REGISTERED NUMBER: 09657788 (England and Wales)

Strategic Report, Report of the Directors and

Audited Financial Statements

for the Year Ended 31 March 2020

for

CB-SDG Holdco Limited

Contents of the Financial Statements for the Year Ended 31 March 2020

CB-SDG Holdco Limited

Company Information
for the Year Ended 31 March 2020

DIRECTORS:	D M Howson S K Mitchell P Vaz
SECRETARY:	M Redding
REGISTERED OFFICE:	Commodity Quay St Katharine Docks London E1W 1AZ
REGISTERED NUMBER:	09657788 (England and Wales)
AUDITORS:	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH

Strategic Report
for the Year Ended 31 March 2020

The Directors present their strategic report, the report of the Directors and the audited financial statements of CB-SDG Holdco Limited ("the Company") for the year ended 31 March 2020.

REVIEW OF BUSINESS
CB-SDG Holdco Limited is an intermediate holding company within the CB-SDG Topco Limited group of companies ("the Group") that trades in the market under the brand Six Degrees Group. The Company's purpose is to carry long term liabilities such as redeemable preference shares and loan notes, therefore it has no need for short-term liquidity.

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 2020 and for the restated comparative year-ended 31 March 2019.

The principal KPIs are as follows:

	2020	**2019**
	£'000	£'000
Interest payable	14,924	15,935
External debt	198,211	183,675
Net liabilities	(32,333)	(17,393)

The net liabilities of the Company increased in the period under review as a result of the refinancing at the start of the year and the subsequent increase in borrowing. The interest charge in the year was lower than the comparative period due to 8% loan notes due to related parties being settled as part of the refinancing and replaced by unsecured 2.71% loan notes due to group undertakings.

REFINANCE OF EXTERNAL DEBT
On 3 April 2019, the Group successfully completed a refinancing of its external debt. The Group settled its existing external debt facility with Ardian and entered into a new facility agreement with Ares Management Limited totalling £169.0m, with a term of 7 years that falls due in April 2026. As part of the refinancing, the Company listed Unsecured A Loan Notes on the Bermuda Stock Exchange and the Group entered into a new interest rate cap derivative financial instrument. In addition to the primary facilities, the Group has secured further committed facilities in the form of a Revolving Credit facility (for working capital purposes) and an acquisition facility to support any future inorganic expansion. As at the balance sheet date, the acquisition facility remains undrawn.

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

PRINCIPAL RISKS AND UNCERTAINTIES

Economic downturn

The Company relies on income from its subsidiaries. It is therefore exposed to the same risks as the CB-SDG Midco Limited (" Midco Group") of which it holds 100% of the share capital.

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 levels.

In relation to the risk of economic downturn presented by Brexit, the United Kingdom formally left the European Union on 29 January 2020 and in the absence of a new formal trading deal, with the current agreement with the EU due to end on 31 December 2020 there is significant uncertainty over the terms of any new trading deal, if any, that the UK government will be able to negotiate with the EU. Management has performed a 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 and with transactions denominated in sterling.

Liquidity risks

The Company's purpose is to carry long term liabilities such as redeemable preference shares and loan notes, therefore it has no need for short-term liquidity. 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 of which it holds 100% of the share capital.

Currency risk

The Company has limited exposure to translation and transaction foreign exchange risk as all of its transactions are conducted in sterling.

Interest rate risk

The Company is not exposed to any interest rate risk on the redeemable preferences shares and loan notes since the relevant interest rates are fixed and apply for a fixed period of time.

COVID-19 PANDEMIC

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

The COVID-19 pandemic has had a very limited impact on the Company directly since it acts as an intermediate holding company. The Company relies on income from its subsidiaries within the Midco Group and thus is indirectly exposed to the threats related to the COVID-19 pandemic.

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

COVID-19 PANDEMIC - continued

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

Financial Performance

Risks

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

Mitigations and actions

- Review of short-term profit and loss forecasts to incorporate changes in the impacted sectors on a service/product line basis.
- Utilisation of Government Coronavirus Job Retention 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

- Reporting EBITDA for the period to the date of this report in line with forecasts

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

29 October 2020

Report of the Directors
for the Year Ended 31 March 2020

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

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of an intermediate holding Company.

RESULTS AND DIVIDENDS
The loss for the period, before taxation, was £14.9m (2019 - £15.9m)

The net liabilities of the Company were £32.3m (2019 - £17.4m).

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

MATTERS COVERED IN THE STRATEGIC REPORT
The strategic report can be found on pages 2 to 4. This contains the review of business and details of the Company's principal risks and uncertainties.

FUTURE DEVELOPMENTS
The directors do not intend to make any changes to the operations of the Company; it will continue to act as an intermediary holding company within the Group.

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

D M Howson
S K Mitchell
P Vaz

POLITICAL DONATIONS
There were no political donations made during the year (2019 - £Nil).

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 £0.2m (restated 2019 - net current assets of £0.3m), being amounts due to fellow group undertakings, and net liabilities of £32.3m (2019 - £17.4m), primarily driven by future obligations due to the external investors for the redeemable preference shares and loan notes. It is anticipated that these will not become payable until the Company has received sufficient income from its investment in the Midco Group and therefore the net liability position is not considered to affect its ability to continue as a going concern.

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

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

FINANCIAL RISK MANAGEMENT
The Company's financial risk management policy is outlined in the Strategic Report on pages 2 to 4.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS
The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provisions remain in force as at the date of this report.

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 Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued
In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, 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 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

29 October 2020

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

Report on the audit of the financial statements

Opinion

In our opinion, CB-SDG Holdco Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its loss 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 2020; the Statement of Comprehensive Income, 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

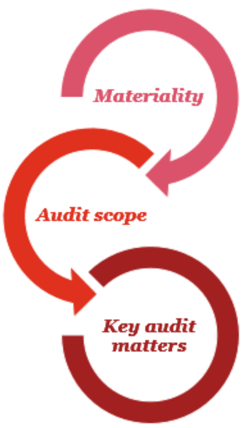
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit 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, as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview



- Overall materiality: £323,000 (2019: £170,000), based on 1% of net liabilities capped at Group materiality of CB-SDG Topco Limited.

- Full scope statutory audit

- Impairment of investments in subsidiaries
- COVID-19

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	***How our audit addressed the key audit matter***
Impairment of investments in subsidiaries The Company has £166,032k of investments in subsidiaries as at 31 March 2020 (2019: £166,032k). Determining if an impairment charge is required involves an assessment of the net assets of the underlying investments and judgement about the future results and cash flows of the investments, include forecasted EBITDA. The Directors' impairment assessment showed that no impairment is required for investments in subsidiaries as at 31 March 2020.	We have reviewed the Directors' impairment assessment for investment in subsidiaries. This included comparing the investment carrying value against the net assets of the subsidiary and by reference to the discounted future projections the Directors expect trading entities to generate. We challenged the Directors' assumptions used in these discounted value-in-use models including growth rates, discount rate and underlying performance of trading entities which is based on board approved forecasts. Overall, we concur that sufficient headroom is available as at 31 March 2020 and therefore no impairment is required.
COVID-19 The outbreak of the COVID-19 pandemic in early 2020 has affected individuals and businesses across the world in unprecedented ways. The Company itself has not been directly impacted by the pandemic as a holding company with no direct trading or employees. However, to realise the value of its investment in subsidiaries and pay its long-term liabilities the Company is reliant on the long term financial performance of the subsidiary trading entities. Given the unprecedented nature of the pandemic, the impact of COVID-19 remains an uncertainty in both the short and longer term. In response the directors have ensured that Company and its subsidiary entities have been able to continue to work as normal on a remote basis, with no significant disruption to the Company or to the subsidiaries operations. In addition the directors have considered the overall Group financial performance. They have performed a detailed going concern assessment, covering a period of at least twelve months from the date of approval of these financial statements, which includes a severe but plausible downside scenario. The directors concluded that based on these forecasts and sensitivities, there were no issues identified regarding the going concern of the overall Group and accordingly the letter of financial support provided to this Company from CB-SDG Topco Limited (the "Parent"). Although their forecasts do not show that it will be required, the Group's directors have also obtained a letter of support from the Group's ultimate controlling party, Charlesbank Capital Partners LLC on behalf of funds managed by it.	We have inspected the letters of financial support provided to the Company by CB-SDG Topco Limited, and to CB-SDG Topco Limited by the ultimate controlling party and confirmed that these letters cover a period of at least twelve months from the date of the approval of these financial statements. We have assessed the ability of both parties to provide this financial support to the Company by examining the overall Group performance and the going concern assessment prepared by the directors. Including considering the severe but plausible downside scenario presented which assumes overall reduction in revenue across each business line and cost measures taken to minimise the adverse impact on the financial performance of the Group. We have considered the overall Group trading performance. No issues have been noted regarding Parent's ability to provide support to the Company and sufficient headroom is available on the Group's liquidity and financial covenants under the external banking arrangements. We have also reviewed the completeness and appropriateness of the disclosures in the Annual Report in relation to COVID-19. We have considered the impact of COVID-19 on the overall Group's trading performance and its impact on the carrying value of the Company's investments. Please refer to key audit matter *'Impairment of investments in subsidiaries'*.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	£323,000 (2019: £170,000).
How we determined it	1% of net liabilities capped at Group materiality of CB-SDG Topco Limited.
Rationale for benchmark applied	CB-SDG Holdco Limited is a holding and financing entity, holding investments in group companies and external debt which is passed on to group companies, therefore net liabilities is the primary measure used by the shareholders in assessing the performance of the entity, and is a generally accepted auditing benchmark.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £16,000 (2019: £8,500) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

Reporting on other information

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

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

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

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

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 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Jennifer Dickie

Jennifer Dickie (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
29 October 2020

Statement of Comprehensive Income for the Year Ended 31 March 2020

	Notes	2020 £'000	2019 £'000
TURNOVER		-	-
Administrative expenses		(16)	(13)
OPERATING LOSS		(16)	(13)
Interest payable and similar expenses	5	(14,924)	(15,935)
LOSS BEFORE TAXATION		(14,940)	(15,948)
Taxation	6	-	-
LOSS FOR THE FINANCIAL YEAR		(14,940)	(15,948)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(14,940)	(15,948)

The notes form part of these financial statements

Balance Sheet
31 March 2020

	Notes	2020 £'000	2019 as restated £'000
FIXED ASSETS			
Investments	8	166,032	166,032
CURRENT ASSETS			
Debtors: Amounts falling due within one year	9	231	263
CREDITORS			
Amounts falling due within one year	10	(385)	(13)
NET CURRENT (LIABILITIES)/ASSETS		(154)	250
TOTAL ASSETS LESS CURRENT LIABILITIES		165,878	166,282
CREDITORS			
Amounts falling due after more than one year	11	(198,211)	(183,675)
NET LIABILITIES		(32,333)	(17,393)
CAPITAL AND RESERVES			
Called up share capital	13	16,317	16,317
Other reserves	14	(28,687)	(21,774)
Retained earnings	14	(19,963)	(11,936)
SHAREHOLDERS' FUNDS		(32,333)	(17,393)

The financial statements on pages 12 to 27 were approved by the Board of Directors on 29 October 2020 and were signed on its behalf by:

S K Mitchell - Director

The notes form part of these financial statements

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

	Called up share capital £'000	Retained earnings £'000	Other reserves £'000	Total equity £'000
Balance at 1 April 2018	6,241	(2,882)	(14,880)	(11,521)
Changes in equity				
Increase in share capital	10,076	-	-	10,076
Transfers	-	6,894	(6,894)	-
Total comprehensive loss	-	(15,948)	-	(15,948)
Balance at 31 March 2019	16,317	(11,936)	(21,774)	(17,393)
Changes in equity				
Transfers	-	6,913	(6,913)	-
Total comprehensive loss	-	(14,940)	-	(14,940)
Balance at 31 March 2020	16,317	(19,963)	(28,687)	(32,333)

The notes form part of these financial statements

1. STATUTORY INFORMATION

CB-SDG Holdco 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 within the CB-SDG Topco Limited group.

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

2. ACCOUNTING POLICIES

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

Going concern
The directors have adopted the going concern basis in preparing the financial statements. As at the balance sheet date, the Company has net current liabilities of £0.2m (restated 2019 - net current assets of £0.3m), being amounts due to fellow group undertakings, and net liabilities of £32.3m (2019 - £17.4m), primarily driven by future obligations due to the external investors for the redeemable preference shares and loan notes. It is anticipated that these will not become payable until the Company has received sufficient income from its investment in the Midco Group and therefore the net liability position is not considered to affect its ability to continue as a going concern.

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

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

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

 continued...

2. **ACCOUNTING POLICIES - continued**

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

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 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

Preparation of consolidated financial statements
The financial statements contain information about CB-SDG Holdco 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 Topco Limited, Commodity Quay, St Katharine Docks, London, E1W 1AZ.

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.

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

continued...

2. **ACCOUNTING POLICIES - continued**

Financial instruments
The Company has chosen to adopt Section 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets
Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the assets are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(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. The fee is amortised over the life of the loan. 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.

continued...

2. **ACCOUNTING POLICIES - continued**

Financial instruments - continued

(ii) Financial liabilities - continued

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. The Company does not apply hedge accounting.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise asset and settle the liability simultaneously.

(iv) Redeemable preference share capital

Within these financial statements, the redeemable preference share capital is accounted for as debt and dividends are treated as interest payable on the basis that payment is not within control of the Company. During the period, a 10% coupon rate dividend was accrued in respect of the Company's redeemable preference share capital.

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.

continued...

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTIES

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.

Preference Shares
Management has exercised its judgment with respect to the preference shares, which are disclosed as non-current liabilities as a result of certain rights attributable to the holders.

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

4. EMPLOYEES AND DIRECTORS

There were no staff costs for the year ended 31 March 2020 nor for the year ended 31 March 2019.

	2020	2019
	£	£
Directors' remuneration	-	-

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

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

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5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£'000	£'000
Preference share dividend	6,913	6,894
Interest on loan notes payable to group undertakings	1,075	1
Interest on loan notes payable to ultimate parent undertaking	6,272	9,006
Interest on loan notes payable to related parties	664	34
	14,924	15,935

6. TAXATION

Analysis of the tax charge
No liability to UK corporation tax arose for the year ended 31 March 2020 nor for the year ended 31 March 2019.

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

	2020	2019
	£'000	£'000
Loss before tax	(14,940)	(15,948)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	(2,839)	(3,030)
Effects of:		
Expenses not deductible for tax purposes	2,632	2,945
Losses group relieved	207	85
Total tax charge	-	-

continued...

6. TAXATION - continued

Factors that may affect future tax charges

Under legislation in existence at the balance sheet date, the UK main corporation tax rate will be reduced to 17% from 1 April 2020.

After the balance sheet date and prior to the date of this report, legislation was enacted by the UK Government such that the reduction in the tax rate to 17% was cancelled and the UK main corporate tax rate will remain at 19% from 1 April 2020.

The Company has a tax charge of £Nil in the period (2019 - £Nil).

7. PRIOR YEAR ADJUSTMENT

In the current financial year, management have reviewed their classification of preference shares and reassessed their judgements applied in relation to classification of preference shares. It was concluded that preference shares should be classified as non-current liabilities and therefore this resulted in a restatement of prior year balances, amounting to £75,833k (1 April 2018: £68,939k), which has only impacted current liabilities and the net current assets / liability position. There is no impact on overall net liabilities position or the income statement both in current and prior year.

8. INVESTMENTS

	Shares in group undertakings £'000
COST	
At 1 April 2019 and 31 March 2020	166,032
NET BOOK VALUE	
At 31 March 2020	166,032
At 31 March 2019	166,032

continued...

8. **INVESTMENTS - continued**

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

Name	Nature of Business	Interest
CB-SDG 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	Property investment	100% ordinary share capital
Six Degrees Technology Group Limited	Trading	100% ordinary share capital
BIS Limited	Trading	100% ordinary share capital
Capital Support Inc	Trading	100% ordinary share capital
Carrenza B.V.	Trading	100% ordinary share capital
Convergent Network Solutions Limited	Trading	100% ordinary share capital
BIS Datacentres Ltd	Dormant	100% ordinary share capital
C24 Ltd	Dormant	100% ordinary share capital
Capital Support Group Limited	Dormant	100% ordinary share capital
Capital Support Limited	Dormant	100% ordinary share capital
Carrenza Limited	Dormant	100% ordinary share capital
CNS HUT3 Limited	Dormant	100% ordinary share capital
Convergent Employee Benefit Trust Limited	Dormant	100% ordinary share capital
Convergent Managed Services Limited	Dormant	100% ordinary share capital
Duostream Technology 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 7 Limited	Dormant	100% ordinary share capital
SKD 8 Limited	Dormant	100% ordinary share capital
SKD 9 Limited	Dormant	100% ordinary share capital
SKD 10 Limited	Dormant	100% ordinary share capital
SKD 11 Limited	Dormant	100% ordinary share capital
SKD 12 Limited	Dormant	100% ordinary share capital
SKD 13 Limited	Dormant	100% ordinary share capital

continued...

8. **INVESTMENTS – continued**

Name	Nature of Business	Interest
SKD 14 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 21 Limited	Dormant	100% ordinary share capital

SKD 16 Limited was dissolved on the 10th March 2020.

The Company's investment in CB-SDG Midco Limited is direct ownership, all other investments are indirect ownership. All subsidiaries are incorporated in the United Kingdom except Carrenza B.V. which is incorporated in the Netherlands and Capital Support Inc which is incorporated in the US.

The registered office of the above companies is Commodity Quay, St Katharine Docks, London E1W 1AZ with the exception of Carrenza B.V. is registered at Barbara Stozzilaan 101, 1083H and Capital Support Inc at Grace Building, 34th floor, 1114 Avenue of the Americas, New York, NY10036

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

	2020	2019
	£'000	£'000
Prepayments and accrued income	231	263

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

	2020	2019 as restated
	£'000	£'000
Amounts owed to group undertakings	385	13

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

continued...

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

	2020 £'000	2019 as restated £'000
Loan notes payable to related parties and group undertakings (see note 12)	31,390	23,181
Loan notes payable to ultimate parent undertaking (see note 12)	166,821	160,494
	198,211	183,675

12. LOANS

An analysis of the maturity of loans is given below:

	2020 £'000	2019 £'000
Amounts falling due in more than five years:		
Repayable otherwise than by instalments		
Loan notes payable to related parties	4,954	4,823
Loan notes payable to group undertakings	26,436	18,358
Loan notes payable to ultimate parent undertaking	84,076	84,661
Preference shares	82,745	75,833
	198,211	183,675

Loan Notes payable to the ultimate parent undertaking and related parties encompasses unsecured 8% loan notes issued by the Company. Loan notes payable to related parties are held by private investors. Interest payable is charged at 8% and is rolled up on an annual basis; it is only payable when the loan notes are redeemed. The loan notes are due for settlement in 2028.

Loan notes payable to group undertakings encompasses £5,306k of 8% loan notes issued by the Company and held by the immediate parent undertaking and £21,130k of 2.71% loan notes issued by the Company and held by CB-SDG Limited, a subsidiary undertaking. Interest payable is charged at 8% and 2.71% respectively and is rolled up on an annual and quarterly basis respectively; it is only payable when the loan notes are redeemed. The loan notes are due for settlement in 2028.

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12. LOANS - continued

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

As part of the refinancing, the following Unsecured A Loan Notes were listed on the Bermuda Stock Exchange on 28 March 2019:

	Date listed	Principal Value £'000	Carrying Value £'000
Loan notes payable to ultimate parent undertaking	28 March 2019	72,186	84,076
Loan notes payable to related parties	28 March 2019	4,367	4,954

As at the date of this report the listings remain active.

Details of shares shown as liabilities are as follows:

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020 £'000	2019 £'000
54,058,855	Preference	£1.00	82,745	75,833

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020 £'000	2019 £'000
16,317,000	Ordinary	£1.00	16,317	16,317

continued...

13. **CALLED UP SHARE CAPITAL - continued**

Ordinary Shares
All dividends must be paid according to the amounts paid up on the shares on which the dividend is paid, and apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. Each member who, being and individual or corporate, has one vote.

Preference shares
Every holder of preference shares will be entitled to:

(a) receive a copy of any written resolution that is circulated to eligible members of the company, as defined under the act, at the same time as the resolution is circulated to such eligible members, but shall not constitute an eligible member in respect of any such proposed written resolution, in their capacity as holder of such preference shares; and

(b) receive notice of all general meetings and attend and speak at any general meeting, but will not be entitled to vote at any general meeting in their capacity as holder of such shares.

On a return of capital or on a winding up, the holders of the preference shares will be paid in priority to the other shareholders a sum equal to the subscription price on each preference share held by them, together with a sum equal to any accrued and/or unpaid preference return calculated down to and including the date of return of capital, and payable irrespective of whether or not the company has enough available profits to pay the accrued and/or unpaid preference return, as at the relevant date (and any interest due on the unpaid dividend), provided that if there are sufficient assets for such payment in full, any amount available for distribution shall be paid to the preference shareholders pro rata to the number of preference shares held by them.

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

14. **RESERVES**

Other reserves
This reserve enables the maintenance of capital in respect of holders of the redeemable preference shares which are classified as liabilities within "Creditors: (amounts falling due within one year)", by transferring the preference share coupon dividend due from retained earnings to this separate reserve.

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15. ULTIMATE CONTROLLING PARTY

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

The smallest and largest group within which the results 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.