Brightstar 20:20 Limited

Annual Report and Financial Statements

For the year ended 31 March 2017

Registered Number: 08411776

Brightstar 20:20 Limited

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Registered No. 08411776

REPORT AND FINANCIAL STATEMENTS

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DIRECTORS
Mr Michael Singer
Mr Noel Marsden
Mr Stijn Nijs
Mr Andy Hancock

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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 don't 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 within pages 8 -9.

Both the level of business and the year-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 in line with the directors' expectations. An impairment charge of £19.6 million was made in the prior year following a review of the carrying value of our investment in our Spanish entity following key contract losses resulting from market consolidation.

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.

Credit risk

The company extends credit only to intercompany recognised, creditworthy third parties. It is the company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures and credit insurance is taken 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.

Currency risk

The Company's activities expose it primarily to the financial risks of changes in foreign exchange rates. The Company uses derivative financial instruments (primarily foreign currency forward contracts) to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions.

The Company does not use derivative financial instruments for speculative purposes.

Where a derivative contract entered into relates to a financial asset or liability recognised in the balance sheet, the financial asset or liability is recognised at the contracted rate.

Approved by the Board of Directors on 7 December 2017 and signed on behalf of the Board by:

Mr Stijn Nijs
Director

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 March 2017.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £13,254,000 (2016: loss of £24,013,000). The directors cannot recommend the payment of a dividend (2016: same).

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 year 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)

EMPLOYMENT OF DISABLED PERSONS

The company is an equal opportunity employer and accordingly has a policy giving full and fair consideration to applications for employment from registered disabled people. In cases where disablement occurs whilst in service, company policy is, wherever practicable, to continue employment and to arrange for any necessary re-training. Opportunities for training, career development and promotion apply equally across the company to disabled and non-disabled employees alike.

EMPLOYEE INVOLVEMENT AND PARTICIPATION

The company's policy is to consult and discuss with employees, matters likely to affect employees' interests. Information on matters of concern to employees is given through team briefings, internal publications and notice boards which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

APPROVAL OF REDUCED DISCLOSURES

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The Company's shareholders have been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

The company also intends to take advantage of these exemptions in the financial statements to be issued in the following year. Objections may be served on the company by Brightstar Netherlands Cooperatief UA, as the immediate parent of the entity.

DIRECTORS' REPORT (CONTINUED)

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 7 December 2017 and signed on behalf of the Board by:

Mr Stijn Nijs
Director

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 year. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRIGHTSTAR 20:20 LIMITED

We have audited the financial statements of Brightstar 20:20 Limited for the year ended 31 March 2017 which comprise the Statement of Income and Retained Losses, the Balance Sheet, the Statement of Total Comprehensive Income, 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 the United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRIGHTSTAR 20:20 LIMITED (Continued)

Opinion on other matter prescribed by the Companies Act 2006

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

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

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 and the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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; or
- the directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report or from the requirement to prepare a Strategic Report.

Damian Sanders (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Manchester, United Kingdom
14 December 2017

PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2017

	Note	2017 £'000	2016 £'000
Administrative expenses		(19,680)	(11,954)
Other operating income		7,953	8,032
Investment impairment	10	-	(19,600)
Operating loss	3	(11,727)	(23,522)
Finance costs	6	(1,527)	(491)
Loss on ordinary activities before tax		(13,254)	(24,013)
Tax on loss on ordinary activities	7	-	-
Loss for the financial year		(13,254)	(24,013)

The notes on pages 11 to 18 form an integral part of the financial statements.

All results in the current 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 year as shown in the profit and loss account. Accordingly no separate statement of total comprehensive income has been presented.

BALANCE SHEET

As at 31 March 2017

	Note	2017 £'000	2016 £'000
FIXED ASSETS			
Intangible assets	8	2,403	2,755
Tangible assets	9	425	311
Investments	10	40,657	40,642
		43,485	43,708
CURRENT ASSETS			
Debtors due within one year	11	5,933	4,132
Cash at bank and in hand		-	5
		5,933	4,137
CREDITORS: amounts falling due within one year	12	(37,708)	(22,881)
		(31,775)	(18,744)
TOTAL ASSETS LESS CURRENT LIABILITIES (NET ASSETS)		11,710	24,964
CAPITAL AND RESERVES			
Called up share capital	13	49,834	49,834
Capital reserves		1,850	1,850
Retained earnings		(39,974)	(26,720)
SHAREHOLDER'S FUNDS		11,710	24,964

These financial statements of Brightstar 20:20 Limited, registered number 08411776 were approved by the Board of Directors on 7 December2017.

Signed on behalf of the Board of Directors

Mr Stijn Nijs
Director

STATEMENT OF CHANGES IN EQUITY

As at 31 March 2017

	Called up share capital £'000	*Capital reserve £'000*	*Retained earnings £'000*	*Total £'000*
Balance as at 1 April 2015	49,834	1,850	(2,707)	48,977
Loss for the year and total comprehensive expense	-	-	(24,013)	(24,013)
Balance as at 31 March 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**

NOTES TO THE ACCOUNTS

For the year ended 31 March 2017

1. **ACCOUNTING POLICIES**

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

General information and basis of Accounting

Brightstar 20:20 Limited is a company incorporated in the United Kingdom 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 share-based payments, financial instruments, and presentation of a cash flow statement 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 was is in a net current liabilities position as at 31 March 2017, the company's key subsidiaries make profits which significantly exceed the company's running costs and the directors believe that this will continue 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.

Finance income and expenses

Finance income and expenses are recognised in the Statement of income and retained earnings in the period to which they relate

NOTES TO THE ACCOUNTS

For the year ended 31 March 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:

Fixtures and fittings	-	20% per annum straight line
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.

Finance income and expenses

Finance income and expenses are recognised in the Statement of income and retained earnings in the period to which they relate.

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.

Following the transition to FRS 102 there are no material changes required to our accounting policies.

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.

1. **ACCOUNTING POLICIES (CONTINUED)**

Financial instruments (continued)

(i) Financial assets and liabilities

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.

Key source of estimation uncertainty

Investments

The company has tested investments for impairment which required judgement when determining the recoverable amount. Further details on Investments and their carrying values can be found in note 10.

NOTES TO THE ACCOUNTS

For the year ended 31 March 2017

3. OPERATING LOSS

Operating profit is stated after charging:	*2017* *£'000*	*2016* *£'000*
Amortisation of intangible assets (note 8)	352	352
Impairment of investments (note 10)	-	19,600
Services provided by the company's auditor		
Fees payable for the audit	23	25
Depreciation of owned tangible fixed assets	229	229
FX loss	1,180	271

There was no non-audit fees paid to the company's auditor in the year (2016: nil).

4. DIRECTORS' EMOLUMENTS

There are no emoluments paid to the directors of the Brightstar 20:20 Limited for services to the company during the year (2016: £nil).

5. STAFF COSTS

	2017 *£'000*	2016 *£'000*
Wages and salaries	11,350	7,107
Social security costs	1,172	562
Pension costs (note 14)	289	230
	12,811	7,899

The average number of persons employed by the company (including executive directors) during the year was 61 (2016: 39).

6. FINANCE COSTS

	2017 *£'000*	2016 *£'000*
Other interest payable and similar charges	173	346
Intercompany interest payable	1,354	145
Total finance costs	1,527	491

7. TAX ON LOSS ON ORDINARY ACTIVITES

Analysis of charge in the year:

	2017	2016
In respect of the year:	*£'000*	*£'000*
UK corporation tax based on the results for the period at 20% (2016:20%)	-	-
Tax on loss on ordinary activities	-	-

There is an unrecognised deferred tax asset in the company in respect of accelerated depreciation of fixed assets of £162,303 (2016:£130,665) and of losses of £2,299,884 (2016:£1,310,455). This has not been recognised due to the uncertainty of the availability of future taxable profits.

7. **TAX ON LOSS ON ORDINARY ACTIVITES (continued)**

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 year is lower (2016: lower) than the standard rate of UK corporation tax of 20% (2016: 20%). The differences are explained below:

	2017 *£'000*	2016 *£'000*
Loss on ordinary activities before taxation	(13,254)	(24,013)
Loss on ordinary activities at standard UK corporation tax rate of 20% (2016:20%)	(2,651)	(4,803)
Effects of:		
Expenses not deductible for tax purposes	1,563	4,007
Depreciation on assets not qualifying for capital allowances	-	-
Depreciation in excesses of capital allowances	46	46
Dividends	(459)	(373)
Losses arising in current year not relievable against current tax	1,501	1,123
Total tax	-	-

Finance Act 2016, which was substantively enacted in September 2016 included provisions to reduce the rate of corporation tax to 17% with effect from 1 April 2020. As this legislation was not substantively enacted as at year end, this rate is not reflected in the tax provisions reported in these accounts. 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.

8. **INTANGIBLE ASSETS**

	Goodwill *£'000*
Cost:	
At 31 March 2017 and 1 April 2016	3,517
Amortisation:	
At 1 April 2016	(762)
Amortisation for the year	(352)
At 31 March 2017	(1,114)
Net book value:	
At 31 March 2017	2,403
At 31 March 2016	2,755

NOTES TO THE ACCOUNTS

For the year ended 31 March 2017

9. TANGIBLE ASSETS

	Computer and office equipment £'000	*Fixtures and fittings £'000*	*Total £'000*
Cost or valuation:			
At 1 April 2016	671	2	673
Additions	343	-	343
Disposals	(23)	(2)	(25)
At 31 March 2017	991	-	991
Depreciation:			
At 1 April 2016	(360)	(2)	(362)
Charge for the year	(229)	-	(229)
Disposals	23	2	25
At 31 March 2017	(566)	-	(566)
Net book value:			
At 31 March 2017	425	-	425
Net book value:			
At 31 March 2016	311	-	311

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

10. INVESTMENTS

	Shares in subsidiary undertakings 2017 £'000
At 31 March 2016	40,642
Additions	15
At 31 March 2017	40,657

The additions relate to the investment in the non-trading entity in Belgium.

The impairment charge of £19,600,000 in the prior year resulted from a review of the carrying value of our investment in Brightstar 20:20 Espana SA.

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

NOTES TO THE ACCOUNTS

For the year ended 31 March 2017

10. INVESTMENTS (CONTINUED)

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

All amounts are due within one year	*2017* *£'000*	2016 *£'000*
Amounts owed by subsidiary undertakings	4,120	2,487
Other debtors	1,413	1,413
Other taxes and social security	142	-
Prepayments and accrued income	258	232
	5,933	4,132

Amounts owed by group undertakings are unsecured and repayable on demand.

12. CREDITORS: amounts falling due within one year

	2017 *£'000*	2016 *£'000*
Overdrafts	1,753	2,139
Trade creditors	260	21
Amounts owed to group undertakings	31,122	17,153
Other taxes and social security	1,765	962
Accruals and deferred income	2,808	2,606
	37,708	22,881

Amounts owed to group undertakings are unsecured and repayable on demand. Amounts owed to group undertakings accrue interest at LIBOR plus 3%.

NOTES TO THE ACCOUNTS

For the year ended 31 March 2017

13. CALLED UP SHARE CAPITAL

	No.'000	*£'000*
Allotted, called up and fully paid		
Ordinary shares of £1 each at 31 March 2017 and 31 March 2016	49,834	49,834

The Company has one class of ordinary shares which carry no right to fixed income.

The Company's other reserves are as follows:

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 year was £289,000 (2016: £230,000) (note 5). Amounts equal to £103,000 (2016: £89,000) 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 CONTROLLYING 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. The immediate holding company is Chicago Group Limited, a company incorporated in the Isle of Man.