amortisation charges	6,497
Accrued finance costs	(26,167)
Impairment of goodwill	109,780
Finance costs	26,296
	(24,430)
Decrease in trade and other debtors	11,281
Increase in trade and other creditors	1,482
Cash generated from operations	**(11,667)**

26. 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:

Period ended 31 March 2023

	31/3/23 £'000	23/3/22 £'000
Cash and cash equivalents	10,794	-

continued...

27. ANALYSIS OF CHANGES IN NET DEBT

	At 23/3/22 £'000	Cash flow £'000	Debt on acquisition £'000	Other non-cash changes £'000	At 31/3/23 £'000
Net cash					
Cash at bank	-	10,794	-		10,794
	-	10,794	-		10,794
Debt					
Hire purchase or finance leases	-	1,273	(1,273)	-	-
Debts falling due within 1 year	-	15,000	(15,000)	-	-
Debts falling due after 1 year	-	-	(184,954)	(25,719)	(210,673)
	-	16,273	(201,227)	(25,719)	(210,673)
Total	-	27,067	(201,227)	(25,719)	(199,879)

28. GOVERNMENT GRANTS

The Group made use of the Research and Development Expenditure Credit scheme (RDEC). Please see note 5, Other Operating Income, for further information

29. ACQUISITION OF SUBSIDIARY

Acquisition of CB-SDG Midco Limited Group

On 29 March 2022, 6DG Topco acquired the CB-SDG Midco Group, which is made up of several companies. All of the companies are incorporated in England and Wales, except for Capital Support US Inc (incorporated in the USA) and Carrenza BV (incorporated in the Netherlands).

CB-SDG Midco Limited prepared consolidated financial statements to the year-ended 31 March 2022. In determining the fair value of the assets on acquisition to 6DG Topco Limited, the book value disclosed in the FY22 Financial Statements was deemed to be an appropriate measure. CB-SDG Midco Limited, and all its subsidiaries, are already prepared in accordance with FRS 102.

Management has considered whether any other separately identifiable intangible assets should be recognised as part of this acquisition. Fair value adjustments have been identified to firstly exclude the goodwill already recognised in the CB-SDG Midco Limited financial statements and also to derecognise those intangible assets previously recognised in the CB-SDG Midco Limited financial statements, which do not meet the criteria for recognition of an intangible asset following a business combination. Management has further concluded that there are no new separately identifiable intangible assets that should be recognised in the business combination.

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The purchase of the CB-SDG Midco Limited group was satisfied by a cash payment of £80,000 by 6DG Holdco (a directly 100% owned subsidiary of 6DG Topco Limited) and the assumption of debt by 6DG Holdco Limited on behalf of CB-SDG Holdco owed to CB-SDG Midco Limited.

	Note	**Book Values**	**Adjustments**	**Fair Value**
		£'000	£'000	**£'000**
Intangible assets	12	81,672	(81,445)	**227**
Tangible assets	13	7,930		**7,930**
Debtors < 1 year	15	19,166		**19,166**
Debtors > 1 year		21,572		**21,572**
Cash at bank and in hand		36,049		**36,049**
Creditors < 1 year	16	(43,105)		**(43,105)**
Creditors > 1 year	17	(184,954)		**(184,954)**
		(61,670)	(81,445)	**(143,115)**
Consideration - discharged through cash				**80**
Consideration - discharged through assumption of debt				**22,518**
Goodwill arising on acquisition				**165,713**

There is no deferred consideration payment associated with this acquisition.