

Brightstar 20:20 Limited

Annual Report and Financial Statements

For the 9 month period ended 31 December 2017

Registered Number: 08411776

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Brightstar 20:20 Limited

**Annual report and financial statements for the 9 month period ended 31
December 2017**

Registered No. 08411776

REPORT AND FINANCIAL STATEMENTS

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Brightstar 20:20 Limited

Annual report and financial statements for the 9 month period ended 31 December 2017

DIRECTORS

Mr Michael Singer (American)

Mr Noel Marsden (American)

Mr Stijn Nijs (Belgian)

Mr Andy Hancock

AUDITOR

Deloitte LLP

Statutory Auditor

2 Hardman Street

Manchester

M3 3HF

BANKERS

Barclays Bank PLC

PO Box 202

36 Town Road

Hanley

Stoke on Trent

Staffordshire

ST1 2PJ

SOLICITORS

K&L Gates

One New Change

London

EC4M 9AF

REGISTERED OFFICE

Weston Road

Crewe

Cheshire

CW1 6BU

Brightstar 20:20 Limited

Annual report and financial statements for the 9 month period ended 31 December 2017

STRATEGIC REPORT

The Directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

PRINCIPAL ACTIVITIES

The Company's principal activity is that of a holding Company, the principal activity of the trading subsidiaries is the supply of mobile phone products and the provision of business process outsourcing services to the mobile telecoms industry. The Directors do not anticipate any changes to the principal activities for the foreseeable future.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The profit and loss account and balance sheet are set out on pages 9 -10.

Both the level of business and the period-end financial position is satisfactory, considering the Company's role as the administrative headquarters of the EMEA region. In this role future losses are to be expected and are in line with the Directors' expectations.

During the period, it was agreed that Brightstar 20:20 Limited would waive £3,000,000 of its right to receive payment in respect of the amount of the indebtedness from Brightstar 20:20 UK Limited, an immediate subsidiary undertaking. The other operating income balance during the year represents intercompany management and service income alongside dividend income received from the subsidiary undertaking.

Given the limited nature of the Company's activities, no key performance indicators are monitored.

PRINCIPAL RISKS AND UNCERTAINTIES

As an investment holding Company, the principal risks are those faced by its main indirect investment, Brightstar 20:20 UK Limited, details of which are disclosed in the annual report of Brightstar 20:20 UK Limited.

FUTURE DEVELOPMENTS

The Company will continue to operate as an investment holding Company.

Approved by the Board of Directors on 28 September 2018 and signed on behalf of the Board by:



Mr Andy Hancock
Director

Brightstar 20:20 Limited

Annual report and financial statements for the 9 month period ended 31 December 2017

DIRECTORS' REPORT (CONTINUED)

The Directors present their report and the audited financial statements for the 9 month period ended 31 December 2017.

RESULTS AND DIVIDENDS

The loss for the period, after taxation, amounted to £8,950,000 (year ended 31 March 2017: loss of £13,254,000). The Directors have not recommend the payment of a dividend (year ended 31 March 2017: same).

CHANGE OF ACCOUNTING REFERENCE DATE

During the period, the financial year end of the Company was changed from 31 March to 31 December.

GOING CONCERN

The financial statements have been prepared on a going concern basis. Further details on the basis of preparation are given in note 1 to the financial statements.

DIRECTORS

The Directors of the Company who currently hold office at the date of signing the financial statements and who held office during the period are listed below:

Michael Singer
Noel Marsden (appointed 20 October 2017)
Stijn Nijs (appointed 20 October 2017)
Andy Hancock (appointed 20 October 2017)
Oscar Fumagali (resigned 20 October 2017)

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise short-term borrowings, cash and short-term deposits. The main purpose of these financial instruments is to finance the Company's operations.

The main risks arising from the Company's financial instruments are cash flow interest rate risk, liquidity risk, credit risk and currency risk.

Cash flow interest rate risk

The Company's exposure to the risk of changes in market interest rates relates to its short-term borrowings and cash and short-term deposits, which have floating interest rates. All surplus funds are managed daily to ensure maximisation of interest receivable, or reduction of interest payable in the medium term where possible.

Liquidity risk

The Company aims to maintain a balance between continuity of funding and flexibility by ensuring that sufficient borrowing facilities are in place by reference to forecast debt levels.

Credit risk

The Company's principal financial assets are investments, cash and intercompany balances. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Currency risk

The Company's activities expose it primarily to the financial risks of changes in foreign exchange rates. In connection with the company's risk management strategy, intergroup currency agreements are entered into for trading purposes to reduce the impact of exchange rate and/or interest rate fluctuations related to debt payments. The company does not trade speculatively.

Brightstar 20:20 Limited

Annual report and financial statements for the 9 month period ended 31

December 2017

DIRECTORS' REPORT (CONTINUED)

DISCLOSURE OF INFORMATION TO AUDITOR

So far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware, and all steps have been made to ensure that the Directors are aware of any relevant information, and to establish that the Company's auditor is aware of that information.

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to be re-appointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board of Directors on 28 September 2018 and signed on behalf of the Board by:



Mr Andy Hancock
Director

Brightstar 20:20 Limited

Annual report and financial statements for the 9 month period ended 31
December 2017

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102. 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 those financial statements, the Directors are required to:

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

Brightstar 20:20 Limited

Annual report and financial statements for the 9 month period ended 31 December 2017

Independent auditor's report

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Brightstar 20:20 Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the Directors' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

Independent auditor's report (continued)

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of Directors

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

In preparing the financial statements, the Directors are responsible for assessing the 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.

Auditor's responsibilities for the audit of the financial statements

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

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 auditor's report.

Independent auditor's report (continued)

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the Directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

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



Simon Hearne FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Manchester, United Kingdom
28 September 2018

Brightstar 20:20 Limited

PROFIT AND LOSS ACCOUNT

For the 9 month period ended 31 December 2017

		9 months December 2017 £'000	12 months March 2017 £'000
Administrative expenses		(14,561)	(19,680)
Other operating income	1	9,673	7,953
Operating loss	3	(4,888)	(11,727)
Finance costs	6	(1,062)	(1,527)
Loss on ordinary activities before tax		(5,950)	(13,254)
Tax on loss on ordinary activities	7	-	-
Loss for the financial period/year		(5,950)	(13,254)

The notes on pages 12 to 20 form an integral part of the financial statements.

All results in the current period and prior year derive from continuing operations.

There have been no recognised income or expenses attributable to the shareholders other than the loss on ordinary activities after taxation for the current period and prior year as shown in the profit and loss account. Accordingly no separate statement of total comprehensive income has been presented.

Brightstar 20:20 Limited

BALANCE SHEET

As at 31 December 2017

		December 2017 £'000	March 2017 £'000
	Note		
FIXED ASSETS			
Intangible assets	8	2,139	2,403
Tangible assets	9	568	425
Investments	10	43,657	40,657
		<u>46,364</u>	<u>43,485</u>
CURRENT ASSETS			
Debtors due within one year	11	12,022	5,933
Cash at bank and in hand		2,123	-
		<u>14,145</u>	<u>5,933</u>
CREDITORS: amounts falling due within one year	12	<u>(54,749)</u>	<u>(37,708)</u>
NET CURRENT LIABILITIES		<u>(40,604)</u>	<u>(31,775)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES (NET ASSETS)		<u>5,760</u>	<u>11,710</u>
CAPITAL AND RESERVES			
Called up share capital	13	49,834	49,834
Capital reserves		1,850	1,850
Retained earnings		(45,924)	(39,974)
SHAREHOLDER'S FUNDS		<u>5,760</u>	<u>11,710</u>

These financial statements of Brightstar 20:20 Limited, registered number 08411776 were approved by the Board of Directors on 28 September 2018.

Signed on behalf of the Board of Directors



Mr Andy Hancock
Director

Brightstar 20:20 Limited

STATEMENT OF CHANGES IN EQUITY

As at 31 December 2017

	<i>Called up share capital £'000</i>	<i>Capital reserve £'000</i>	<i>Retained earnings £'000</i>	<i>Total £'000</i>
Balance as at 1 April 2016	49,834	1,850	(26,720)	24,964
Loss for the year and total comprehensive expense	-	-	(13,254)	(13,254)
Balance as at 31 March 2017	49,834	1,850	(39,974)	11,710
Loss for the period and total comprehensive expense	-	-	(5,950)	(5,950)
Balance as at 31 December 2017	49,834	1,850	(45,924)	5,760

Brightstar 20:20 Limited

NOTES TO THE ACCOUNTS

For the period ended 31 December 2017

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the period and to the preceding year.

General information and basis of Accounting

Brightstar 20:20 Limited is a private Company limited by shares incorporated in England and Wales under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Strategic report on page 2.

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Brightstar 20:20 Limited is considered to be Pounds Sterling because that is the currency of the primary economic environment in which the Company operates.

Brightstar 20:20 Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Brightstar 20:20 Limited is consolidated in the financial statements of its parent, SoftBank Group Corp, which may be obtained at <http://www.softbank.jp/en>. Exemptions have been taken in these separate Company financial statements in relation to financial instruments, presentation of a cash flow statement, related party disclosure and remuneration of key management personnel.

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Notwithstanding the facts that the Company expects to continue to make losses, and is in a net current liabilities position as at 31 December 2017, the Company's key subsidiaries make profits which exceed the Company's running costs and the Directors believe that this will continue for the foreseeable future. A letter of support has also been attained from Brightstar Corp confirming that they will provide the necessary financial support needed for the company to continue in operational existence for the foreseeable future.

Exemption from consolidation and cash flow

The Company is a subsidiary of SoftBank Group Corp, a Company incorporated in Japan and is included in the consolidated financial statements of SoftBank Group Corp which may be obtained at <http://www.softbank.jp/en> consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under s400 of the Companies Act 2006.

Goodwill

Goodwill on acquisitions represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired. It is amortised on a straight-line basis over an estimated useful economic life of up to ten years with provision made for any impairments.

Other operating income

Other operating income represents intercompany management and service fees in addition to dividend income received from subsidiary undertakings.

Finance income and expenses

Finance income and expenses are recognised in the Profit and loss account in the period to which they relate.

NOTES TO THE ACCOUNTS

For the period ended 31 December 2017

1. ACCOUNTING POLICIES (CONTINUED)

Tangible fixed assets

Tangible fixed assets are initially stated at their purchase cost, together with any incidental expenses of acquisition.

Depreciation is provided on all tangible fixed assets except freehold land so as to write off the cost or valuation over the expected useful life of the assets concerned. The principal annual rates for this purpose are:

Computers and office equipment - 33% per annum straight line

Impairment of assets

All tangible and intangible assets are reviewed for impairment when there is an indication that impairment has occurred. When an impairment is indicated the carrying value of the assets is measured against their fair value less cost to sell and their value in use based on future estimated cashflows resulting from the use of those assets. Impairments, if required, are charged to the profit and loss account.

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Defined Contribution Pension Scheme

The Company contributes to a group defined contribution pension scheme operated by Brightstar 20:20 Limited. Pension costs are accounted for on the basis of contributions payable during the period.

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

NOTES TO THE ACCOUNTS

For the period ended 31 December 2017

1. ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

(i) Financial assets and liabilities (continued)

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

In the Company balance sheet, investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

(iii) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Directors are of the view that there are no critical judgements or key sources of estimation uncertainty, that have been made in the process of applying the Company's accounting policies and that would have the most significant effect on the amounts recognised in the financial statements.

NOTES TO THE ACCOUNTS

For the period ended 31 December 2017

3. OPERATING LOSS

	<i>9 months to 31 December 2017 £'000</i>	<i>12 months to 31 March 2017 £'000</i>
Operating loss is stated after charging / (crediting):		
Amortisation of intangible assets (note 8)	264	352
Depreciation of owned tangible fixed assets (note 9)	138	229
Services provided by the Company's auditor		
Fees payable for the audit	24	23
Foreign exchange (gain) / loss	(18)	1,180
	<u> </u>	<u> </u>

There were no non-audit fees paid to the Company's auditor in the period (year ended 31 March 2017: £nil).

4. STAFF COSTS

	<i>9 months to 31 December 2017 £'000</i>	<i>12 months to 31 March 2017 £'000</i>
Wages and salaries	9,081	11,350
Social security costs	901	1,172
Pension costs (note 14)	394	289
	<u>10,376</u>	<u>12,811</u>

The average number of persons employed by the Company (including executive Directors) during the period was 71 (year ended 31 March 2017: 61).

5. DIRECTORS' EMOLUMENTS

	<i>9 months to 31 December 2017 £'000</i>	<i>12 months to 31 March 2017 £'000</i>
Aggregate emoluments	<u>52</u>	<u>-</u>

The total amount payable to the highest paid director in respect of emoluments was £52,000 (year ended 31 March 2017: nil). Retirement benefits are accruing to £nil (year ended 31 March 2017: £nil) Directors under a money purchase pension scheme.

Brightstar 20:20 Limited

NOTES TO THE ACCOUNTS

For the period ended 31 December 2017

6. FINANCE COSTS

	9 months to 31 December 2017 £'000	12 months to 31 March 2017 £'000
Other interest payable and similar charges	105	173
Interest payable to group undertaking	957	1,354
Total finance costs	<u>1,062</u>	<u>1,527</u>

7. TAX ON LOSS ON ORDINARY ACTIVITIES

Analysis of charge in the period/year:

	9 months to 31 December 2017 £'000	12 months to 31 March 2017 £'000
In respect of the period / year:		
UK corporation tax based on the results for the period at 19% (2016: 20%)	-	-
Tax on loss on ordinary activities	<u>-</u>	<u>-</u>

There is an unrecognised deferred tax asset in the Company in respect of accelerated depreciation of fixed assets of £195,519 (year ended 31 March 2017: £162,303) and of losses of £2,821,481 (year ended 31 March 2017: £2,299,884). This has not been recognised due to the uncertainty of the availability of future taxable profits.

Reconciliation of the expected tax charge at the standard rate to the actual tax charge at the effective rate:

The tax credit assessed for the period/year is lower (year ended 31 March 2017: lower) than the standard rate of UK corporation tax of 19% (year ended 31 March 2017: 20%). The differences are explained below:

	9 months to 31 December 2017 £'000	12 months to 31 March 2017 £'000
In respect of the period / year:		
Loss on ordinary activities before taxation	<u>(5,950)</u>	<u>(13,254)</u>
Loss on ordinary activities at standard UK corporation tax rate of 19% (year ended 31 March 2017: 20%)	(1,131)	(2,651)
Effects of:		
Expenses not deductible for tax purposes	1,248	1,563
Depreciation in excesses of capital allowances	26	46
Dividends	(800)	(459)
Losses arising in current year not relievable against current tax	657	1,501
Total tax	<u>-</u>	<u>-</u>

Brightstar 20:20 Limited

NOTES TO THE ACCOUNTS

For the period ended 31 December 2017

7. TAX ON LOSS ON ORDINARY ACTIVITIES (continued)

Finance Act 2015 (No.2), which was substantively enacted in October 2015, included provisions to reduce the rate of corporation tax to 19% with effect from 1 April 2017 and 18% from 1 April 2020.

Finance Bill 2016, which was enacted in September 2016, introduced a further reduction in the main rate of corporation tax from 18% to 17% with effect from 1 April 2020.

8. INTANGIBLE ASSETS

	<i>Goodwill</i> £'000
Cost:	
At 31 March 2017 and 31 December 2017	3,517
Amortisation:	
At 1 April 2017	(1,114)
Amortisation for the period	(264)
At 31 December 2017	(1,378)
Net book value:	
At 31 December 2017	2,139
At 31 March 2017	2,403

9. TANGIBLE ASSETS

	<i>Computer and office equipment</i> £'000
Cost or valuation:	
At 1 April 2017	991
Additions	281
Disposals	(321)
At 31 December 2017	951
Depreciation:	
At 1 April 2017	(566)
Charge for the period	(138)
Disposals	321
At 31 December 2017	(383)
Net book value:	
At 31 December 2017	568
At 31 March 2017	425

There are no assets acquired under finance leases and hire purchase contracts included in the amounts above.

Brightstar 20:20 Limited

NOTES TO THE ACCOUNTS

For the period ended 31 December 2017

10. INVESTMENTS

	<i>Shares in subsidiary undertakings 2017</i>
Cost	<i>£'000</i>
At 1 April 2017	40,657
Additions*	3,000
At 31 December 2017	<u>40,657</u>

*During the period it was agreed that Brightstar 20:20 Limited would waive £3,000,000 of its right to receive payment in respect of the amount of the indebtedness from Brightstar 20:20 UK Limited, an immediate subsidiary undertaking. This waiver has resulted in a capital contribution in Brightstar 20:20 UK Limited financial statements, thereby increasing the net asset position and consequently the cost of investment.

The Directors consider the carrying value of the investments to be supported by their underlying assets.

Details of the subsidiary undertakings are as follows:

Investment	Address	Status	Ownership
Brightstar 20:20 UK Limited	Weston Road, Crewe, CW1 6BU, UK	Trading	100
Brightstar 20:20 Sweden AB	Kistagången 12, 164 94 KISTA, Stockholm, Sweden	Trading	100
Brightstar 20:20 Espana SA	Avenida Leonardo Da Vinci, 2 28906 Getafe, Madrid. Spain	Trading	100
Brightstar 20:20 Portugal	Campo Grande 137 1700 089 Lisbon Portugal	Trading	100
Brightstar Belgium SPRL	97 Rue Royale, Brussels 1000, Belgium	Non-trading	99

The main activity of trading entities is the supply of communication equipment and related services.

11. DEBTORS

	31 December 2017 £'000	31 March 2017 £'000
<i>All amounts are due within one year</i>		
Amounts owed by subsidiary undertakings	10,740	4,120
Other debtors	1,077	1,413
Other taxes and social security	73	142
Prepayments and accrued income	132	258
	<u>12,022</u>	<u>5,933</u>

Amounts owed by group undertakings are unsecured and repayable on demand. Included within the amounts owed by subsidiary undertakings is £7,000,000 (year ended 31 March 2017: £nil) on which interest is charged at the 12 month LIBOR rate plus 3%.

NOTES TO THE ACCOUNTS

For the period ended 31 December 2017

12. CREDITORS: amounts falling due within one year

	31 December 2017 £'000	31 March 2017 £'000
Overdrafts	3,000	1,753
Trade creditors	148	260
Amounts owed to group undertakings	46,796	31,122
Other taxes and social security	571	1,765
Accruals and deferred income	4,234	2,808
	<u>54,749</u>	<u>37,708</u>

Amounts owed to group undertakings are unsecured and repayable on demand. Included within the amounts owed to group subsidiary undertakings is £44,452,096 (year ended 31 March 2017: £24,500,000) on which interest is charged at the 12 month LIBOR rate plus 3%.

13. CALLED UP SHARE CAPITAL

	No.'000	£'000
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each at 31 December 2017 and 31 March 2017	49,834	49,834
	<u>49,834</u>	<u>49,834</u>

The Company has one class of ordinary shares which carry no right to fixed income. In 2014 the Company received a capital contribution of £1,850,000.

The profit and loss reserve represents cumulative profits or losses, net of dividends paid.

14. PENSION COSTS

The Company operates a defined contribution group personal pension plan.

The total pension cost for the period was £394,000 (year ended 31 March 2017: £289,000) (note 4). Amounts equal to £148,000 (year ended 31 March 2017: £103,000) were accrued but not paid over to the pension scheme at the balance sheet dates.

15. CONTINGENT LIABILITIES

The Company is party to a credit agreement with PNC in respect of borrowings of Brightstar 20:20 UK Limited, Brightstar Insurance Services BV. The arrangements held under the credit agreement are secured, guaranteed, or subject to charges over certain assets or shares within each individual Company.

16. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the disclosure exemptions available in FRS102 section 33 in relation to balances and transactions between wholly-owned entities within the SoftBank Group Corp group of companies.

17. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Directors regard SoftBank Group Corp, a Company registered in Japan as the ultimate parent Company and the Company's controlling party. SoftBank Group Corp is the smallest and largest Company in which Brightstar 20:20 Limited is consolidated, for which the registered address is: 1-9-1 Higashi-shimbashi, Minato-ku, Tokyo 105-7303. The immediate holding Company is Chicago Group Limited, a Company incorporated in the Isle of Man.