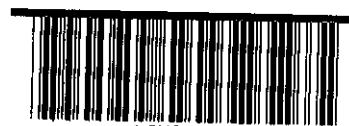


**SB US VI Limited**

**(Registered Number: 3763778)**

**Director's Report And Financial Statements**

**For The Year Ended 31 December 2004**



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# **SB US VI Limited**

## **Director and Advisors**

### **Director**

S J Murray

### **Secretary**

Hackwood Secretaries Limited  
One Silk Street  
London  
EC2Y 8HQ

### **Registered Office**

One Silk Street  
London  
EC2Y 8HQ

### **Independent Auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Harman House  
1 George Street  
Uxbridge  
Middlesex  
UB8 1QQ

## **SB US VI Limited**

### **Director's Report For The Year Ended 31 December 2004**

The director submits his report and the audited financial statements for the year ended 31 December 2004.

#### **Principal Activities**

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

#### **Review Of The Business and Future Developments**

The Company made a loss after tax for the year ended 31 December 2004 of \$29,708,176 (2003: \$10,978,331 loss), due to investment write downs in the period.

The director does not recommend payment of a dividend (2003: \$nil), and hence the loss for the year of \$29,708,176 has been deducted from reserves.

The director anticipates that the Company will continue as an investment holding company for the foreseeable future.

#### **Director and his interest**

S J Murray served as the sole director during the year and to the date of this report.

The director has no interests in the shares of the company or any other body corporate in the group that are required to be disclosed under Schedule 7 of the Companies Act 1985.

## **SB US VI Limited**

### **Director's Report For The Year Ended 31 December 2004 (Continued)**

#### **Statement Of Director's Responsibilities**

Company law requires the director to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In preparing those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose the financial position of the company with reasonable accuracy at any time and which enable them to ensure that the financial statement comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By Order of the Board



S J Murray  
Director

Date: 19 July 2005

## **SB US VI Limited**

### **Independent Auditors' Report To The Members Of SB US VI Limited**

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

#### **Respective responsibilities of director and auditors**

The director's responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of director's responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the director's report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and transactions is not disclosed.

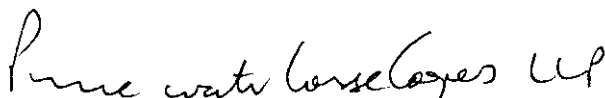
#### **Basis of audit opinion**

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
West London

Date: 21 July 2005

## SB US VI Limited

### Profit and Loss Account for the year ended 31 December 2004

	Note	31 Dec 2004 \$	31 Dec 2003 \$
Administrative expenses		-	-
Operating profit	3	-	-
Amounts written off investments	5	(29,708,176)	(10,978,331)
Loss on ordinary activities before taxation		(29,708,176)	(10,978,331)
Taxation	4	-	-
<b>Loss for the financial year deducted from reserves</b>	<b>9</b>	<b>(29,708,176)</b>	<b>(10,978,331)</b>

All results arise in respect of continuing operations.

There were no recognised gains or losses other than the loss for the period and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the loss on ordinary activities before taxation and retained loss for the year stated above, and their historical cost equivalents.

The notes on pages 7 to 11 form part of these financial statements.

# SB US VI Limited

## Balance Sheet As At 31 December 2004

	Notes	2004	2003
		\$	\$
<b>Fixed assets</b>			
Investments	5	236,645,901	200,338,930
		<b>236,645,901</b>	<b>200,338,930</b>
<b>Current assets</b>			
Debtors	6	-	6,521,542
Net current assets		-	6,521,542
<b>Creditors – amounts falling due after more than one year</b>	7	(277,332,406)	(217,838,801)
<b>Net liabilities</b>		<b>(40,686,505)</b>	<b>(10,978,329)</b>
<b>Capital and reserves</b>			
Called up share capital	8	2	2
Profit and loss account deficit	9	(40,686,507)	(10,978,331)
<b>Equity shareholders' deficit</b>	10	<b>(40,686,505)</b>	<b>(10,978,329)</b>

Approved by the Board on 19 July 2005 and signed on its behalf by:



S J Murray  
Director

The notes on pages 7 to 11 form part of these financial statements.

# **SB US VI Limited**

## **Notes To The Financial Statements For The Year Ended 31 December 2004**

### **1 Accounting Policies**

#### **(1) Accounting Convention**

The financial statements are prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 1985 applicable Accounting Standards in the UK. The principle accounting policies, which have been applied consistently throughout the year, are described below. The director considers that the going concern basis is appropriate because the immediate parent undertaking has confirmed its intention to support the Company.

#### **(2) Cash Flow Statement**

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cashflow statement on the grounds that it is a wholly owned subsidiary of SB Holdings (Europe) Ltd. The ultimate parent undertaking's consolidated financial statement which include the company are publicly available (refer Note 12).

#### **(3) Deferred Taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, 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 balance sheet date.

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

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

#### **(4) Investments**

Fixed asset investments are stated at cost. Provision is made for any permanent diminution in value, based on the value of the underlying assets of the investment.

Where the Company has investments in partnerships, as a Limited Partner, and control of these partnerships rests with the General Partner in accordance with the relevant Partnership agreement, the directors consider that the Company has long term restrictions on its rights over the partnerships. Consequently, these partnerships are considered to be investments and are not considered to be subsidiaries of the Company.

# **SB US VI Limited**

## **Notes To The Financial Statements For The Year Ended 31 December 2004 (Continued)**

### **(5) Foreign Currency**

Transactions denominated in foreign currencies are translated into US dollars at rates of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into US dollars at the rates of exchange ruling at the end of the financial period. *Resulting exchange differences are taken to profit and loss.* Non-monetary assets and liabilities denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction.

### **2 Functional Currency**

Due to the nature of the business of the Company, and the fact that the predominant number of transactions are completed in US dollars, the director considers the functional currency of the Company to be the United States dollar (US\$), and consequently presents the financial statements in US\$. The US\$ to pound sterling exchange rates used are 1.9266 at 31 December 2004 and 1.7785 at 31 December 2003.

### **3 Operating Loss**

The audit fees of the Company are borne by its immediate parent undertaking.

The average number of persons employed by the Company during the period was nil (2003: nil). The director received no remuneration in respect of his services to the Company (2003: \$nil).

### **4 Taxation**

There is an unrecognised deferred tax asset of \$2,298,244 (2003: \$2,164,892) which will become recognised if the company becomes profitable in the foreseeable future.

There is an unrecognised deferred tax asset in relation to capital losses of \$6,664,186 (2003: \$11,031,833) which will become recognised if the company is expected to make a capital gain in the foreseeable future.

# SB US VI Limited

## Notes To The Financial Statements For The Year Ended 31 December 2004 (Continued)

### 5 Investments

	\$
<b>Cost</b>	
At 1 January 2004	217,838,803
Additions	93,382,095
<b>At 31 December 2004</b>	<b>311,220,898</b>
<b>Amounts written off</b>	
At 1 January 2004	(10,978,331)
Written off in year	(29,708,176)
<b>At 31 December 2004</b>	<b>(40,686,507)</b>
<b>Equity buy back</b>	
At 1 January 2004	(6,521,542)
Amount distributed in year	(27,366,948)
<b>At 31 December 2004</b>	<b>(33,888,490)</b>
<b>Net book value</b>	
<b>At 31 December 2004</b>	<b>236,645,901</b>
At 31 December 2003	200,338,930

On September 30, 2003, the Company purchased the entirety of its immediate parent company's 97.04% interest in SOFTBANK US Ventures VI L.P. for \$217,838,803.

The investment held represents a 97.04% limited partner holding in SOFTBANK US Ventures VI L.P., a limited partnership registered in Delaware, USA. As control of the limited partnership rests with the General Partner in accordance with the Partnership agreements, the Company has long term restrictions on its rights over the partnership. The investment is held at cost less impairment.

The write off in the year represents the company's share in the reduction in net assets of the investment.

### 6 Debtors

Amounts fully due within one year:

	2004	2003
	\$	\$
<b>Amounts owed by investment holdings</b>	<b>-</b>	<b>6,521,542</b>

# SB US VI Limited

## Notes To The Financial Statements For The Year Ended 31 December 2004 (Continued)

### 7 Creditors: Amounts Falling Due After More Than One Year

	2004 \$	2003 \$
Amount owed to immediate parent undertaking	277,332,406	217,838,801

The amount owed to the immediate parent undertaking is unsecured, has no fixed term and is not interest bearing.

### 8 Share Capital

	2004 £	2003 £
<b>Authorised</b>		
1,000 (2002: 1,000) Ordinary shares of £1 each	1,000	1,000
	\$	\$
<b>Allotted, issued and fully paid</b>		
2 (2002: 2) Ordinary shares of £1 each	2	2

### 9 Reserves

	2004 \$	2003 \$
<b>Profit and loss Account</b>		
At 1 January	(10,978,331)	-
Loss for the financial year	(29,708,176)	(10,978,331)
<b>At 31 December</b>	<b>(40,686,507)</b>	<b>(10,978,331)</b>

### 10 Reconciliation of Movements In Shareholders Deficit

	2004 \$	2003 \$
Loss for the financial period	(29,708,176)	(10,978,331)
Net addition to shareholders' deficit	(29,708,176)	(10,978,331)
Opening equity shareholders' deficit	(10,978,329)	2
<b>Closing equity shareholders' deficit</b>	<b>(40,686,505)</b>	<b>(10,978,329)</b>

## **SB US VI Limited**

### **Notes To The Financial Statements For The Year Ended 31 December 2004 (Continued)**

#### **11 Contingent Liabilities And Commitments**

There is no capital expenditure contracted for but not provided at 31 December 2004 (2003: nil).

#### **12 Ultimate Parent Undertaking and Controlling Party**

The Company is a wholly owned subsidiary of SB Holdings (Europe) Limited which is the immediate parent company. The ultimate holding company and controlling party is SOFTBANK Corp., a company incorporated in Japan, which is the only group company that prepares consolidated financial statements, which can be obtained from 1-9-1, Higashi-Shimbashi, Minato-ku, Tokyo 105-7303, Japan.

#### **13 Related Party Transactions**

In accordance with Financial Reporting Standard No 8, as the company is a 100% owned subsidiary, advantage has been taken of the exemption not to disclose related party transactions with members of the group.