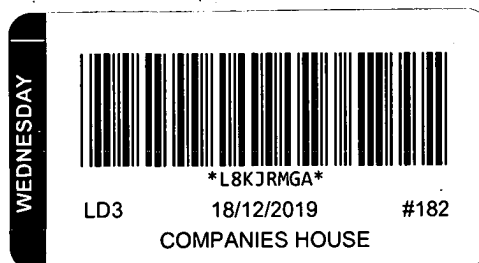


Company number: 10766598

SB INVESTMENT HOLDINGS (UK) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019



SB INVESTMENT HOLDINGS (UK) LIMITED

COMPANY INFORMATION

DIRECTORS

R Townsend
S Taylor
G Manglik

COMPANY SECRETARY

Hackwood Secretaries Limited

COMPANY NUMBER

10766598

REGISTERED OFFICE

69 Grosvenor Street
London
United Kingdom
W1K 3JP

BANKERS

Mizuho Corporate Bank
Mizuho House
30 Old Bailey
London
EC4M 7AU
United Kingdom

INDEPENDENT AUDITOR

Deloitte LLP
Statutory Auditor
1 New Street Square
London
EC4A 3HQ
United Kingdom

SB INVESTMENT HOLDINGS (UK) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The Directors present the Strategic Report of SB Investment Holdings (UK) Limited ("the Company") for the year ended 31 March 2019.

BUSINESS REVIEW

The principal activity of the Company is that of an investment holding company.

As set out in the Income Statement on page 10, the Company's profit before income tax was \$517,172K (2018 period: \$7,322K). The increase is due to net gains arising from the appreciated value of financial assets. Net assets as at 31 March 2019 were \$1,254,891K (2018: \$1,336,990K), with the decrease resulting from deemed distributions in kind associated with the sale of investments.

The Company is managed as part of a larger group and further details are available in the consolidated financial statements of SoftBank Group Corp. (note 18).

These financial statements cover the year to 31 March 2019. The comparative period presented reflects the period from incorporation on 11 May 2017 to 31 March 2018.

FUTURE DEVELOPMENTS

The Directors anticipate that the Company will continue as an investment holding company for the foreseeable future.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors have considered the risks which are most significant to the business in terms of both operational and financial impact. Those with a material impact on the Company's long term performance are detailed below:

Political and regulatory environment – Brexit implications

Despite the Article 50 Notice having been served, there remains insufficient information about the likely terms of the post-Brexit arrangements between the UK and the EU, as well as about any possible transitional arrangements, to draw any conclusions about the probable impact. Although the Company is registered in the UK, its functional currency is the US Dollar and the Group is headquartered in Japan. Since the Company is an investment holding company, with no employees, which principally invests in companies domiciled outside of the UK, Brexit is not expected to have a substantial impact on the Company.

Investment Risk

Investment risk encompasses the potential for both losses and gains. The Company's investments may be long-term and there is no assurance that the Company will achieve its investment objectives including targeted returns. Due to the illiquidity of certain investments, valuation of the assets may be difficult, as there generally will be no established markets for these assets. As the Company's financial instruments are carried at fair value and fair value changes are recognised in the Income Statement, all changes in investment values will directly affect the net asset value of the Company.

SB INVESTMENT HOLDINGS (UK) LIMITED

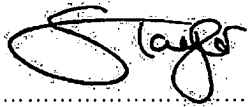
STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

KEY PERFORMANCE INDICATORS

The Company does not utilise or monitor key performance indicators as it is an investment holding company. As such, it is unable to provide an analysis of the Company's performance against KPI's. The Company is managed as part of a larger group, with the review and assessment of the group's performance against KPI's being completed at a group level. Further details are available in the consolidated financial statements of SoftBank Group Corp (note 18).

Approved by the Board of Directors and signed on its behalf by:



.....
S Taylor

Director

Date:17 December 2019

SB INVESTMENT HOLDINGS (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The Directors present their Annual Report and audited financial statements for the year ended 31 March 2019.

INFORMATION PRESENTED IN OTHER SECTIONS

Information relating to the business review, future developments, principal risks and uncertainties has been included in the Strategic Report.

DIRECTORS

The Directors who held office during the year and up to the date of signature of the financial statements were as follows:

A Adachi	(resigned 19 September 2018)
J Bullock	(resigned 19 September 2018)
B Wheeler	(resigned 19 September 2018)
S Collins	(resigned 19 September 2018)
A Sama	(appointed 19 September 2018 and resigned 22 April 2019)
R Townsend	(appointed 19 September 2018)
L Mankovskaya	(appointed 3 December 2018 and resigned 27 April 2019)
S Taylor	(appointed 3 December 2018, resigned 27 April 2019, and re-appointed 27 April 2019)
G Manglik	(appointed 27 April 2019)

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The Company has made qualifying third party indemnity provisions for the benefit of its Directors who were in office during the period and which remain in force at the date of this report.

RESULTS AND DIVIDENDS

The Company's profit for the financial year was \$525,085K (2018 period: \$591K loss).

No ordinary dividends were paid during the year (2018 period: nil). The directors do not recommend payment of a final dividend (2018: nil).

During the course of the financial year, the Company entered into two transactions which were later recognised as involving deemed distributions. The Directors have become aware that the Company did not have sufficient distributable reserves at the time of the transactions and that this inadvertently resulted in the two deemed distributions being made otherwise than in accordance with the Companies Act 2006. The Company has taken steps post year-end to address this issue by completing a reduction of capital (through the cancellation of its share premium account), with the Company's sole shareholder subsequently passing a resolution authorising the appropriation of certain of the resulting distributable profits to the deemed distributions.

GOING CONCERN

The Directors have a reasonable expectation that the Company has adequate resources to continue in existence for at least 12 months from the date of approval of these financial statements. Accordingly, the Directors continue to adopt the going concern basis in preparing the annual report and financial statements as detailed in note 2.3 of the financial statements.

SB INVESTMENT HOLDINGS (UK) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Liquidity risk

This is the risk of the Company failing to meet its financial obligations as a result of insufficient cash being available. This risk comes from unexpected cash outflows or expected inflows that don't deliver. The Company monitors its cash position regularly and employs forecasting to ensure it has sufficient cash to meet its operational requirements.

POST BALANCE SHEET EVENTS

Details of events after the balance sheet date are disclosed in note 20.

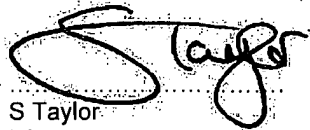
INDEPENDENT AUDITOR

Deloitte LLP were re-appointed as auditor to the Company during the year and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

STATEMENT OF DISCLOSURE TO AUDITOR

So far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware. Additionally, the Directors have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditor is aware of that information.

Approved by the Board of Directors and signed on its behalf by:



S Taylor
Director

Date: 17 December..... 2019

SB INVESTMENT HOLDINGS (UK) LIMITED
DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019

The Directors are responsible for preparing the Strategic Report, the 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 101: Reduced Disclosure Framework ("FRS 101").

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 these 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, including FRS 101, 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, to disclose with reasonable accuracy at any time the financial position of the Company, and to enable the Directors to ensure the financial statements comply with the Companies Act 2006. The Directors have general responsibility for taking reasonable steps to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

SB INVESTMENT HOLDINGS (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SB INVESTMENT HOLDINGS (UK) LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of SB Investment Holdings (UK) Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 20.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (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.

SB INVESTMENT HOLDINGS (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SB INVESTMENT HOLDINGS (UK) LIMITED (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.

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.

SB INVESTMENT HOLDINGS (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SB INVESTMENT HOLDINGS (UK) LIMITED (CONTINUED)

Matters on which we are required to report by exception

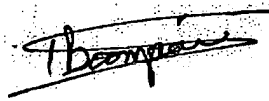
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.



Ivan Boonzaaier FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London
United Kingdom

.....17..December. 2019

SB INVESTMENT HOLDINGS (UK) LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Year ended 31 March 2019 \$'000	11 month period ending 31 March 2018 \$'000
Administrative expenses		(12,202)	(12,528)
Other gains and losses	4	680,881	45,354
Finance income	5	61,692	11,723
Finance costs	6	(213,199)	(37,227)
Profit before income tax	7	517,172	7,322
Income tax	9	7,913	(7,913)
Profit/(loss) for the financial year/period		525,085	(591)

The Company has no items of other comprehensive income in the year/period for which financial statements are presented. As such, no separate statement of other comprehensive income is presented.

The profit/(loss) for the financial year/period is attributable to the owners of the Company.

The notes on pages 13 to 25 are an integral part of these financial statements.

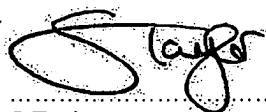
STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2019

	Notes	2019 \$'000	2018 \$'000
Fixed assets			
Investments in subsidiaries	10	-	-
Current assets			
Investments	11	452,931	5,405,668
Debtors			
- due within one year	12	7,238,469	1,114,470
- due after one year	12	71,434	110,000
Cash at bank and in hand		35,178	30,961
		<u>7,798,012</u>	<u>6,661,099</u>
Creditors: Amounts falling due within one year	13	(5,643,121)	(5,308,283)
Net current assets		<u>2,154,891</u>	<u>1,352,816</u>
Total assets less current liabilities		<u>2,154,891</u>	<u>1,352,816</u>
Creditors: Amounts falling due after one year	14	(900,000)	-
Provisions for liabilities	15	-	(15,826)
Net assets		<u>1,254,891</u>	<u>1,336,990</u>
Capital and reserves			
Called up share capital	16	-	-
Share premium		1,451,581	1,337,581
Profit and loss account		(196,690)	(591)
Total equity attributable to the owners of the Company		<u>1,254,891</u>	<u>1,336,990</u>

The notes on pages 13 to 25 are an integral part of these financial statements.

The financial statements on pages 10 to 25 are approved by the Board of Directors and authorised for issue on 17 December 2019 and are signed on its behalf by:



S Taylor
Director

SB INVESTMENT HOLDINGS (UK) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2019

	Called up share capital (Note 16) \$'000	Share premium \$'000	Profit and loss account \$'000	Total equity \$'000
Balance as at 11 May 2017	-	-	-	-
Loss for the financial period	-	-	(591)	(591)
Total comprehensive expense for the period	-	-	(591)	(591)
Transactions with owners: Issue of ordinary shares	-	1,337,581	-	1,337,581
	-	1,337,581	-	1,337,581
Balance as at 31 March 2018	-	1,337,581	(591)	1,336,990
Profit for the financial year	-	-	525,085	525,085
Total comprehensive income for the year	-	-	525,085	525,085
Transactions with owners: Issue of ordinary shares	-	114,000	-	114,000
Distribution in kind (note 11)	-	-	(721,184)	(721,184)
	-	114,000	(721,184)	(607,184)
Balance as at 31 March 2019	-	1,451,581	(196,690)	1,254,891

The notes on pages 13 to 25 are an integral part of these financial statements.

Share Premium

Consideration received for shares issued above their nominal value net of transaction costs.

Profit and loss account

Cumulative profit and loss net of distributions to owners.

Total equity is attributable to the owners of the Company.

SB INVESTMENT HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1. GENERAL INFORMATION

The principal activity of SB Investment Holdings (UK) Limited ('the Company') is that of an investment holding company. The Company is a private company limited by shares and it is incorporated in England and Wales and domiciled in the UK. The address of its registered office is 69 Grosvenor Street, London W1K 3JP.

The Company was incorporated on 11 May 2017. Comparative amounts in these financial statements reflect the 11 month period from incorporation to 31 March 2018 and are therefore not entirely comparable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied throughout the period presented, unless otherwise stated.

Monetary amounts in these financial statements are rounded to the nearest whole \$1,000 except where otherwise indicated.

2.1. BASIS OF PREPARATION

These financial statements were prepared in accordance with FRS 101: Reduced Disclosure Framework (FRS 101).

These financial statements have been prepared under the historical cost convention, as modified by financial instruments recognised at fair value through profit or loss, and in accordance with the Companies Act 2006. The financial statements of the Company are presented in the currency of the primary economic environment in which it operates (its functional currency). The results and financial position of the Company are expressed in US\$, which is the functional currency of the Company and the presentation currency for the financial statements.

In preparing these financial statements, the Company applies the recognition and measurement requirements of International Financial Reporting Standards as adopted by the EU ("IFRS"), amended where necessary in order to comply with Companies Act 2006.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements and, where relevant, equivalent disclosures have been made in the Group financial statements of the ultimate controlling party, in accordance with FRS 101:

- Presentation of a cash flow statement and related notes;
- Disclosure of the objectives, policies and processes for managing capital;
- Inclusion of an explicit and unreserved statement of compliance with IFRS;
- Disclosure of key management compensation;
- Disclosure of the categories of financial instrument and nature and extent of risks arising on these financial instruments;
- Related party disclosures for transactions with the parent or wholly-owned members of the group;
- Disclosure of the future impact of new International Financial Reporting Standards in issue but not yet effective at the reporting date; and
- Disclosure of the effect of financial instruments on the Statement of Comprehensive Income.

The financial statements of the Company are consolidated into the financial statements of SoftBank Group Corp., a company registered in Japan. The consolidated financial statements of SoftBank Group Corp. are available from 1-9-1 Higashi-Shimbashi, Minato-ku, Tokyo 105-7303.

SB INVESTMENT HOLDINGS (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

2.2. NEW STANDARDS, AMENDMENTS AND IFRIC INTERPRETATIONS

The Company has adopted the following standards during the period ended 31 March 2019.

<u>Standard/interpretation</u>	<u>Outline of the new/revised standards</u>
IFRS 9 Financial Instruments	<p>IFRS 9 replaces the previous IAS 39. Main revisions are:</p> <ul style="list-style-type: none"> • to revise classification into measurement categories of financial instruments (amortised cost, FVTPL and FVTOCI); • to revise the eligibility requirement of hedged items and hedging instruments, and requirements related to the effectiveness of the hedge; and • to revise the measurement approach for impairment by introducing an impairment model based on the expected credit loss.
IFRS 15 Revenue from Contracts with Customers	<p>IFRS 15 replaces the previous IAS 11 and IAS 18. Main revisions are:</p> <ul style="list-style-type: none"> • to require revenue recognition by the following five steps: <ul style="list-style-type: none"> a) identify the contract with the customer b) identify the performance obligations in the contract c) determine the transaction price d) allocate the transaction price to each performance obligation in the contract e) recognize revenue when (or as) a performance obligation is satisfied • to revise the treatment for contract costs, license and guarantee of products; and • to increase the disclosure related to revenue recognition.

There is no impact on the financial statements due to the adoption of IFRS 9 or IFRS 15.

The following new and revised standards, effective for the year ended 31 March 2019, have been adopted but did not have any impact to the Company:

- IFRS 2 (amendments) *Classification and Measurement of Share-Based Payment Transactions*
- IAS 40 (amendments) *Transfers of Investment Property*
- Annual Improvements to IFRS Standards 2014-2016 cycle – Amendments to IAS 28 *Investments in Associates and Joint Ventures*
- IFRIC 22 *Foreign Currency Transactions and Advance Consideration*

2.3. GOING CONCERN

The Company has net current assets of \$2,154,891K (2018: \$1,352,816K), net assets of \$1,254,891K (2018: \$1,336,990K), and cash at bank and in hand of \$35,178K (2018: \$30,961K). The Directors have reviewed the current financial position of the Company, making reasonable assumptions about the future performance and cash flow. Taking account of inherent market uncertainties and of reasonably possible changes in trading performance, the Directors have a reasonable expectation that the Company has adequate resources and are satisfied that the Company will generate sufficient cash flows to allow the Company to operate for at least 12 months from the date of approval of these financial statements. Accordingly, the going concern basis has been adopted in preparing the Company's financial statements.

SB INVESTMENT HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

2.4. CONSOLIDATION

The financial statements present information about the Company as an individual undertaking and not about its group, as the Company has taken advantage of the exemption provided by section 401 of the Companies Act 2006, as it is an indirect subsidiary undertaking of SoftBank Group Corp., a Company incorporated in Japan, and is included in the consolidated financial statements of SoftBank Group Corp.

2.5. FOREIGN AND FUNCTIONAL CURRENCIES

Due to the nature of the business of the Company, and the fact that the predominant number of transactions are completed in US Dollar (US\$), the Directors consider the functional currency of the Company to be US\$, and consequently present the financial statements in US\$.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. All other foreign exchange gains and losses are presented in the income statement within 'Administrative expenses.'

2.6. FINANCE INCOME

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.7. INVESTMENT IN SUBSIDIARIES

Investments in subsidiaries are held at cost less accumulated impairment losses. The Company assesses investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. Impairment losses are recognised in the Income Statement.

2.8. FINANCIAL INSTRUMENTS

The Company has adopted IFRS 9 for the year ended 31 March 2019. In accordance with the transitional provisions of IFRS 9, the Company has presented comparative information in accordance with IAS 39.

Financial assets and financial liabilities are recognised when the Company becomes a contractual party to the instrument. Financial assets and financial liabilities are measured at fair value at initial recognition. Except for financial assets at fair value through profit or loss ("financial assets at FVTPL") and financial liabilities at fair value through profit or loss ("financial liabilities at FVTPL"), the Company measures a financial asset or financial liability at its fair value adjusted for transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs that are directly attributable to the acquisition of the financial assets at FVTPL and financial liabilities at FVTPL are recognised in profit or loss.

SB INVESTMENT HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

2.8. FINANCIAL INSTRUMENTS (CONTINUED)

Non-derivative financial assets

Non-derivative financial assets are classified as "financial assets at amortised cost" and "financial assets at FVTPL." The classification depends on the nature and purpose of the financial assets and is determined at initial recognition.

All purchases and sales of financial assets made in a regular way are recognised and derecognised on a trade date basis. Purchases and sales made in a regular way refer to acquiring or disposing of financial assets under a contract that requires the delivery of assets within a time frame established by regulation or convention in the marketplace. Financial assets at amortised cost are classified if the financial asset is held within a business model whose objective is achieved by collecting contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, financial assets at amortised cost are measured at amortised cost using the effective interest method less any impairment. Interest income based on the effective interest method is recognised in profit or loss.

Financial assets at FVTPL

Non-derivative financial assets other than those classified as "financial assets at amortised cost" are classified as "financial assets at FVTPL". Subsequent to initial recognition, financial assets at FVTPL are measured at fair value and gains or losses arising from changes in fair value, dividend income, and interest income are recognised in profit or loss.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss. On derecognition of a financial asset other than in its entirety (e.g. when the company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Non-derivative financial liabilities

Non-derivative financial liabilities are classified as "financial liabilities at FVTPL" or "financial liabilities at amortised cost," and the classification is determined upon initial recognition. Subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, and gains or losses arising from changes in fair value and interest expense are recognised in profit or loss. Financial liabilities at amortised cost are measured using the effective interest method subsequent to initial recognition. The Company derecognises financial liabilities when the Company satisfies its obligations or when the Company's obligations are discharged, cancelled, or expired.

SB INVESTMENT HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

2.8. FINANCIAL INSTRUMENTS (CONTINUED)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amounts are presented in the statement of financial position when, and only when, the Company has a legally enforceable right to offset the recognised amounts, and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial assets held for trading under IAS 39 (before 1 April 2018)

Financial assets are classified at FVTPL when the financial asset is held for trading. A financial asset is classified as held for trading if:

- It has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item on the income statement.

2.9. CASH AT BANK AND IN HAND

Cash at bank and in hand in the statement of financial position includes cash in hand, deposits held at call with banks and cash equivalents. Bank accounts held which have an original maturity of more than three months, or which are subject to significant restrictions over access, are not presented as cash at bank and in hand. Such amounts are shown separately as short-term investments or other financial assets with appropriate disclosure of the related terms.

2.10. CURRENT AND DEFERRED INCOME TAX

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

SB INVESTMENT HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

2.10. CURRENT AND DEFERRED INCOME TAX (CONTINUED)

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is recognised on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is released or the deferred income tax liability is settled.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Company's accounting policies, which are described in note 2, the directors of the Company 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.

3.1. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

There were no critical judgements considered to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.2. KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Investment carrying values

The Company makes estimates in determining the valuation of investments. As discussed in Note 17, fair value is estimated by using a method deemed to be most suitable for each individual investment based on a number of factors including whether it is traded in an active market, the recency of recent arm's-length transaction prices or equity financings, and other factors. These methods utilize assumptions regarding the investee's future performance, the selection of market comparable companies, and the riskiness of the investment's cash flows, among others, that are not supportable by observable market prices or rates. These accounting estimates will seldom equal the actual results but are based on historical experience and future expectations.

SB INVESTMENT HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

4. OTHER GAINS AND LOSSES	Year ending 31 March 2019 \$'000	11 month period ending 31 March 2018 \$'000
Net gain arising on financial assets designated as at FVTPL	680,881	45,354
	<u>680,881</u>	<u>45,354</u>
 5. FINANCE INCOME		
	Year ending 31 March 2019 \$'000	11 month period ending 31 March 2018 \$'000
Loan interest receivable (note 12)	26,122	11,723
Bank interest	748	-
Other interest	128	-
Dividend income	34,694	-
	<u>61,692</u>	<u>11,723</u>
	<u>61,692</u>	<u>11,723</u>
 6. FINANCE COSTS		
	Year ending 31 March 2019 \$'000	11 month period ending 31 March 2018 \$'000
Loan interest payable (note 13)	212,255	37,227
Other interest payable	944	-
	<u>213,199</u>	<u>37,227</u>
	<u>213,199</u>	<u>37,227</u>
 7. PROFIT BEFORE INCOME TAX		
Profit before income tax is stated after charging/(crediting):	Year ending 31 March 2019 \$'000	11 month period ending 31 March 2018 \$'000
Exchange gains	(44)	-
	<u>(44)</u>	<u>-</u>
	<u>(44)</u>	<u>-</u>
 Fees payable to Deloitte LLP and its associates in respect of both audit and non-audit services are as follows;		
	Year ending 31 March 2019 \$'000	11 month period ending 31 March 2018 \$'000
Audit fees payable to the Company's auditor for auditing of financial statements	70	56
	<u>70</u>	<u>56</u>
	<u>70</u>	<u>56</u>

SB INVESTMENT HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

8. EMPLOYEES AND DIRECTORS

	Year ending 31 March 2019 Number	11 month period ending 31 March 2018 Number
The average monthly number of persons (including Directors) employed by the Company during the year/period was:		
Management	4	3

Directors' remuneration

The remuneration costs for the Directors were borne by other group companies in relation to their work for SB Investment Holdings (UK) Limited, although it is not practicable to determine the amounts which are attributable to this Company.

No Directors are accruing under money purchase pension schemes (2018: nil). No Directors received payments under long term incentive schemes (2018: nil).

9. INCOME TAX

	Year ending 31 March 2019 \$'000	11 month period ending 31 March 2018 \$'000
Current tax:		
UK Corporation tax on profits of year/period		-
Deferred tax:		
Origination and reversal of temporary difference	(7,926)	7,913
Adjustment in respect of prior periods	13	-
Tax on profit	<u>(7,913)</u>	<u>7,913</u>
Factors affecting tax charge for the year/period		
The tax assessed for the year/period is higher than the standard rate of corporation tax as explained below:		
Profit before income tax	517,172	7,322
Profit before income tax multiplied by the standard rate of corporation tax of 19% (2018: 19%)	98,263	1,391
Effects of:		
Non-deductible expenses	35,932	276
Income not taxable for tax purposes	(159,507)	-
Group relief surrendered	9,093	5,695
Adjustment in respect of prior periods	13	-
Deferred tax not recognised	8,293	551
Tax charge	<u>(7,913)</u>	<u>7,913</u>

Finance Act No.2 2015 included provisions to reduce the UK corporation tax rate to 19% with effect from 1 April 2017. Finance Act 2016 introduced further legislation to reduce the main rate of corporation tax to 17% from 1 April 2020 and these rates have therefore been used to measure deferred tax assets and liabilities where applicable.

SB INVESTMENT HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

10. INVESTMENTS IN SUBSIDIARIES

	\$'000
Cost:	
At 1 April 2018 and 31 March 2019	-
Net book value:	
At 31 March 2019	-
At 31 March 2018	-

During the year, the Company acquired TBG Topco Limited and disposed of its investment in SB Crayon (Cayman) Limited. No gain or loss on disposal has been recognised in the income statement.

The Company's subsidiary undertakings as at 31 March 2019 are set out below:

Name of company and registered office	Country of incorporation or registration	Nature of business,	% of ownership	% of voting power held
TBG Topco Limited <i>69 Grosvenor Street, London, W1K 3JP, United Kingdom</i>	United Kingdom	Dormant	100	100

11. INVESTMENTS

	Current assets	
	2019 \$'000	2018 \$'000
Financial assets held for trading at fair value through profit or loss	-	5,405,668
Financial assets at fair value through profit or loss	452,931	-
	452,931	5,405,668

The shares included within financial assets at FVTPL above represent investments in unlisted equities. For such investments, fair value is estimated using the process stated in note 17.

During the year, the Company sold investments in 4 companies with a total fair value of \$7,457,184K to fellow group undertakings for total consideration of \$6,736,000K. The shortfall against the fair market value of the shares has been recognised as a distribution in kind of \$721,184K. Consequently, no loss on the sale of these investments has been recognised in the income statement.

SB INVESTMENT HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

12. DEBTORS	2019 \$'000	2018 \$'000
Amounts falling due within one year:		
Amounts owed by related parties	7,238,469	1,075,938
Other debtors	-	30,619
Deferred tax asset	-	7,913
	<u>7,238,469</u>	<u>1,114,470</u>
Amounts falling due after more than one year:		
<i>Financial assets at fair value through profit or loss:</i>		
Loans and receivables	71,434	110,000
	<u>7,309,903</u>	<u>1,224,470</u>

All debtors falling due within one year are measured at amortised cost.

Included within amounts owed by related parties is \$982,811K (2018: \$982,811K) representing a loan to the Company's parent company. The loan is unsecured, incurs interest at 2.475% and is repayable on demand. During the year, interest of \$24,325K was charged on the loan.

On 10 January 2019, an existing loan to the parent company of \$93,000K was settled. Interest of \$1,797K was charged during the year.

Included within loans and receivables falling due after more than one year is a loan of \$110,000K (2018: \$110,000K) to an undertaking, at an interest rate of 7%. The loan is due for settlement on 5 January 2022, but automatically extends for an additional 5 years if not paid beforehand. The repayment amount is dependent on the fair value of shares held by the undertaking, therefore under IFRS 9, the loan has been designated as FVTPL. The fair value of the shares at the year end was \$71,434K and a fair value loss of \$38,566K has been recognised in the income statement.

Other amounts owed by related parties are unsecured, interest free and are payable on demand.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2019 \$'000	2018 \$'000
Trade creditors	13,200	13,183
Amounts owed to group undertakings	5,605,318	5,295,003
Other creditors	24,603	97
	<u>5,643,121</u>	<u>5,308,283</u>

Included within amounts owed to group undertakings is \$110,000K (2018: \$110,000K) representing a loan from the Company's parent company. The loan is unsecured, incurs interest at 2.475% and is repayable on demand. During the year, interest of \$2,723K was charged on the loan.

Included within amounts owed to group undertakings is \$5,000,702K (2018: \$5,000,702K) representing a loan from the Company's parent company. The loan was unsecured, incurred interest at 4% and was settled in full on 5 July 2019. During the year, interest of \$144,870K was charged on the loan.

SB INVESTMENT HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (CONTINUED)

Included within amounts owed to group undertakings is \$400,000K (2018: \$100,000K) representing a loan from the Company's parent company. The loan was unsecured, incurred interest at 4% and was settled in full on 12 July 2019. During the year, interest of \$10,700K was charged on the loan.

Included within amounts owed to group undertakings is \$455K (2018: \$455K) representing a loan from the Company's parent company. The loan was unsecured, incurred interest at 0.74% and was settled in full on 22 May 2019. During the year, interest of \$3K was charged on the loan.

During the year, the Company received a loan of \$55,000K from its parent company. The loan is unsecured, incurs interest at 4% and is due for settlement on 16 August 2019. During the year, interest of \$1,368K was charged on the loan. Subsequent to the year end, the loan was renewed and became due for settlement on 16 August 2020.

Other amounts owed to group undertakings are unsecured, interest free and are payable on demand.

14. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2019 \$'000	2018 \$'000
Amounts owed to group undertakings	900,000	-

During the year, the Company received a loan of \$900,000K from its parent company. The loan was unsecured, incurred interest at 6.125% and was settled in full on 10 May 2019. During the year, interest of \$41,835K was charged on the loan.

15. PROVISIONS FOR LIABILITIES

	Deferred tax	
	Asset \$'000	Liability \$'000
The Company had the following provision for deferred tax during the year:		
At 1 April 2018	(7,913)	15,826
(Credit) / charge to the income statement	7,913	(15,826)
At 31 March 2019	-	-

The deferred tax (asset)/liability is made up as follows:

	Deferred tax	
	Asset \$'000	Liability \$'000
Assets measured at fair value	-	-
Tax losses carried forward	-	-
	-	-

The Company has an estimated unrecognised deferred tax asset of \$7,563K (2018: nil) relating to tax losses which has not been recognised on the basis that they may not be recoverable within the foreseeable future.

SB INVESTMENT HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

16. SHARE CAPITAL

	2019	2018
Allotted, issued and fully paid		
8 (2018: 6) ordinary shares of £1 each	\$10	\$7
	<u> </u>	<u> </u>

During the year, 2 ordinary shares with aggregate nominal value of \$3 were issued for a consideration of \$114,000K.

Ordinary share capital

The Company has one class of ordinary shares which carry the right to one vote each and carry no right to fixed income. The shares do not confer any right on redemption.

17. FINANCIAL INSTRUMENTS

	2019	2018
	\$'000	\$'000
Financial assets at fair value		
Fair value through profit and loss (FVTPL)		
Equity investments held for trading	-	5,405,668
Equity investments	452,931	-
Debt instruments designated as FVTPL	71,434	-
	<u>524,365</u>	<u>5,405,668</u>

Changes in value of financial instruments at fair value

Profit/(loss) for the year/period has been arrived at after crediting/(charging):

	2019	2018
	\$'000	\$'000
Financial assets at fair value		
Fair value through profit and loss (FVTPL)		
Equity investments held for trading	-	45,354
Equity investments	719,447	-
Debt instruments designated as FVTPL	(38,566)	-
	<u>680,881</u>	<u>45,354</u>

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- If such quoted prices are unavailable, and if prices of recent arm's-length transactions or equity financing are available, they are measured using recent transaction prices adjusting for performance of the market and company performance. In the absence of a recent transaction, market approach, cost approach, or income approach is applied for the enterprise valuation.
- The enterprise value which is calculated by the above method is allocated to shareholder's value of each class of shares depending on the capital structures of the investments. For the allocation, an option pricing model, which values each individual security in the capital structure based on its unique rights and preferences, and a waterfall approach, which allocates value based on the seniority of each security in the event of a liquidation are mainly used.

SB INVESTMENT HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

18. CONTROLLING PARTIES

The Company's immediate parent company is SoftBank Group Capital Limited, a company incorporated in the United Kingdom. The Company's ultimate parent undertaking and controlling party is SoftBank Group Corp., a company incorporated in Japan.

SoftBank Group Corp. is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 31 March 2019. The consolidated financial statements of SoftBank Group Corp. are available from Tokyo Shiodome Building, 1-9-1 Higashi-Shimbashi, Minato-ku, Tokyo, Japan.

19. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemptions provided by Section 8 of FRS 101 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transactions is wholly-owned by a member of that group.

At the balance sheet date, all of the amounts owed by related parties and amounts owed to group undertakings (as presented in notes 12, 13 and 14) related to balances with SoftBank Group Corp. and with other wholly-owned SoftBank Group Corp. subsidiaries.

20. EVENTS AFTER THE BALANCE SHEET DATE

On 13 December 2019, the Company completed a reduction of capital exercise pursuant to which the share premium account of the Company, being a total amount of \$1,506,581K, was cancelled in its entirety. Upon completion of this capital reduction exercise, an amount of \$1,506,581K was recognised as and credited to the Company's distributable reserves.