Brightstar 20:20 Limited

Annual Report and Financial Statements

For the year ended 31 March 2016

Registered Number: 08411776

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REPORT AND FINANCIAL STATEMENTS

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DIRECTORS
Mr Oscar Fumagali
Mr Michael Singer

SECRETARY
Mr Stijn Nijs (appointed 23/05/16)

AUDITOR
Deloitte LLP
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Manchester
United Kingdom
M2 1FB

BANKERS
Barclays Bank PLC
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ST1 2PJ

SOLICITORS
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M3 3AA

REGISTERED OFFICE
Weston Road
Crewe
Cheshire
CW1 6BU

STRATEGIC REPORT

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

PRINCIPAL ACTIVITIES

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

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The profit and loss account and balance sheet are set out within pages 7 -8.

Both the level of business and the period-end financial position is satisfactory, considering the company's role as the administrative headquarters of the EMEA region. In this role future losses are to be expected and in line with the directors' expectations. An impairment charge of £19.6 million has been made in the year following a review of the carrying value of our investment in our Spanish entity following key contract losses resulting from market consolidation.

GOING CONCERN

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

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

Cash flow interest rate risk.

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

Credit risk

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

Liquidity risk

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

Currency risk

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

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

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

Approved by the Board of Directors on 13 December 2016 and signed on behalf of the Board by:

Mr Oscar Fumagali
Director

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 March 2016.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £24,013,000 (2015: loss of £2,407,000). The directors cannot recommend the payment of a dividend.

DIRECTORS

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

Oscar Fumagali
Michael Singer

EMPLOYMENT OF DISABLED PERSONS

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

EMPLOYEE INVOLVEMENT AND PARTICIPATION

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

DISCLOSURE OF INFORMATION TO AUDITOR

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

APPROVAL OF REDUCED DISCLOSURES

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

AUDITOR

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

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

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

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

Approved by the Board of Directors on 13 December 2016 and signed on behalf of the Board by:

Mr Stijn Nijs
Company Secretary

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

We have audited the financial statements of Brightstar 20:20 Limited for the year ended 31 March 2016 which comprise the Statement of income and retained earnings, the Balance sheet, Statement of changes in equity and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion 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.

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Damian Sanders BA (ACA) (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester, United Kingdom
13 December 2016

STATEMENT OF INCOME AND RETAINED LOSSES

For the year ended 31 March 2016

	Note	2016 £'000	2015 £'000
Administrative expenses		(11,954)	(4,869)
Other operating income		8,032	3,007
Investment impairment	10	(19,600)	-
OPERATING LOSS	3	(23,522)	(1,862)
Finance costs	6	(491)	(545)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(24,013)	(2,407)
Tax on loss on ordinary activities	7	-	-
LOSS FOR THE FINANCIAL YEAR	15,16	(24,013)	(2,407)
Retained losses at start of the year		(2,707)	(300)
Retained losses at the end of the year		(26,720)	(2,707)

The notes on pages 10 to 16 form an integral part of the financial statements.

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

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

BALANCE SHEET
As at 31 March 2016

	Note	2016 £'000	2015 £'000
FIXED ASSETS			
Intangible assets	8	2,755	3,107
Tangible assets	9	311	294
Investments	10	40,642	60,242
		43,708	63,643
CURRENT ASSETS			
Debtors due within one year	11	4,132	5,868
Cash at bank and in hand		5	-
		4,137	5,868
CREDITORS: amounts falling due within one year	12	(22,881)	(20,534)
		(18,744)	(14,666)
TOTAL ASSETS LESS CURRENT LIABILITIES (NET ASSETS)		24,964	48,977
CAPITAL AND RESERVES			
Called up share capital	13	49,834	49,834
Capital reserves	14	1,850	1,850
Retained earnings	15	(26,720)	(2,707)
SHAREHOLDER'S FUNDS	16	24,964	48,977

These financial statements of Brightstar 20:20 Limited, registered number 08411776 were approved by the Board of Directors on 13 December 2016.

Signed on behalf of the Board of Directors

Mr Oscar Fumagali
Director

STATEMENT OF CHANGES IN EQUITY

As at 31 March 2016

	Note	*Called up share capital £'000*	*Capital reserve £'000*	*Retained earnings £'000*	*Total £'000*
Balance as at 1 April 2014		49,834	1,850	(300)	47,246
Loss for the year	15	-	-	(2,407)	(2,407)
Balance as at 31 March 2015		49,834	1,850	(2,707)	48,977
Loss for the year	15	-	-	(24,013)	(24,013)
Balance as at 31 March 2016		**49,834**	**1.850**	**(26,720)**	**24,964**

NOTES TO THE ACCOUNTS

For the year ended 31 March 2016

1. ***ACCOUNTING POLICIES***

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

General information and basis of Accounting

Brightstar 20:20 Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the Strategic report on page 2.

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

As discussed in Note 21 there have not been any changes to accounting policies as a consequence of adopting FRS 102.

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

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

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

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Notwithstanding the facts that the company expects to continue to make losses, and was is in a net current liabilities position as at 31 March 2016, the company's key subsidiaries make profits which significantly exceed the company's running costs and the directors believe that this will continue for the foreseeable future.

Exemption from consolidation and cash flow

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

Goodwill

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

Finance income and expenses

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

NOTES TO THE ACCOUNTS

For the year ended 31 March 2016

Tangible fixed assets

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

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

Fixtures and fittings	-	20% per annum straight line
Computers and office equipment	-	33% per annum straight line

Impairment of assets

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

Finance income and expenses

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

Current tax

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

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

Defined Contribution Pension Scheme

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

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Key source of estimation uncertainty

Investments

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

NOTES TO THE ACCOUNTS

For the year ended 31 March 2016

3. OPERATING LOSS

Operating profit is stated after charging:	*2016* *£'000*	*2015* *£'000*
Amortisation of intangible assets (note 8)	352	352
Impairment of investments (note 9)	19,600	-
Services provided by the company's auditor		
Fees payable for the audit	25	30
Depreciation of owned tangible fixed assets	229	127

There was no non-audit fees paid to the company's auditor in the year (2015: nil).

4. DIRECTORS' EMOLUMENTS

There are no emoluments paid to the directors of the Brightstar 20:20 Limited for services to the company during the year (2015: £nil).

5. STAFF COSTS

	2016 *£'000*	2015 *£'000*
Wages and salaries	7,107	2,082
Social security costs	562	255
Pension costs (note 17)	230	198
	7,899	2,535

The average number of persons employed by the company (including executive directors) during the year was 39 (2015: 15).

6. FINANCE COSTS

	2016 *£'000*	2015 *£'000*
Other interest payable and similar charges	346	313
Intercompany interest payable	145	232
Total finance costs	491	545

7. *TAX ON LOSS ON ORDINARY ACTIVITES*

Analysis of charge in the year:

	2016	2015
In respect of the year:	*£'000*	*£'000*
UK corporation tax based on the results for the period at 20% (2015:21%)	-	-
Tax on loss on ordinary activities	-	-

There is an unrecognised deferred tax asset in the company in respect of accelerated depreciation of fixed assets of £130,665, short term timing differences of £2,894 and of losses of £1,310,455. This has not been recognised due to the uncertainty of the availability of future taxable profits.

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

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

The tax credit assessed for the year is lower (2015: lower) than the standard rate of UK corporation tax of 20% (2015: 21%). The differences are explained below:

	2016	2015
	£'000	*£'000*
Loss on ordinary activities before taxation	(24,013)	(2,407)
Loss on ordinary activities at standard UK corporation tax rate of 20% (2015:21%)	(4,803)	(506)
Effects of:		
Expenses not deductible for tax purposes	4,007	103
Depreciation on assets not qualifying for capital allowances	-	-
Depreciation in excesses of capital allowances	46	27
Dividends	(373)	-
Losses arising in current year not relievable against current tax	1,123	376
Total tax	-	-

Finance Act 2016, which was substantively enacted in September 2016 included provisions to reduce the rate of corporation tax to 17% with effect from 1 April 2020. As this legislation was not substantively enacted as at year end, this rate is not reflected in the tax provisions reported in these accounts. Finance Act 2015 (No.2), which was substantively enacted in October 2015, included provisions to reduce the rate of corporation tax to 19% with effect from 1 April 2017 and 18% from 1 April 2020.

8. **INTANGIBLE ASSETS**

	Goodwill
	£'000
Cost:	
At 31 March 2015 and 1 April 2015	3,517
Amortisation:	
At 1 April 2015	(410)
Amortisation for the period	(352)
At 31 March 2015	(762)
Net book value:	
At 31 March 2016	2,755
At 31 March 2015	3,107

NOTES TO THE ACCOUNTS

For the year ended 31 March 2016

9. TANGIBLE ASSETS

	Computer and office equipment £'000	*Fixtures and fittings £'000*	*Total £'000*
Cost or valuation:			
At 1 April 2015	425	2	427
Additions	246	-	246
At 31 March 2016	671	2	673
Depreciation:			
At 1 April 2015	(131)	(2)	(133)
Charge for the year	(229)	-	(229)
At 31 March 2016	(360)	(2)	(362)
Net book value:			
At 31 March 2016	311	-	311
Net book value:			
At 31 March 2015	294	-	294

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

10. INVESTMENTS

	Shares in subsidiary undertakings 2016 £'000
At 1 April 2015 and 31 March 2015	60,242
Impairment	(19,600)
At 31 March 2016	40,642

The impairment charge of £19,600,000 resulted from a review of the carrying value of our investment in Brightstar 20:20 Espana SA. A long term company growth rate of 2.25% and a pre tax discount rate of 13% has been included within the calculation representing the directors' assessment of the position of the company within the market place.

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

Details of the principal subsidiary undertakings are as follows:

	Country of Incorporation	*Class of shares*	*Percentage of equity held by*
Supplier of communications products			
Brightstar 20:20 UK Limited	England	Ordinary	100
Brightstar 20:20 Sweden AB	Sweden	Ordinary	100
Brightstar 20:20 Espana SA	Spain	Ordinary	100
Brightstar 20:20 Portugal	Portugal	Ordinary	100

NOTES TO THE ACCOUNTS

For the year ended 31 March 2016

11. DEBTORS

	2016	2015
	£'000	*£'000*
Amounts owed by subsidiary undertakings	2,487	4,230
Other debtors	1,413	1,592
Prepayments and accrued income	232	46
Total	4,132	5,868

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

12. CREDITORS: amounts falling due within one year

	2016	2015
	£'000	*£'000*
Overdrafts	2,139	3,183
Trade creditors	21	358
Amounts owed to group undertakings	17,153	15,236
Other taxes and social security	962	1,120
Accruals and deferred income	2,606	637
Total	22,881	20,534

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

13. CALLED UP SHARE CAPITAL

	No.'000	*£'000*
Allotted, called up and fully paid		
Ordinary shares of £1 each at 31 March 2016 and 31 March 2015	48,834	49,834

14. CAPITAL RESERVES

	£'000
At 31 March 2016 and 31 March 2015	1,850

In 2014 the company received a capital contribution of £1,850,000.

15. PROFIT AND LOSS ACCOUNT

	2016	2015
	£'000	*£'000*
At 1 April	(2,707)	(300)
Loss for the year	(24,013)	(2,407)
At 31 March	(26,720)	(2,707)

16. RECONCILIATION OF MOVEMENTS ON SHAREHOLDER'S FUNDS

	2016	2015
	£'000	£'000
At 1 April	48,977	51,384
Loss for the year	(24,013)	(2,407)
At 31 March	24,964	48,977

17. PENSION COSTS

The company operates a defined contribution group personal pension plan.

The total pension cost for the year was £230,000 (2015: £198,000) (note 5). Amounts equal to £89,000 (2015: £104,000) were accrued but not paid over to the pensiòn scheme at the balance sheet dates.

18. CONTINGENT LIABILITIES

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

19. RELATED PARTY TRANSACTIONS

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

20. ULTIMATE PARENT UNDERTAKING AND CONTROLLYING PARTY

The directors regard SoftBank Group Corp, a company registered in Japan as the ultimate parent company and the company's controlling party. SoftBank Group Corp is the smallest and largest company in which Brightstar 20:20 Limited is consolidated. The immediate holding company is Chicago Group Limited, a company incorporated in the Isle of Man.

21. EXPLANATION OF TRANSITION TO FRS 102

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 31 March 2015 and the date of transition to FRS 102 was therefore 1 April 2014.

There have not been any changes to the accounting policies resulting in an adjustment in the financial statements as a consequence of adopting FRS 102.