

Company Registration No: 10498335

SB INVESTMENT ADVISERS (UK) LIMITED

Annual Report and Financial Statements

For the year ended 31 March 2020



SB INVESTMENT ADVISERS (UK) LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
MARCH 2020**

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SB INVESTMENT ADVISERS (UK) LIMITED

STRATEGIC REPORT

The directors present the Strategic Report for SB Investment Advisers (UK) Limited (the "Company") for the year ended 31 March 2020. The Company's registration number is 10498335.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is the provision of fund management activities. As part of its continuing business expansion strategy, the Company made investments in the Asia Pacific (APAC) region through the subscription of shares in newly incorporated companies in the financial year. As a result of the subscription, the Company became the main single shareholder in these companies providing investment, investment consultancy and management consultancy services as wholly owned subsidiaries of the Company. The Japan branch of the Company established in February 2019 continued in business operations in the financial year.

As an Alternative Investment Fund Manager ("AIFM"), the Company continues to make decisions relating to the acquisitions, structuring, financing and disposals of the Softbank Vision Fund L.P., Softbank Vision Fund II- 2 L.P., each of its Alternative Investment Vehicles, SB Strategic Investments Fund L.P., and SB Delta Fund (Jersey) L.P. (collectively "the Funds"). Further to the activities stated above, the Company is also responsible for determining and implementing the investment strategies and policies of the Funds, subject to specific restrictions as stated in the Limited Partnership Agreements ("LPA"). The total regulatory capital requirement of the Company, as stated in its Internal Capital Adequacy Assessment Process ("ICAAP") document reviewed in September 2019, was US\$60.9M.

The Company's key financial performance indicators during the financial year were as follows:

	2020	2019
	\$ million	\$ million
Management and Advisory Fees Receivable	228.1	138.8
Loss before taxation	(285.1)	(107.7)
Shareholders' funds	91.0	171.5

The Company continues to manage fund partnerships and derives income from the funds it manages. As a result, the management fees are considered a key performance indicator. The management fee is calculated as a percentage on each of the Limited Partner's equity contributions and equity contributions to any Alternative Investment Vehicle drawn down and used to fund the acquisition cost of all investments (excluding any related fees and expenses).

The Company had a cash balance at the financial year end of \$316.1M (2019: \$134.9M).

The Company's result for the financial year is a loss after taxation of \$231.1M (2019: loss of \$94.4M). The loss is mainly attributable to professional fees, compensation expense and transfer pricing charges incurred during the financial year.

Despite the current loss-making position of the Company, its capital adequacy assessment as described in its ICAAP drawn up in accordance with the applicable regulatory requirements shows that there are sufficient capital resources available to the company over the next twelve months.

The Company has also obtained a letter of support from Softbank Group Corp., its immediate and ultimate parent to cover the period for the next twelve months from the date of signing the financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The main business operational risks to the Company are explained below:

1. **Compliance and Regulatory Risk:** The Company is exposed to the risk of failure to comply with applicable laws, regulations or codes across all jurisdictions in which it operates. To mitigate this risk, the Company through its finance, compliance and risk department ensure compliance is appropriately embedded in the business.

STRATEGIC REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

2. **Third Party Risk:** As part of its business operating model, the Company relies on a range of third parties, internal and external, including outsourced service providers, to provide services. This introduces several risks that must be *monitored and managed by the Company*. To assist with managing and mitigating these risks, the Company has adopted a third party risk management policy for managing services provided to the Company and its funds under management.
3. **Operational Risk:** The Company is exposed to operational risk resulting from inadequate or failed internal processes, people and systems, or from external causes (deliberate, accidental or natural). The Company has controls and procedures in place through which it seeks to ensure its risk profile is consistent with its risk-appetite framework.
4. **Strategic Risk:** The directors implement measures to mitigate the risk of loss arising from being unable to deliver against the Company's business plan, making poor decisions, resource allocation being insufficient to achieve objectives or failures to adapt the business plan to changes in external factors.
5. **Technology and Cyber Risk:** The Company ensures technological breaches are kept to a minimum by updating in-house systems across different departments to ensure that they meet all regulatory requirement standards and increasing security measures within these systems against any potential intrusion. The Company also ensures implementation and compliance with cyber security policy.

FINANCIAL RISK MANAGEMENT

The Company is exposed to financial risk through its financial assets and liabilities. The key financial risks are that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due or that management and advisory fees receivable are not fully recovered.

Due to the nature of the Company's business and the assets and liabilities contained within the Company's Statement of Financial Position, the financial risks the directors consider relevant to the Company are market risk, credit risk, currency risk and liquidity/cashflow risk.

Market risk

Market risk is the risk of loss arising from movements in market variables including observable variables such as interest rates and exchange rates. The business model adopted by the Company has been designed to minimise market risk exposures. The Company does not consider market risk to be a material risk to its operations.

Credit risk

Credit risk represents the potential loss arising from an obligor's failure to meet the terms of any contract or otherwise perform as agreed. The risk depends upon the probability of a counterparty defaulting, the size of the exposure when default occurs and the potential recovery amount. The Company seeks to eliminate credit risk by ensuring full legal agreements have been put in place to ensure that the risk of non-payment of fees is minimised, whilst cash balances have been placed with reputable credit institutions with a high credit rating.

Currency risk

The Company is exposed to currency risk in respect of all vendor payments and, assets and liabilities denominated in currencies other than United State Dollars (USD). The main currencies to which the Company is exposed are but not limited to the Great Britain Pound Sterling (GBP), Japanese Yen (JPY), Chinese Yuan (CNY), India Rupees (INR) and Hong Kong Dollars (HKD). The Company seeks to mitigate the risk as far as possible by matching the estimated foreign currency denominated liabilities with assets denominated in the same currency and making sure contractual engagements with vendors are mainly denominated in USD.

STRATEGIC REPORT (continued)

Liquidity/Cashflow risk

Liquidity and cash flow risk is the risk that cash may not be available to pay obligations when due. The Company engages with central treasury and finance functions working for the Softbank Group Corp. to monitor and control its cash flows and working capital requirements.

GOING CONCERN

The Covid-19 pandemic has engulfed overall economic climate in unprecedented ways that could potentially have long lasting impact on the modus operandi of the Company. At this stage, it is impossible to estimate reliably the impact Covid-19 will have on the Company, it is however very clear that the longer the pandemic carries on the more plausible adverse impact this could have on the business. The directors are carefully monitoring the outbreak of Covid-19, as well as the potential impact on the Company.

Despite the loss making position and the likely impact Covid-19 might have on the principal business activity of the Company, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the period of at least twelve months from the date the financial statements are authorised for issue having considered the adequacy of the capital requirements of the Company as documented in its ICAAP, the net asset position of the Company at year end and letter of support obtained from Softbank Group Corp. that confirms it will provide the Company with adequate financial support to the extent that liquid resources are not available to the Company to meet such liabilities. The letter of support covers a period of twelve months from the signing date of the financial statements.

After taking all the above into consideration, the directors consider it appropriate to prepare the financial statements on the going concern basis, as explained in the basis of preparation paragraph in Note 1 of the financial statements.

PAYMENTS FOR CHARITABLE PURPOSES

Donations to charitable organisations in the United Kingdom totalled \$75,415 (2019: \$25,071).

FUTURE DEVELOPMENTS

The Funds seek to continue investing in the technology sector and catalyse technological progress for the benefit of humanity. We continue to offer the operational expertise, global network and long-term capital required to help innovators build transformative companies.

S172 COMPANIES ACT STATEMENT

Section 172 of the Company Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would be the most likely to promote the success of the company for the benefit of its members as a whole.

It set out a series of matters of which the directors must regard when performing their duty to promote the success of the company for the benefit of its shareholders, which includes focus on other stakeholders.

The board of the company is committed to engaging with the key stakeholder when making decisions on formulating strategy. The board recognises what is important for stakeholders and fully appreciates that consideration of their needs and concerns will only improve the board's decision-making process.

The board considers it crucial that the company maintains a reputation of high standards of business conduct and it is responsible for setting, monitoring and upholding the culture, values, standards and ethics of the company to ensure that the company's obligations to shareholders and stakeholders are met.

Embedded throughout the business is a robust risk framework adopting rigorous governance and business conduct controls to manage risk effectively.


The board has considered matters including risk management, controls, compliance, complaints and internal and external audit reports during the year.

SB INVESTMENT ADVISERS (UK) LIMITED

STRATEGIC REPORT (continued)

Operational risk within the Company's ICAAP identifies material operational risk and mitigation techniques to ensure business continuity and operational effectiveness.

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

DocuSigned by:

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Ruwan Weerasekera
Director

24 July 2020

SB Investment Advisers (UK) Limited
69 Grosvenor Street
London
W1K 3JP

SB INVESTMENT ADVISERS (UK) LIMITED

DIRECTORS' REPORT

The directors present their annual report and audited financial statements of SB Investment Advisers (UK) Limited ("the Company") for the year ended 31 March 2020. The Company's registration number is 10498335.

RESULTS AND DIVIDENDS

The results of the Company for the financial year are shown on page 11. The loss for the financial year was \$231.1M (2019: loss of \$94.4M).

Dividends

The directors do not recommend the payment of a final dividend and did not make any dividend payment during the financial year (2019: none).

DIRECTORS

The current directors of the Company and those who served throughout the financial year under review, and to the date of signing, except as noted otherwise, are as follows:

Rajeev Misra
Saleh Romeih
Ruwan Weerasekera

INDEMNITY

The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties in the execution of their duties of office. The indemnity is a qualifying third party indemnity provision under s232 and s234 of the Companies Act 2006. This qualifying third party indemnity provision remains in force at the date of approving the directors' report. Provision is also made by the Company for the benefits of one or more directors of associated companies.

DISCLOSURE OF INFORMATION TO THE AUDITOR

In the case of each of the persons who are directors of the Company at the date when this report was approved:

- so far as the directors are aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information (as defined) 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 provision of s418 of the Companies Act 2006.

SB INVESTMENT ADVISERS (UK) LIMITED

DIRECTORS' REPORT (continued)

AUDITOR

Deloitte LLP has been appointed as the independent auditor to carry out the audit of the financial statements for the year ended 31 March 2020. They have also indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General meeting.

STREAMLINED ENERGY AND CARBON REPORTING

No disclosures are being made in the financial statements in relation to energy and carbon reporting as it has been impracticable to obtain the necessary information for this purpose. The directors are however looking to put in place measures to ensure the energy and carbon reporting data are captured on a go forward basis.


PILLAR 3 DISCLOSURES

The pillar 3 disclosures for the Company are available at <http://www.pillar3.eu/public-disclosures/>.

GOING CONCERN AND FINANCIAL RISK MANAGEMENT POLICIES

The Company's going concern status, together with its financial risk management policies are set out in the financial risk management and going concern sections of the Strategic Report on pages 1-4.

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

DocuSigned by:

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Ruwan Weerasekera
Director

24 July 2020

SB Investment Advisers (UK) Limited
69 Grosvenor Street
London
W1K 3JP

SB INVESTMENT ADVISERS (UK) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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 year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 101 "Reduced Disclosure Framework" 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.

The directors at the date of approval of this report confirm that:

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

SB INVESTMENT ADVISERS (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SB INVESTMENT ADVISERS (UK) LIMITED (the "Company")

Opinion

In our opinion the financial statements of the Company:

- give a true and fair view of the state of the Company's affairs as at 31 March 2020 and of its loss for the year to 31 March 2020;
- 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 of SB Investment Advisers (UK) Limited which comprise:

- the Statement of Comprehensive Loss;
- the Statement of Financial Position;
- the Statement of Changes in Equity; and
- the related notes 1 to 22.

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 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.

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.

SB INVESTMENT ADVISERS (UK) LIMITED

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

Responsibilities of directors

As explained more fully in the Statement of Directors' responsibilities, 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 Financial Reporting Council'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 year for which the financial statements are prepared is consistent with the financial statements; and
- The Strategic Report and the Directors' Report has 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 shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

SB INVESTMENT ADVISERS (UK) LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SB INVESTMENT
ADVISERS (UK) LIMITED (continued)**

DocuSigned by:



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Garrath Marshall ACA (Senior Statutory Auditor)
Senior statutory auditor
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

27 July 2020

SB INVESTMENT ADVISERS (UK) LIMITED

STATEMENT OF COMPREHENSIVE LOSS
For the year ended 31 March 2020

	Notes	1 April 2019 to 31 March 2020 \$'000	1 April 2018 to 31 March 2019 \$'000
TURNOVER	2	228,091	138,815
Administrative expenses		(514,242)	(246,262)
OPERATING LOSS		<u>(286,151)</u>	<u>(107,447)</u>
Interest receivable and similar income	3	1,780	528
Interest payable and similar charges	4	(745)	(742)
LOSS BEFORE TAXATION	5	<u>(285,116)</u>	<u>(107,661)</u>
Tax credit on loss before taxation	7	54,784	13,220
LOSS AFTER TAX CREDIT FOR THE FINANCIAL YEAR		<u>(230,332)</u>	<u>(94,441)</u>
 OTHER COMPREHENSIVE INCOME			
Loss on foreign currency translation differences arising from branch		(778)	-
TOTAL COMPREHENSIVE LOSS		<u>(231,110)</u>	<u>(94,441)</u>

All transactions derive from continuing operations.

The notes on pages 14 to 33 form an integral part of the financial statements.

SB INVESTMENT ADVISERS (UK) LIMITED

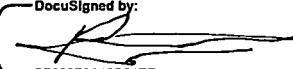
STATEMENT OF FINANCIAL POSITION
As at 31 March 2020

	Notes	As at 31 March 2020 \$'000	As at 31 March 2019 \$'000
FIXED ASSETS			
Tangible fixed assets	9	3,167	2,177
Intangible assets	10	3,250	-
Fixed asset investments	11	9,963	1,752
		<u>16,380</u>	<u>3,929</u>
CURRENT ASSETS			
Debtors: Amounts falling due within one year	12	218,449	86,260
Cash at bank and in hand		316,091	134,919
		<u>534,540</u>	<u>221,179</u>
Creditors: Amounts falling due within one year	13	(536,744)	(77,054)
NET CURRENT ASSETS		<u>14,176</u>	<u>148,054</u>
Debtors: Amounts falling due after more than one year	12	79,239	24,871
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>93,415</u>	<u>172,925</u>
Creditors: Amounts falling due after more than one year	14	(2,212)	(1,380)
NET ASSETS EXCLUDING RETIREMENT BENEFIT LIABILITY		<u>91,203</u>	<u>171,545</u>
Net pension liability	15	(186)	-
NET ASSETS INCLUDING RETIREMENT BENEFIT LIABILITY		<u>91,017</u>	<u>171,545</u>
CAPITAL AND RESERVES			
Called up share capital	16	576	391
Share premium	16	474,424	324,609
Other reserve	17	582	-
Profit and loss account	20	(384,565)	(153,455)
SHAREHOLDERS' FUNDS		<u>91,017</u>	<u>171,545</u>

The financial statements of SB Investment Advisers (UK) Limited (registration number: 10498335) were approved by the Board of Directors and authorised for issue on 24 July 2020.

The notes on pages 14 to 33 form an integral part of the financial statements.

They were signed on its behalf by:

DocuSigned by:

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 Ruwan Weerasekera
 Director

SB INVESTMENT ADVISERS (UK) LIMITED

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2020

	Notes	Called up Share Capital \$'000	Share Premium \$'000	Profit and loss \$'000	Other reserve \$'000	Total \$'000
At 31 March 2018		212	184,788	(59,014)	-	125,986
Issuance of share capital	16	179	139,821	-	-	140,000
Total comprehensive loss	20	-	-	(94,441)	-	(94,441)
As at 31 March 2019		<u>391</u>	<u>324,609</u>	<u>(153,455)</u>	<u>-</u>	<u>171,545</u>

	Notes	Called up Share Capital \$'000	Share Premium \$'000	Profit and loss \$'000	Other reserve \$'000	Total \$'000
At 31 March 2019		391	324,609	(153,455)	-	171,545
Issuance of share capital	16	185	149,815	-	-	150,000
Total comprehensive loss	20	-	-	(231,110)	-	(231,110)
Other reserve	17	-	-	-	582	582
As at 31 March 2020		<u>576</u>	<u>474,424</u>	<u>(384,565)</u>	<u>582</u>	<u>91,017</u>

The notes on pages 14 to 33 form an integral part of the financial statements.

SB INVESTMENT ADVISERS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2020

1. SIGNIFICANT ACCOUNTING POLICIES

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

General information and basis of accounting

SB Investment Advisers (UK) Limited (the "Company") is a private company, limited by shares, incorporated in England and Wales, United Kingdom under the Companies Act 2006. The address of the registered office is given on page 3. The nature of the Company's operations and its principal activities are set out in the Strategic Report on pages 1 to 4.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and United Kingdom Generally Accepted Accounting Practice.

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 the Companies Act 2006.

The functional currency of the Company is considered to be United States Dollars (USD) because this is the currency of the Funds being managed by the Company. USD is also the presentational currency of the Company.

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, Softbank Group Corp., in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and United Kingdom Generally Accepted Accounting Practice:

- Presentation of cash flow statement and related notes;
- A reconciliation of the number and weighted average exercise prices of share options and disclosure of how the fair value of share-based payments was determined and their effect on profit or loss and the financial position;
- 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 instruments and the nature and extent of risks arising on these financial instruments;
- Comparative period reconciliations for share capital, fixed asset investments, and tangible fixed assets;
- Disclosure of the future impact of new International Financial Reporting Standards in issue but not yet effective at the reporting date;
- Related party disclosures of transactions with the parent or wholly owned members of the group; and
- Disclosure of the effect of financial instruments on the Statement of Comprehensive Loss.

Exemption from consolidation

The financial statements contain information about the Company as an individual entity and do not contain consolidated financial information as the parent of its group. The Company has taken advantage of the exemption under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in the consolidated financial statements of its ultimate parent company, Softbank Group Corp., which are publicly available.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2020

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets and liabilities

Financial assets and financial liabilities are recognised in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Loans and receivables

These include receivables with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost and are subject to impairment testing.

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 Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or c) the Company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities at amortised cost

These are the liabilities that do not meet the definition of financial liabilities at fair value through profit or loss i.e. liabilities the Company holds for trading purposes.

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

Tangible fixed assets

Tangible fixed assets are shown at original historical cost less accumulated depreciation and any provision for impairment. Depreciation is provided on a straight-line basis to write off the cost of assets less estimated residual value accumulated over their estimated useful lives, as follows:

Leasehold improvements	Over the remaining life of the lease
Fixtures, fittings and equipment	5 years
Computer equipment	3 to 5 years

Fixed asset investments

Investment in subsidiaries are shown at cost less provisions for impairment. Impairment is measured by comparing the carrying value of the asset with its future discounted cash flow and its market value.

Impairments

Assets, other than those measured at fair value, are assessed for indicators of impairment at each date of the Statement of Financial Position. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Loss.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2020

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairments (continued)

An asset is impaired when there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Intangible assets

Intangible assets are recognised at cost and amortised on a systematic basis over the useful lives of the assets (unless the asset has an indefinite useful life, in which case is not amortised). Intangible assets recognised during the financial year relate to cost incurred in developing databases for the Company's use. Amortisation for the intangible assets has been based over the life of the fund being managed by the Company. The intangible assets will be tested annually for impairment by comparing the carrying amount against the recoverable amount and recording an impairment loss where applicable.

Going concern

As explained in more detail in the Strategic Report on page 3, the directors have considered the going concern basis in the preparation of the financial statements.

The Strategic Report also describes the financial position of the Company; its cash flows, liquidity position, the Company's objectives, policies and processes for managing its capital; and its financial risk management including the directors' assessment of going concern. Consideration has also been given to the likely impact the Covid-19 pandemic could have on the business. Whilst it impossible to state categorically the impact on the business, the headroom against the capital requirement as documented in the ICAAP, net asset position and support letter obtained from Softbank Group Corp. all give assurance to the going concern status of the Company.

On the above basis, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date the financial statements are authorised for issue. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the date of the Statement of Financial Position where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the date of the Statement of Financial Position. Timing differences are differences between the Company's taxable profits and its results, as stated in the financial statements, that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2020

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred taxation (continued)

A net deferred tax asset is regarded as recoverable and therefore unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the date of the Statement of Financial Position that are expected to apply to the reversal of the timing difference. The tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Retirement benefits

The Company operates a defined contribution retirement benefit scheme. All pension costs are accounted for on an accrual basis. The pension scheme operated by the Company pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current financial year. The expense is recorded in the Statement of Comprehensive Loss and the associated liability in respect of contributions not paid to the scheme is recorded in the Statement of Financial Position. The total defined contribution liability at the end of the financial year was \$369,918 (2019: \$176,453).

Employee benefits

The Company provides a range of benefits to employees, including bonus and paid holiday arrangements. Short term benefits, including pay and other similar non-monetary benefits are recognised in the period in which the service is received. An expense is recognised in the Statement of Comprehensive Loss when the Company has a legal or constructive obligation to make payments as a result of past events and a reliable estimate of the obligation can be made. As at the end of the financial year, the Company recognised a liability per contractual agreements of \$4,797,890 (2019: \$1,429,670) for absence of leave yet to be taken.

Foreign exchange

All foreign currency monetary assets and liabilities are recorded at the rate of exchange prevailing at the date of the Statement of Financial Position. Transactions in foreign currencies are recorded at the dates of transactions. Translation gains or losses arising during the financial year are included in the Statement of Comprehensive Loss.

SB INVESTMENT ADVISERS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 2020

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Financial Commitments

Rentals paid in relation to financial commitments are charged on a straight-line basis over the agreement period, even if payments are not made on such basis. Total payment recognised in the year was \$6,966,568 (2019: \$6,634,368).

Share-based payments

Cash-settled share-based payments

The Company during the financial year continued to meet its obligations for those employees entitled to receive the phantom stock awards granted as cash-settled share-based compensation. The annual award covers certain number of units which is determined by dividing the phantom stock awards by Softbank Group Corp.'s stock volume-weighted average price.

Cash settled share-based compensation is accounted for as liabilities and is measured initially at the fair value of the award. The fair value of the liabilities is remeasured on each closing date and the settlement date, and changes in fair values are recognised in profit or loss.

The total share-based compensation expense for the financial year was (\$454,056) (2019: \$2,551,000).

Revenue

Revenue is recognised in the Statement of Comprehensive Loss of the Company in accordance with FRS 101 following the provision of services rendered by the manager by applying the below:

- Identifying the contract with the customer;
- Identifying the performance obligations within the contract;
- Determining the transaction price;
- Allocating the transaction price to each performance obligation; and
- Recognising revenue when the performance obligation has been satisfied.

Revenue comprises of total management and advisory fees earned by the Company in the financial year net of VAT. Fee income is recognised in the Statement of Comprehensive Loss on the basis of the management fees earned from the Funds, as defined in the LPA, and advisory fees earned from the provision of MIFID services to other group subsidiaries.

No performance fee has been recognised in the current year as the criteria for recognition has not been met (2019: none).

Critical accounting judgements and key source of estimation uncertainty

In the application of the Company's accounting policies, which are described above, 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 mainly based on factors that are considered to be relevant. Actual results may however differ from these estimates.

SB INVESTMENT ADVISERS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2020

Critical accounting judgements and key source of estimation uncertainty (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years. The only key source of estimation uncertainty determined by management is the impact the outbreak of Covid 19 could have on the Company. The Covid 19 impact has been addressed in the going concern section of the Strategic Report on page 3.

Taxation - Deferred taxation

Determining income tax provision involves judgements on the tax treatment of certain transactions. The deferred tax asset is measured at the end of the financial year in accordance with IAS 12 Income Taxes. Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. As the Company is not forecasted to make a taxable profit until around midyear 2021, based on current projections, the 19% corporation tax that will apply from April 2020 has been utilised for the calculation of the deferred tax asset.

Further to the above, management will continue to assess the timing and level of future taxable profits to determine the appropriateness of utilising the deferred tax asset. In the event that future taxable profits aren't realisable and deferred tax asset cannot be utilised, some or all of the deferred tax assets may need to be reversed.

Transfer pricing

During the financial year, the Company charged and received pass through costs, overheads and employee costs as part of its transfer pricing policy to and from other group companies to reflect dealings in arm's length transactions. The net transfer pricing cost recorded at the end of the financial year relating to service fee expense came to \$216,153,837 (2019: \$83,153,000).

2. Turnover

The Company operates one class of business, namely the provision of management and advisory advice, and had geographical turnover as follows:

Geographical market

	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019
	\$'000	\$'000
UK mainland	1	15,182
Jersey	228,090	123,633
Total	228,091	138,815

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019
	\$'000	\$'000
Interest receivable on bank deposits	1,780	528
	1,780	528

SB INVESTMENT ADVISERS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2020

4. INTEREST PAYABLE AND SIMILAR CHARGES

	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019
	\$'000	\$'000
Interest on loan payable	745	742

5. LOSS BEFORE TAXATION

	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019
	\$'000	\$'000
Loss on ordinary activities before taxation is stated after charging:		
Depreciation of tangible fixed assets	918	503
Amortisation of intangible assets	238	-
(Gain) on foreign currencies	(4,359)	(696)
Auditors' remuneration:		
- Audit fees	249	196
- Other assurance service	404	29
- Services related to corporate finance transactions	-	111
- Other non-audit services	-	49

6. STAFF COSTS

Particulars of employees (including executive directors) are as shown below:

	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019
	\$'000	\$'000
Wages and salaries	146,395	61,851
Payroll taxes	24,556	10,541
Other pension costs	3,225	1,375
	174,176	73,767

The average number of persons employed during the financial year was:

	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019
	Number	Number
Front office	52	22
Operating function	12	7
Capital functions	14	2
Support functions	118	54
	196	85

SB INVESTMENT ADVISERS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2020

6. STAFF COSTS (continued)

Aggregate directors' remuneration:

	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019
	\$'000	\$'000
Long term incentive awards	71	1,068
Other emoluments	20,906	11,982
	20,977	13,050

Directors' remuneration shown above included the following for the highest paid director:

	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019
	\$'000	\$'000
Total emoluments	15,514	7,147

The emoluments shown above reflect the total emoluments received by the directors for services relating to the Company during the financial year under review.

7. TAX CREDIT ON LOSS

(a) Analysis of total tax credit on loss in the financial year

	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019
	\$'000	\$'000
UK Corporation tax:		
Overseas tax	584	2
Total current tax	584	2
Deferred tax:		
Origination and reversal of timing differences	(55,615)	(14,811)
Prior year adjustment	247	1,589
Total deferred tax	(55,368)	(13,222)
Total tax credit on loss for the financial year	(54,784)	(13,220)

SB INVESTMENT ADVISERS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2020

7. TAX CREDIT ON LOSS (continued)

(b) Factors affecting the tax credit for the financial year

	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019
	\$'000	\$'000
Loss before tax	(285,116)	(107,661)
Expected tax credit for the tax, calculated at 19% (2019: 19%) of the loss before tax	(54,172)	(20,456)
Effect of:		
Overseas tax	584	2
Adjustment with respect to prior year	247	1,589
Permanent differences including non-taxable income	(2,196)	(92)
Permanent differences including non-deductible expenses	3,419	3,995
Deferred tax impact of changes in future corporation taxes	(2,666)	1,742
Current tax credit on loss for the financial year	(54,784)	(13,220)

8. DEFERRED TAXATION

	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019
	\$'000	\$'000
Movements on the deferred taxation account were as follows:		
Opening deferred tax asset on losses	(23,005)	(9,783)
Current year/period	(55,615)	(14,811)
Adjustment with respect to prior period	247	1,589
Closing deferred tax asset on temporary differences	(78,373)	(23,005)
Analysis of deferred tax asset		
	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019
	\$'000	\$'000
Temporary differences in respect of tax losses	(78,063)	(23,005)
Other temporary differences	(310)	-
	(78,373)	(23,005)

Temporary differences have been provided for at tax rates substantively enacted at the date of the Statement of Financial Position which are expected to apply when the temporary differences are expected to reverse. The tax rate substantively enacted as at the date of the Statement of Financial Position is 19%. At Budget 2020 the government announced that the Corporation Tax rate for the year starting 1 April 2020 and 2021 would remain at 19% (previously it was expected the rate would fall to 17%), therefore deferred tax balances have been remeasured at 19%.

A deferred tax asset has been recognised in respect of trading losses of \$410,857,894 (2019: \$87,119,598) as it is expected to be used in full against future profit arising over the remaining 9 year life from the Company's main business activity. The latest forecasts prepared for FCA regulatory capital monitoring purposes indicate that the

SB INVESTMENT ADVISERS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2020

8. DEFERRED TAXATION (continued)

Company will start to utilise losses in the period starting on 1 April 2021, and will continue to utilise losses in every year thereafter.

9. TANGIBLE FIXED ASSETS

	Computer equipment	Leasehold improvements	Fixtures, fittings, and equipment	Total
	\$'000	\$'000	\$'000	\$'000
Cost				
At 1 April 2019	376	1,567	750	2,693
Additions	525	307	1,077	1,909
At 31 March 2020	<u>901</u>	<u>1,874</u>	<u>1,827</u>	<u>4,602</u>
Accumulated Depreciation				
At 1 April 2019	88	318	110	516
Charge for the year	168	357	394	919
At 31 March 2020	<u>256</u>	<u>675</u>	<u>504</u>	<u>1,435</u>
Net book value				
At 31 March 2020	<u>645</u>	<u>1,199</u>	<u>1,323</u>	<u>3,167</u>
At 31 March 2019	<u>288</u>	<u>1,249</u>	<u>640</u>	<u>2,177</u>

10. INTANGIBLE ASSETS

Cost	\$'000
At 1 April 2019	-
Additions	3,488
At 31 March 2020	<u>3,488</u>
Amortisation	
At 1 April 2019	-
Charge for the year	(238)
At 31 March 2020	<u>(238)</u>
Net book value	
At 31 March 2020	<u>3,250</u>

Intangible asset relates to amount expended on internally generated databases for the Company.

SB INVESTMENT ADVISERS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2020

11. FIXED ASSET INVESTMENTS

Fixed asset investments for the Company relates to investment in subsidiaries analysed below:

Cost	\$'000
At 1 April 2019	1,752
Additions	8,211
At 31 March 2020	9,963
Provisions for impairment	
At 31 March 2020	-
Net book value	
At 31 March 2020	9,963

During the financial year, the Company acquired 1,200,000 ordinary shares at \$1.00 per share in SBIA (Singapore) PTE. Limited, 4,500,000 ordinary shares at INR10.00 per share in SVF Investment Advisers (Private) Limited, 15,300,000 ordinary shares at HKD0.6898 per share and 700,000 ordinary shares at \$1.00 (redenominated to 5,446,000 ordinary shares) in SB Investment Advisers (HK) Limited TWD2,800,000 ordinary shares at TWD10.00 per share in SBIA (Taiwan) Limited.

Company	Principal Activity	Class of share and percentage held	Registered Office Address
SBIA (AD) Limited	Financial Services	Ordinary (100%)	Floor 9, AL SILA Tower Abu Dhabi Global Market Square Al Maryah Island Abu Dhabi
SBIA (KSA) LLC	Management Consultancy	Ordinary (100%)	Floor 5, CS01, Al Raida Digital City Al Nakheel Riyadh Kingdom of Saudi Arabia 11452
SBIA (Singapore) PTE. Limited	Fund Management Activities	Ordinary (100%)	80 Robinson Road #02-00 Singapore (068898)
SB India Holdings Limited	Activities of other holding companies	Ordinary (100%)	69 Grosvenor Street, London, United Kingdom, W1K 3JP

SB INVESTMENT ADVISERS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2020

11. FIXED ASSETS INVESTMENTS (continued)

Company	Principal Activity	Class of share and percentage held	Registered Office Address
SVF Investment Advisers (Private) Limited	Investment Advisory	Ordinary (99%)	5th Floor, Worldmark-2, Aerocity Delhi, New Delhi, South Delhi, Delhi, India, 110037
SBIA Management Consultancy (Shanghai) Co., Limited	Management Consultancy	Ordinary (100%)	Unit 150, 9th Floor, Building 3, No. 2, Lane 838, South Huangpu District, Shanghai, the People's Republic of
SB Investment Advisers (HK) Limited	Management Consultancy	Ordinary (100%)	31/F, Tower Two, Times Square 1 Matheson Street, Causeway Bay, Hong Kong
SBIA (Taiwan) Limited	Investment and Investment Consultancy, Management Consultancy	Ordinary (100%)	11/F, No. 1, Songzhi Rd, Xinyi District Taiwan

12. DEBTORS

	As at 31 March 2020	As at 31 March 2019
Amounts falling due within one year	\$'000	\$'000
Amounts owed by group undertakings	208,001	77,298
Other debtors	1,918	648
VAT receivable	5,437	7,345
Prepayments and accrued income	1,850	969
Short term deposit	1,243	-
	<u>218,449</u>	<u>86,260</u>

Amounts owed by group undertakings are unsecured, interest free and payable on demand.

	As at 31 March 2020	As at 31 March 2019
Amount falling due after more than one year	\$'000	\$'000
Long term deposit	866	1,866
Deferred tax asset	78,373	23,005
	<u>79,239</u>	<u>24,871</u>

SB INVESTMENT ADVISERS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2020

13. CREDITORS: Amounts falling due within one year

	As at 31 March 2020	As at 31 March 2019
	\$'000	\$'000
Trade creditors	14,290	8,202
Amount owed to group undertakings	483,512	42,012
Other creditors	677	291
Other taxes and social security	2,683	696
Amount payable to employees	887	4,319
Accruals and deferred income	34,695	21,534
	536,744	77,054

Amount owed to group undertakings includes a loan issued by Softbank Group Corp. to the Company on 31 October 2017 and subsequently amended on 31 October 2018 and 31 October 2019 respectively.

The principal amount issued by the Lender on 31 October 2017 was \$30,000,000 attracting an interest rate of 2.475% per annum and a maturity date of 31 October 2018. The amendment to the loan agreement on 31 October 2019 resulted in an extension of the initial maturity date to 31 October 2020. The remainder of the amount owed to group undertakings are unsecured, interest free and payable on demand.

14. CREDITORS: Amounts falling due after more than one year

	As at 31 March 2020	As at 31 March 2019
	\$'000	\$'000
Other creditors	727	1,190
Amount payable to employees	1,485	190
	2,212	1,380

15. NET PENSION LIABILITY

The Company during the financial year operated a defined benefit pension scheme for the Japan branch covering a five month period.

A comprehensive actuarial valuation of the defined benefit sections was carried out by a qualified actuary (who is independent of the Company).

The valuation relating to the pension liability has been carried out in accordance with IAS 19 'Employee Benefits'. The actuarial assumptions used for the measurement are considered to be reasonable and appropriate for the purposes for which it has been used.

The total net pension liability recognised at year end came to \$185,928 (2019: none).

SB INVESTMENT ADVISERS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2020

15. NET PENSION LIABILITY (continued)

Funded Status and Components of Defined Benefit Cost

	As at 31 March 2020	As at 31 March 2019
	\$'000	\$'000
Funded Status		
Present value of defined benefit obligation	186	-
Fair value of plan assets	-	-
Deficit	186	-
Effect of asset ceiling	-	-
Net defined benefit liability	186	-

Components of Defined Benefit Cost

	As at 31 March 2020	As at 31 March 2019
	\$'000	\$'000
Service Cost (recognised in profits or losses)	186	-
Current service cost	186	-
Past service cost and gains and losses on settlement	-	-
Net interest on net defined liability (recognized in profits or losses)	-	-
Interest on defined benefit obligation	-	-
Interest on plan assets	-	-
Interest on the effect of asset ceiling	-	-
Remeasurements on the net defined liability (recognized in other comprehensive asset)	-	-
Actuarial (gains) and losses	-	-
Return on plan assets	-	-
Changes in the effect of asset ceiling	-	-
Defined benefit cost	186	-

SB INVESTMENT ADVISERS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2020

15. NET PENSION LIABILITY (continued)

Explanations of amounts in the financial statements

	As at 31 March 2020	As at 31 March 2019
	\$'000	\$'000
Changes in net defined liability		
Opening net defined obligation	-	-
Service cost	186	-
Net interest on the net defined liability	-	-
Remeasurement on the net defined liability	-	-
Contribution to the plan paid by employer	-	-
Benefit paid by employer directly to employees	-	-
Net defined benefit liability	186	-

	As at 31 March 2020	As at 31 March 2019
	\$'000	\$'000
Changes in the present value of the defined benefit Obligation		
Opening defined benefit obligation	-	-
Current service cost	186	-
Interest on defined benefit obligation	-	-
Actuarial gains and losses;	-	-
arising from changes in demographic assumptions	-	-
arising from changes in financial assumptions	-	-
experience adjustment	-	-
Past service cost and gains and losses arising from settlements	-	-
Contribution to the plan paid by employees	-	-
Benefits excluding amounts paid in respect of any settlement	-	-
Benefits paid in respect of settlement	-	-
Effects of business combinations and disposals	-	-
Closing defined benefit obligation	186	-

SB INVESTMENT ADVISERS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2020

15. NET PENSION LIABILITY (continued)

Service Cost, Net Interest and Remeasurement of Net Defined Benefit Liability

	As at 31 March 2020	As at 31 March 2019
	\$'000	\$'000
Service Cost	-	-
Current service cost	186	-
Past service cost and effect of settlement	-	-
Changes in defined benefit obligation resulting from plan amendment, curtailment, and settlement	-	-
Settlement price	-	-
Service cost at end of year	186	-

	As at 31 March 2020	As at 31 March 2019
	\$'000	\$'000
Net Interests	-	-
Interest on defined benefit obligation	186	-
Opening defined benefit obligation	-	-
Benefits weighed for timing	-	-
Defined benefit obligation taking account of change	-	-
Discount rate	0.20%	-
Interest on the plan assets		
Opening fair value of plan assets	-	-
Benefits paid from plan assets weighted for timing	-	-
Contributions weighted for timing	-	-
Plan assets taking account of change	-	-
Discount rate	0.20%	-
Interest on the effect of the asset ceiling		
Opening effect of asset ceiling	-	-
Discount rate	0.20%	-
Net Interests	-	-

Remeasurements of Defined Benefit Liability

	As at 31 March 2020	As at 31 March 2019
	£'000	£'000
Actuarial gains and losses	-	-
Return on plan assets excluding amounts included in net interests	-	-
Change in the effect of the asset ceiling excluding amounts included in net interests	-	-
Remeasurement of defined benefit liability	-	-

SB INVESTMENT ADVISERS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2020

15. NET PENSION LIABILITY (continued)

Information about Amount, Timing and Uncertainty of Future Cash Flows

Sensitivity Analysis on Defined Benefit Obligation

Discount rate

Impact on DBO by 0.5% increase	(4,936)
Impact on DBO by 0.5% decrease	5,206

Information about Future Cash Flows

Maturity analysis ('000)

At March 31, 2020	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Pension benefits	23	24	69	73	188
Post-employment medical benefits	-	-	-	-	-
Total as at March 31, 2020	23	24	69	73	188

Actuarial Basis:

Measurement Date March 31, 2020

Demographic Information at Measurement Date March 31, 2020

Number of Active Participants	33
Average Age	38.8
Average Service Years	1.2
Average Pay Credit	1,268
Average Accumulation of Pay Credit and Interest Credit	5,771
Average Future Services	5.5
Number of (Deferred) Pensioners	0

Cost Method Project Unit Credit Method

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2020

15. NET PENSION LIABILITY (continued)

Assumptions

Discount rate for defined benefit obligation - 0.20%
 Method used to determine discount rate – A weighted average single discount rate approach
 Discount rate for defined benefit cost – 0.20%
 Expected rate of interest – 0.50%
 Lump sum selection rate – Not Applicable
 Normal retirement age – 60
 Mortality rate – Standard mortality rate for defined benefit corporate pension
 Withdrawal rate – 15%
 Salary increase rate – Not applicable

16. CALLED UP SHARE CAPITAL AND SHARE PREMIUM

	As at 31 March 2020	As at 31 March 2019
	\$'000	\$'000
Allotted, called up and fully paid		
445,002 (2019: 295,002) ordinary shares of £1 each	576	391

The total cash consideration received from Softbank Group Corp. during the financial year for the subscription of shares in the Company was \$150,000,000 representing 150,000 issued shares at £1 per share with nominal value of \$185,732 following application of the appropriate currency rate. The share premium net of transaction cost for the financial year was \$149,814,267.

The subscription of shares during the financial year brings the total share capital and share premium of the Company to \$576,403 (2019: \$390,670) and \$474,423,598 (2019: \$324,609,331) respectively.

Each share carries the right to vote on a poll. The right to vote is determined by reference to the register of members. The shares do not carry any rights with respect to capital to participate in a distribution (including on winding-up) other than those that exist as a matter of law. The shares are not redeemable.

17. OTHER RESERVE

Other reserve relates to cost attributable to the Company in accordance with recognition of employee benefits.

18. GUARANTEES, CONTINGENT LIABILITIES AND OTHER FINANCIAL COMMITMENTS

Capital commitments

The Company had no capital commitments at 31 March 2020 (2019: none).

Financial commitments

As at the date of the statement of financial position, the Company was committed to making the following payments:

SB INVESTMENT ADVISERS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 2020

18. GUARANTEES, CONTINGENT LIABILITIES AND OTHER FINANCIAL COMMITMENTS (continued)

Financial Commitments (continued)

	As at 31 March 2020	As at 31 March 2019
	\$'000	\$'000
Within one year	2,301	6,596
Within two to five years	-	1,788
	<u>2,301</u>	<u>8,384</u>

19. RELATED PARTY TRANSACTIONS

The Company during the financial year engaged in transactions with the Funds principally as an AIFM. In the administration of its duties as the fund manager of the Funds (not wholly owned by Softbank Group Corp.), the Company earned management fee income. The management fee income is calculated as a percentage on each of the Limited Partner's equity contributions and equity contributions to the Funds.

The total management and advisory fee earned for the financial year was \$228,091,000 (2019: \$138,815,000). Balances due to and due from group companies have been disclosed in the Debtors and Creditors notes of the financial statements on pages 24 and 25.

In addition to the above, there were transfer pricing transactions with other group companies within the financial year. Aggregated amounts relating to the total transfer pricing cost are included in transfer pricing note on page 19.

Key management personnel are considered to be the directors of the Company. Refer to note 6 for further information.

20. RESERVES

Profit and loss account:

Profit and loss account include the total loss for the financial year ended 31 March 2020. Information relating to other reserve is explained in note 17 on page 31.

21. IMMEDIATE AND ULTIMATE PARENT COMPANIES

The Company's immediate and ultimate parent company is Softbank Group Corp., a company incorporated in Japan with the registered address at Tokyo Shidome Building, 1-9-1 Higashi-Shimbashi, Minato-ku, Tokyo, Japan.

The largest and smallest group of undertakings in which the results of SB Investment Advisers (UK) Limited are consolidated is that headed by Softbank Group Corp. The consolidated financial statements of Softbank Group Corp. are available from <https://softbank.jp/en/corp/>.

22. SUBSEQUENT EVENTS

The Company transferred its entire investment in SBIA (AD) Limited free of all encumbrances to Softbank Group Corp. in June 2020 with no other options, rights or agreements to acquire or subscribe for any capital of SBIA (AD) Limited. A total of 3,100,000 shares were transferred for consideration of \$3,136,394.55.

SB INVESTMENT ADVISERS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2020

22. SUBSEQUENT EVENTS (continued)

In June 2020, Softbank Group Corp. subscribed for 200,000 additional ordinary shares with a nominal value of GBP1.00 per share in the Company. Total consideration paid for the share issue was \$200,000,000.

The Company continues to monitor the general landscape as it relates to the impact Covid-19 could have on the Company. As mentioned in the strategic report, the longer the pandemic continues, the more likely the Company's business operations will be affected adversely.