REGISTERED NUMBER: 07473012 (England and Wales)

Strategic Report, Report of the Directors and

Audited Financial Statements

for the Year Ended 31 March 2021

for

Six Degrees Holdings Limited

Six Degrees Holdings Limited (Registered number: 07473012)

Contents of the Financial Statements for the Year Ended 31 March 2021

Six Degrees Holdings Limited

Company Information
for the Year Ended 31 March 2021

DIRECTORS:	S K Mitchell S Crawley-Trice
REGISTERED OFFICE:	Commodity Quay St Katharine Docks London E1W 1AZ
REGISTERED NUMBER:	07473012 (England and Wales)
AUDITORS:	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH

Six Degrees Holdings Limited (Registered number: 07473012)

Strategic Report
for the Year Ended 31 March 2021

The Directors present their strategic report, the report of the Directors and the audited financial statements of Six Degrees Holdings Limited ("the Company") for the year ended 31 March 2021.

REVIEW OF BUSINESS

Six Degrees Holdings Limited is an intermediate holding company within the CB-SDG Topco Limited group of companies that trades in the market under the brand Six Degrees Group ("the Group"). Throughout the period under review, the Group has retained focus on achieving its objective of being the market-leading provider of secure cloud-led converged managed services to UK-based large and mid-market clients. In order to continually strive towards this objective, the Group works as a collaborative technology partner by offering market-facing, tailor made solutions that enable our clients' brilliance and assisting them in making a digital transformation.

As an intermediate holding undertaking within the Group, the Company provides management services and incurs central overheads on behalf of other group members. These charges are distributed to the Group via a Management Fee.

KEY PERFORMANCE INDICATORS

The directors use key performance indicators (KPIs) to monitor and assess the company's performance.

The figures in the table below provide the performance of the company for the year-ended 31 March 2021 and for the comparative year ended 31 March 2020.

The principal KPIs are as follows:

	2021	2020
	£'000	£'000
Administrative expenses	(33,324)	(32,405)
Net liabilities	(16,702)	(18,315)

Whilst the company has sought to manage costs, there has been a slight increase in administrative expenses from the prior year. The net liabilities of the Company reduced in the period under review as a result of the movement in intercompany debtors exceeding the movement in intercompany creditors.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is an intermediate holding company within the Group and, as a result, will not be directly impacted by the principal risks and uncertainties; however, as the Company is reliant on income from its subsidiaries to remain a going concern, the directors believe that the risks and uncertainties applicable to the Group may have an indirect impact on liquidity and future financial performance of the Company and, as such, need to be assessed alongside those considerations.

Economic downturn

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

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

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

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

Liquidity risk
The Company is an intermediate holding company within the Midco Group. In managing its liquidity risk, the Company relies on income from its subsidiaries; it is therefore exposed to the same risks as the Midco Group. Please see the financial statements of CB-SDG Midco Limited for further detail.

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 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. Due to the nature of the company, it primarily interacts with suppliers, employees and contractors. 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 Company's risks. Details of the principal risks and uncertainties of the Company are set out elsewhere in this report.

Employees
The Board is committed to the Company 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. Employee relationships are frequently gauged through feedback opportunities and the results of this are reviewed by management, with suggestions being implemented and concerns or frustrations being resolved at an individual and company-wide level.The Company's employment policies and related information set out within the Directors Report on pages 8 to 10.

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

DUTY TO PROMOTE THE SUCCESS OF THE COMPANY - continued
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 Company also maintains strong relationships with its suppliers as this is critical to ensure that both parties work together to deliver the benefit to our clients. The company 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.

COVID-19 PANDEMIC
The COVID-19 pandemic and subsequent virus control measures implemented by UK Government have had a significant adverse impact across the UK economy as a whole with a number of industry sectors, most notably the hospitality and retail sectors being those where there has been a significant reduction in economic activity.

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

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

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

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

Six Degrees Holdings Limited (Registered number: 07473012)

Strategic Report
for the Year Ended 31 March 2021

COVID-19 PANDEMIC - continued
People - continued
Outcomes
- Employees seamlessly moved to a home working policy with little or no impact on the levels of productivity.
- High levels of employee engagement has been maintained throughout the period through the proactive use of online meeting tools and the promotion of activities primarily designed to increase that engagement.
- Employee health and wellbeing has been maintained.
- A new Hybrid Working policy has been rolled out with a focus on employees working both from the office (once permitted and when everyone feels comfortable doing so) and from home.

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

Mitigations and actions
- Utilisation of Government Coronavirus Job Retention Scheme ("CJRS" scheme) in the areas of operational businesses that serve clients that have been adversely impacted by the virus to reduce the adverse EBITDA impact.

Outcome
- The company made use of the CJRS scheme predominantly in the first half of the year. By the end of Q3, only three employees remained in the scheme and by the year-end the Group was no longer utilising the scheme.

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

ON BEHALF OF THE BOARD:

S K Mitchell - Director

26 August 2021

Six Degrees Holdings Limited (Registered number: 07473012)

Report of the Directors
for the Year Ended 31 March 2021

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

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of an intermediate holding company. The company provides management services, manages all employees and incurs central overheads on behalf of other group members.

RESULTS
The profit for the year, before taxation, was £1.6m (2019: £2.9m)

The net liabilities of the Company were £16.7m (2019 - £18.3m).

DIVIDENDS
No dividends will be distributed for the year ended 31 March 2021 (2020 - £Nil).

MATTERS COVERED IN THE STRATEGIC REPORT
The strategic report can be found on pages 2 to 5. This contains the review of business and details of the Company's principal risks and uncertainties.

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

DIRECTORS
S K Mitchell has held office during the whole of the period from 1 April 2020 to the date of this report.

Other changes in directors holding office are as follows:

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

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

GOING CONCERN
The directors have adopted the going concern basis in preparing the financial statements. As at the balance sheet date, the Company has net current liabilities of £23.0m (2020: £25.2m) and net liabilities of £16.7m (2020: £18.3m), primarily driven by intercompany liabilities. It is anticipated that these will not become payable until the Group has received sufficient income at the time of exit and therefore the net liability position is not considered to affect its ability to continue as a going concern.

The onset of the Covid-19 pandemic materially impacted the sale and subsequent delivery of both recurring and non-recurring products and services in the first half of the financial year. Usage based revenue in both Private Cloud and Voice saw a material reduction as client consumption patterns changed considerably. Uncertainty remains about the extent to which these patterns and associated usage volumes will return to pre-covid levels. In addition to the impact of Covid-19, the year ended 31 March 2021 also saw the full year impact of a number of client churn events experienced in the prior financial year. This particularly impacted revenue in our Connectivity, Private Cloud and Managed Workplace product.

Six Degrees Holdings Limited (Registered number: 07473012)

Report of the Directors
for the Year Ended 31 March 2021

GOING CONCERN - continued
Despite a strong recovery in sales volumes in the second half of the year, turnover in the year ended 31 March 2021 was 9% lower than the prior year. In contrast to the reduction in turnover overall, turnover in our key focus areas of Public Cloud, Cyber Security and Agile Workspace all increased year-on-year. Collectively, revenue increased by 21% year-on-year across these three products.

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

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

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

The directors have considered the Group's result for the year ended 31 March 2021 and the current financial performance to date against budget in the year 31 March 2022, the revenue and cash flow projections for the remainder of the financial year alongside the potential impact of Brexit and the COVID-19 pandemic. As a result of these considerations, and the current forecasts management have compiled for the Group going forward, the directors are confident that the Group has sufficient resources to continue as a going concern for a period of not less than 12 months from the date of signing these financial statements. The Company has received a letter of support from its immediate parent undertaking confirming that financial support will be provided to meet Company's current and future liabilities for a period of at least 12 months from the date of approval of the financial statements. As such, the directors are confident that the Company has sufficient resources to continue as a going concern for a period of not less than 12 months from the date of signing these financial statements.

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

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

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

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

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

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

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

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

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

DIVERSITY AND INCLUSION - continued

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

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

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

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

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

EMPLOYEE INVOLVEMENT

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

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

As a subsidiary entity within the CB-SDG Topco Limited group of companies, the Company has elected to take the exemption not to disclose the Streamlined Energy and Carbon Reporting (SECR) requirements as these are included within the consolidated financial statements of CB-SDG Topco Limited.

Six Degrees Holdings Limited (Registered number: 07473012)

Report of the Directors
for the Year Ended 31 March 2021

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

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

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

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

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

DIRECTORS' CONFIRMATIONS
In the case of each director in office at the date the Directors' report is approved:
- so far as the director is aware, there is no relevant audit information of which the group and company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group and company's auditors are aware of that information.

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

ON BEHALF OF THE BOARD:

S K Mitchell - Director

26 August 2021

Independent Auditors' Report to the Members of
Six Degrees Holdings Limited

Report on the audit of the financial statements

Opinion
In our opinion, Six Degrees Holdings Limited 's financial statements:

-give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Strategic Report, Report of the Directors and Audited Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 March 2021; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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

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

Conclusions relating to going concern
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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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

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

Reporting on other information
The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Independent Auditors' Report to the Members of
Six Degrees Holdings Limited

Reporting on other information - continued
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, w e are required to report that fact. We have nothing to report based on these responsibilities.

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

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

Strategic Report and Report of the Directors
In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Report of the Directors for the year ended 31 March 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements
As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Independent Auditors' Report to the Members of
Six Degrees Holdings Limited

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

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

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

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

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

Independent Auditors' Report to the Members of
Six Degrees Holdings Limited

Other required reporting

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

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

We have no exceptions to report arising from this responsibility.

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

26 August 2021

Six Degrees Holdings Limited (Registered number: 07473012)

Statement of Comprehensive Income for the Year Ended 31 March 2021

	Notes	2021 £'000	2020 £'000
TURNOVER	4	36,657	36,968
Administrative expenses		(33,324)	(32,405)
		3,333	4,563
Other operating income	5	868	-
OPERATING PROFIT	7	4,201	4,563
Interest receivable and similar income	8	20,977	19,774
		25,178	24,337
Interest payable and similar expenses	9	(23,433)	(22,354)
PROFIT BEFORE TAXATION		1,745	1,983
Tax on profit	10	(132)	898
PROFIT FOR THE FINANCIAL YEAR		1,613	2,881
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,613	2,881

Six Degrees Holdings Limited (Registered number: 07473012)

Balance Sheet
31 March 2021

	Notes	2021 £'000	2020 £'000
FIXED ASSETS			
Intangible assets	11	4,838	5,429
Tangible assets	12	1,464	1,786
Investments	13	-	-
		6,302	7,215
CURRENT ASSETS			
Debtors	14	267,250	250,844
Cash at bank		282	33
		267,532	250,877
CREDITORS			
Amounts falling due within one year	15	(290,536)	(276,073)
NET CURRENT LIABILITIES		(23,004)	(25,196)
TOTAL ASSETS LESS CURRENT LIABILITIES		(16,702)	(17,981)
CREDITORS			
Amounts falling due after more than one year	16	-	(334)
NET LIABILITIES		(16,702)	(18,315)
CAPITAL AND RESERVES			
Called up share capital	18	203	203
Share premium account	19	3,187	3,187
Retained earnings	19	(20,092)	(21,705)
SHAREHOLDERS' FUNDS		(16,702)	(18,315)

The financial statements on pages 15 to 31 were approved by the Board of Directors and authorised for issue on 26 August 2021 and were signed on its behalf by:

S K Mitchell - Director

Six Degrees Holdings Limited (Registered number: 07473012)

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

	Called up share capital £'000	Retained earnings £'000	Share premium account £'000	Total equity £'000
Balance at 1 April 2019	203	(24,586)	3,187	(21,196)
Changes in equity				
Total comprehensive income	-	2,881	-	2,881
Balance at 31 March 2020	203	(21,705)	3,187	(18,315)
Changes in equity				
Total comprehensive income	-	1,613	-	1,613
Balance at 31 March 2021	203	(20,092)	3,187	(16,702)

Six Degrees Holdings Limited (Registered number: 07473012)

Notes to the Financial Statements
for the Year Ended 31 March 2021

1. **STATUTORY INFORMATION**

Six Degrees Holdings 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 that of an intermediate holding company and the provision of management services to the members of the Group.

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

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements
These financial statements have been prepared in accordance with 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.

Going concern
The directors have adopted the going concern basis in preparing the financial statements. As at the balance sheet date, the Company has net current liabilities of £23.0m (2020: £25.2m) and net liabilities of £16.7m (2020: £18.3m), primarily driven by intercompany liabilities. It is anticipated that these will not become payable until the Group has received sufficient income at the time of exit and therefore the net liability position is not considered to affect its ability to continue as a going concern.

The onset of the Covid-19 pandemic materially impacted the sale and subsequent delivery of both recurring and non-recurring products and services in the first half of the financial year. Usage based revenue in both Private Cloud and Voice saw a material reduction as client consumption patterns changed considerably. Uncertainty remains about the extent to which these patterns and associated usage volumes will return to pre-covid levels. In addition to the impact of Covid-19, the year ended 31 March 2021 also saw the full year impact of a number of client churn events experienced in the prior financial year. This particularly impacted revenue in our Connectivity, Private Cloud and Managed Workplace product.

Despite a strong recovery in sales volumes in the second half of the year, turnover in the year ended 31 March 2021 was 9% lower than the prior year. In contrast to the reduction in turnover overall, turnover in our key focus areas of Public Cloud, Cyber Security and Agile Workspace all increased year-on-year. Collectively, revenue increased by 21% year-on-year across these three products.

The directors consider the longer term performance for the group as a whole and then consider the Company's position within this. When producing the financial budget and forecasts for the short and medium term that derive the Group's future cash and revenue projection and as a result the income stream that will allow the entity to remain a going concern, the directors have modelled a number impact of the COVID-19 pandemic and associated control measures that were in place as at the balance sheet date.

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

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

The directors have considered the Group's result for the year ended 31 March 2021 and the current financial performance to date against budget in the year 31 March 2022, the revenue and cash flow projections for the remainder of the financial year alongside the potential impact of Brexit and the COVID-19 pandemic. As a result of these considerations, and the current forecasts management have compiled for the Group going forward, the directors are confident that the Group has sufficient resources to continue as a going concern for a period of not less than 12 months from the date of signing these financial statements. The Company has received a letter of support from its immediate parent undertaking confirming that financial support will be provided to meet Company's current and future liabilities for a period of at least 12 months from the date of approval of the financial statements. As such, the directors are confident that the Company has sufficient resources to continue as a going concern for a period of not less than 12 months from the date of signing these financial statements.

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirement of paragraph 33.7.

Preparation of consolidated financial statements
The financial statements contain information about Six Degrees Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, CB-SDG Midco Limited, Commodity Quay, St Katharine Docks, London, E1W 1AZ.

Related party exemption
The company has taken advantage of exemption, under the terms of Financial

and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

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2. **ACCOUNTING POLICIES - continued**

Turnover
Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for management services supplied to fellow group undertakings only.

Intangible assets
Expenditure on internally generated goodwill and brand is recognised in the profit and loss account as an expense as it is incurred.

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

	Years
Computer software	3 to 5
Development costs	3

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

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

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

Costs associated with maintaining computer software are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

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

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

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

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2. **ACCOUNTING POLICIES - continued**

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 profit and loss account on a straight line basis so as to write off those assets, adjusted for estimated residual values over the expected useful life of each category shown below. The remaining useful lives of the assets and their residual values are reviewed at the end of each reporting period.

The estimated useful lives are as follows:

	Years
Long leasehold	25 (or the remaining term of the lease, if shorter)
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.

Government grants
The company treats income received from both the Research and Development Expenditure Credit ("RDEC") and the Coronavirus Job Retention Scheme ("CJRS") in accordance with FRS 24 Government Grants, as required. The company 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. For both the RDEC and CJRS, the gross amount of the benefit is recognised as other operating income.

Investments in subsidiaries
Investments in subsidiary undertakings are recognised at cost.

Subsequently, investments are recognised at cost less any accumulated impairment that has been booked.

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated

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2. **ACCOUNTING POLICIES - continued**

Deferred tax - continued

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 as at the Balance Sheet date and that are expected to apply to the reversal of the timing difference.

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

Hire purchase and leasing commitments

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

Interest receivable and interest payable

Interest payable and similar charges include interest payable and net foreign exchange losses that are recognised in the profit and loss.

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.

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.

Capitalised software - useful economic life

The useful life is determined by management at the time the softwareisacquired and brought into use and is regularly reviewed forappropriateness. For computer software licences, the useful life represents management’s view of the expected term over which the Group will receive benefits from the software, but not exceeding the licence term. For unique software products controlled by the company the lifeisbased on historical experience with similar products as well asanticipation of future events which may impact their life such as changes in technology. Historically changes in useful lives have not resulted in material changes to the company's amortisation charge.

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Six Degrees Holdings Limited (Registered number: 07473012)

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

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY - continued

Exceptional items
The directors believe that separate presentation of exceptional items is relevant to an understanding of the company'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.

4. **TURNOVER**

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

5. **OTHER OPERATING INCOME**

	2021	2020
	£'000	£;000
Research and Development Expenditure Credit	445	-
Coronavirus Job Retention Scheme	423	-
Other operating income	868	-

Research and Development Expenditure Credit (RDEC)
The company 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 company recognises the gross amount received as Other Operating Income.

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

6. **EMPLOYEES AND DIRECTORS**

	2021	2020
	£'000	£'000
Wages and salaries	18,583	18,779
Social security costs	2,349	2,459
Other pension costs	731	788
	21,663	22,026

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Six Degrees Holdings Limited (Registered number: 07473012)

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

6. EMPLOYEES AND DIRECTORS - continued

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

	2021	2020
Directors	2	2
Operations	307	329
Sales and marketing	71	64
Administration	63	54
	443	449

In the prior year, the employment of the directors was transferred to a fellow group company CB-SDG Limited. The cost of this employment is now recharged via a management fee. It is not practicable to allocate the costs relating to specific employees for their time spent on this company.

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

	2021	2020
	£'000	£'000
Development costs	2,790	3,392

	2021	2020
	£	£
Directors' remuneration	-	-

All directors are employed by CB-SDG Limited, a fellow group undertakings and their costs are recharged via a management fee. It is not practicable to allocate the costs relating to the directors for their time spent on this company.

7. OPERATING PROFIT

The operating profit is stated after charging:

	2021	2020
	£'000	£'000
Operating lease charge	823	1,214
Depreciation - owned assets	415	404
Development costs amortisation	3,248	2,636
Computer software amortisation	271	255
Auditors remuneration - for statutory audit services	146	169
Auditors remuneration - for tax compliance	52	52
Foreign exchange differences	7	7

The audit fee for the year end comprises the total fee payable for all Group companies.

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Six Degrees Holdings Limited (Registered number: 07473012)

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

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021	2020
	£'000	£'000
Interest receivable from group undertakings	20,977	19,774

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£'000	£'000
Interest payable to group undertakings	23,433	22,354

10. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the year was as follows:

	2021	2020
	£'000	£'000
Current tax:		
UK corporation tax	132	(898)
Tax on profit	132	(898)

Reconciliation of total tax charge/(credit) included in profit and loss

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

	2021	2020
	£'000	£'000
Profit before tax	1,745	1,983
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	332	377
Effects of:		
Expenses not deductible for tax purposes	53	(15)
Depreciation in excess of capital allowances	247	19
Utilisation of tax losses	(635)	(516)
Transfer pricing adjustments	135	135
Tax credit in relation to research and development research and development	-	(898)
Total tax charge/(credit)	132	(898)

Factors that may affect future tax charges

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

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Six Degrees Holdings Limited (Registered number: 07473012)

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

11. INTANGIBLE ASSETS

	Development costs £'000	Computer software £'000	Totals £'000
COST			
At 1 April 2020	11,734	5,620	17,354
Additions	2,790	138	2,928
At 31 March 2021	14,524	5,758	20,282
AMORTISATION			
At 1 April 2020	6,781	5,144	11,925
Amortisation for year	3,248	271	3,519
At 31 March 2021	10,029	5,415	15,444
NET BOOK VALUE			
At 31 March 2021	4,495	343	4,838
At 31 March 2020	4,953	476	5,429

12. TANGIBLE ASSETS

	Long leasehold £'000	Fixtures and fittings £'000	Computer equipment £'000	Totals £'000
COST				
At 1 April 2020	3,290	616	233	4,139
Additions	-	3	90	93
At 31 March 2021	3,290	619	323	4,232
DEPRECIATION				
At 1 April 2020	1,576	569	208	2,353
Charge for year	381	12	22	415
At 31 March 2021	1,957	581	230	2,768
NET BOOK VALUE				
At 31 March 2021	1,333	38	93	1,464
At 31 March 2020	1,714	47	25	1,786

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Six Degrees Holdings Limited (Registered number: 07473012)

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

13. INVESTMENTS

	Shares in group undertakings £'000
COST	
At 1 April 2020 and 31 March 2021	1
PROVISIONS	
At 1 April 2020 and 31 March 2021	1
NET BOOK VALUE	
At 31 March 2021	-
At 31 March 2020	-

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

Name	Nature of Business	Interest
Six Degrees Technology Limited	Holding company	100% ordinary share capital
Six Degrees Investments Limited	Holding company	100% ordinary share capital
Convergent Holdings (London) Limited	Holding company	100% ordinary share capital
Six Degrees Property Limited	Property investment	100% ordinary share capital
Six Degrees Technology Group Limited	Trading	100% ordinary share capital
BIS Limited	Trading	100% ordinary share capital
Capital Support US Inc	Trading	100% ordinary share capital
Carrenza B.V.	Trading	100% ordinary share capital
Convergent Network Solutions Limited	Trading	100% ordinary share capital
BIS Datacentres Ltd	Dormant	100% ordinary share capital
C24 Ltd	Dormant	100% ordinary share capital
Capital Support Group Limited	Dormant	100% ordinary share capital
Capital Support Limited	Dormant	100% ordinary share capital
Carrenza Limited	Dormant	100% ordinary share capital
CNS HUT3 Limited	Dormant	100% ordinary share capital
Convergent Employee Benefit Trust Limited	Dormant	100% ordinary share capital

Services Limited	Dormant	100% ordinary share capital

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Six Degrees Holdings Limited (Registered number: 07473012)

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

13. **INVESTMENTS - continued**

Name	Nature of Business	Interest
Insite Limited	Dormant	100% ordinary share capital
Sunrise Group Holdings Limited	Dormant	100% ordinary share capital
Sunrise Associates 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

Six Degrees Technology Limited is held by direct ownership. All other investments are held by indirect ownership.

All subsidiaries are incorporated in the United Kingdom other than 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. that 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.

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

	2021	2020
	£'000	£'000
Trade debtors	10	19

Other debtors	1,197	937
Prepayments and accrued income	3,423	1,826
	267,250	250,844

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

continued...

Six Degrees Holdings Limited (Registered number: 07473012)

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

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£'000	£'000
Trade creditors	849	448
Amounts owed to group undertakings	284,478	271,420
Social security and other taxes	2,749	2,083
Other creditors	1,106	1,121
Accruals and deferred income	1,354	1,001
	290,536	276,073

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

As at the balance sheet date, the company utilised the UK Governments VAT Payment Deferral Scheme and did not make payment of the VAT liability for the quarter ending 31st March 2020. This is due to be settled during the year ended 31st March 2022.

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

	2021	2020
	£'000	£'000
Other creditors	-	334

In May 2018, the company assigned a lease; as part of these negotiations, the company agreed to share the first few rental payments owed by the new lessee once the lease exits the rent-free period.

17. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021	2020
	£'000	£'000
Within one year	689	689
Between one and five years	1,669	2,359
	2,358	3,048

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Six Degrees Holdings Limited (Registered number: 07473012)

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

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £'000	2020 £'000
8,500,000	Ordinary A	£0.0005	4	4
1,557,143	Ordinary B	£0.0005	1	1
140,246	Ordinary C	£0.0005	-	-
193,334	Incentive A	£1	193	193
4,997	Incentive B	£1	5	5
			203	203

Ordinary A

Non-Redeemable shares conferring:
- Full Voting Rights
- Right to receive a dividend of surplus distributable profits after the payment of any preferential dividend pro-rata with the holders of the Ordinary B and Ordinary C Shares
- Right to receive a specified percentage of amounts due on a sale, listing or liquidation.

Ordinary B

Non-redeemable shares conferring:
- Full voting rights
- Right to receive a dividend of surplus distributable profits after the payment of any preferential dividend pro-rata with the holders of ordinary A shares and ordinary C shares
- Right to receive a specified percentage of amounts due on a sale, listing or liquidation

Ordinary C

Non-redeemable shares conferring,
- No voting rights
- Right to receive a dividend of surplus distributable profits after the payment of any preferential dividend pro-rata with the holders of ordinary A shares and ordinary B shares

Incentive A
Non-voting shares which do not confer any right to a dividend or to participate in any distribution but which confer the right to receive a specified percentage of amounts due on a sale, listing or liquidation of the company.

Incentive B
Non-voting shares which do not confer any right to a dividend or to participate in any distribution but which confer the right to receive a specified percentage of amounts due on a sale, listing or liquidation of the company.

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19. RESERVES

	Retained earnings £'000	Share premium account £'000	Totals £'000
At 1 April 2020	(21,705)	3,187	(18,518)
Profit for the year	1,613		1,613
At 31 March 2021	(20,092)	3,187	(16,905)

20. RELATED PARTY DISCLOSURES

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

21. ULTIMATE CONTROLLING PARTY

The Company's immediate parent is CB-SDG Limited and its ultimate parent is CB-SDG Topco Limited.

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

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

22. GOVERNMENT GRANTS

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