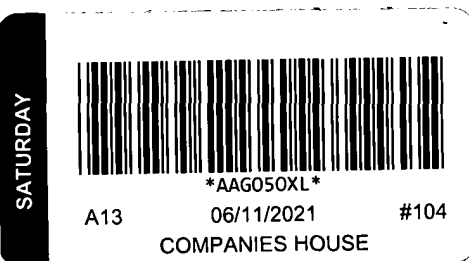


# **Likewise EMEA Limited (formerly Brightstar 20:20 Limited)**

**Annual Report and Financial Statements**

**For the year ended 31 December 2019**

*Registered Number: 08411776*



Likewise EMEA Limited (formerly Brightstar 20:20 Limited)  
Annual report and financial statements for the year ended 31 December 2019

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Registered No. 08411776

**REPORT AND FINANCIAL STATEMENTS**

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Likewise EMEA Limited (formerly Brightstar 20:20 Limited)  
Annual report and financial statements for the year ended 31 December 2019

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**DIRECTORS**

G P O'Keeffe (Irish)  
P M Adams (British)  
J A Negro (American)

**STATUTORY AUDITOR**

Deloitte LLP  
The Hanover Building  
Corporation Street  
Manchester  
M2 4AH

**BANKERS**

Barclays Bank PLC  
PO Box 202  
36 Town Road  
Hanley  
Stoke on Trent  
Staffordshire  
ST1 2PJ

**SOLICITORS**

K&L Gates  
One New Change  
London  
EC4M 9AF

**REGISTERED OFFICE**

Unit 2, Crewe Logistics Park  
Jack Mills Way, Shavington  
Crewe  
Cheshire  
CW2 5XF

# Likewise EMEA Limited (formerly Brightstar 20:20 Limited)

## Annual report and financial statements for the year ended 31 December 2019

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### STRATEGIC REPORT

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

### PRINCIPAL ACTIVITIES

The Company's principal activity is that of a holding company whose employees facilitate the head office functions. 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 do not anticipate any changes to the principal activities for the foreseeable future. As disclosed in note 17, the company changed its legal name to Likewise EMEA Limited on 20<sup>th</sup> August 2021.

### REVIEW OF BUSINESS

The loss for the year, after taxation, amounted to £34,573,000 (2018: loss of £12,858,000). During 2019, the Swedish Tax Agency ("STA") issued a number of queries to Brightstar 20:20 (SWE) AB ("Brightstar Sweden"), a subsidiary of the Company, resulting in Brightstar Sweden becoming insolvent in 2021. The underlying transactions that were queried by the STA related to financial years 2018 and 2019. At the date the 2018 financial statements of this Company were signed, the directors were unaware of matters resulting in the investigation by the STA. The directors have therefore concluded that the resulting impairment should be recognised fully in the year ended 31 December 2019. Refer to notes 10 and 17 for further details. Other activity has been consistent with prior years. The Directors cannot recommend the payment of a dividend (2018: same).

### PRINCIPAL RISKS AND UNCERTAINTIES

As an investment holding company, the principal risks are those faced by its main direct investment, Likewise Services UK Limited (formerly Brightstar 20:20 UK Limited), details of which are disclosed in the annual report of Likewise Services UK Limited.

### COVID-19

In spite of Covid-19 having a significant impact on the UK and global economy, the Likewise (formerly Brightstar) group has been able to continue commercial operations in a largely unaffected way. Consequently, after impairing the investment in Brightstar Sweden AB as explained in notes 10 and 17, taking into account the recent performance of Likewise Services UK Ltd, the directors consider the risk of further investment impairment to be low.

### EU REFERENDUM

The Company has been affected by the result of the EU referendum which has had an impact on the financial and currency exchange markets. This is not estimated to materially affect the amount of expected credit in the market or the operations of the Company going forward and is not considered to be a post balance sheet event requiring any adjustments.

### DIRECTORS' DUTIES

The directors have acted in accordance with their duties as detailed in section 172 of the UK Companies Act 2006, which is as follows:

A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to—

- (a) the likely consequences of any decision in the long term;
- (b) the interests of the company's employees;
- (c) the need to foster the company's business relationships with suppliers, customers and others;
- (d) the impact of the company's operations on the community and the environment;
- (e) the desirability of the company maintaining a reputation for high standards of business conduct; and
- (f) the need to act fairly as between members of the company."

The following paragraphs summarise how the Directors have fulfilled their duties:

# Likewise EMEA Limited (formerly Brightstar 20:20 Limited)

## Annual report and financial statements for the year ended 31 December 2019

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### STRATEGIC REPORT (CONTINUED)

#### DIRECTORS' DUTIES (CONTINUED)

##### Decision making, performance review and risk management

The Board meets regularly to review ongoing performance and formalise day-to-day management decisions taking into account the business risks as necessary. Each year the Board undertakes a detailed review of its strategy and its performance and on this basis prepares its business plan for the following five years. This business plan forms the basis for financial budgets, resource planning and investment decisions.

##### Employees

The Company is committed to being a responsible business. Its employees facilitate the group functions and as they are key to its long-term success the Board considers their interests and has a means of understanding their views through regular discussion forums. The Company manages the performance and development of its employees through a formal goal setting and review process.

##### Business relationships

The expansion strategy of the Company and its main trading subsidiary, Likewise Services UK Limited, is predominantly focused on organic growth. The suppliers and customers, both existing and new, are critical to its success and as such there is passionate focus by the Board and its employees in maintaining and nurturing relationships to ensure long-term success for all.

##### Community and environment

The Company is based in Crewe, Cheshire and as it and its main trading subsidiary continues to expand it is committed to remaining within Crewe and supporting employment opportunities for the people in the locality. The Company has and continues to consider the environmental impact of its operations strives to improve its efficiency each year.

##### Shareholder

The Board is committed to openly engaging with its shareholder through regular dialogue. It is important that the shareholder understands the Company's strategy and objectives and these are discussed and any feedback obtained is appropriately considered.

#### FUTURE DEVELOPMENTS

The Company will continue to operate as an investment holding company.

#### POST BALANCE SHEET EVENTS

During 2019, the Swedish Tax Agency ("STA") issued a number of queries to Brightstar 20:20 (SWE) AB ("Brightstar Sweden"), a subsidiary of the Company, consequently resulting in Brightstar Sweden becoming insolvent in 2021. The underlying transactions that were queried by the STA related to financial years 2018 and 2019. At the date the 2018 financial statements of this Company were signed, the directors were unaware of matters resulting in the investigation by the STA. In line with the requirements of the relevant accounting standards, the directors have therefore concluded that the resulting impairment should be recognised fully in the year ended 31 December 2019 rather than having to restate the results for FY18. Refer notes 10 and 17 for further details.

In October 2020 the ultimate parent undertaking, SoftBank Group Corp, sold 75% of its shareholding to Brightstar Capital Partners, a US based private equity firm, leaving SoftBank Group Corp with a 25% holding in the Group. In April 2021 the Company exited its offices, lease for which is maintained with Likewise Services UK Limited (a subsidiary of Likewise EMEA Limited), at Weston Road and relocated to a new Advanced Fulfilment Centre at Crewe Logistics Park. In August 2021 the Company changed its name to Likewise EMEA Limited from Brightstar 20:20 Limited as part of a comprehensive rebrand of its Group, designed to showcase the transformation from its origin as a mobile phone distributor to the complete tech protection and support provider it has become. Refer to note 17 for further details.

Approved by the Board of Directors on 4<sup>th</sup> November 2021 and signed on behalf of the Board by:



G P O'Keeffe  
Director

# Likewise EMEA Limited (formerly Brightstar 20:20 Limited)

## Annual report and financial statements for the year ended 31 December 2019

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### DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the year ended 31 December 2019.

### RESULTS AND DIVIDENDS (INCLUDING INVESTMENT IMPAIRMENT)

The Results are fully set out in the Strategic Report on pages 2 to 3.

### GOING CONCERN

COVID-19 has had a significant impact on the UK and global economy and affected the vast majority of businesses. From an operational perspective, the wider Likewise (formerly Brightstar) group moved to having its staff working remotely where possible and the group has been able to continue commercial operations in a largely unaffected way. In spite of COVID-19, post year-end financial performance has improved for the group. The group continues to monitor carefully the situation and the impact that the pandemic may have on its people and its clients.

The Company is a subsidiary within the Likewise group of companies ("the Group") whose ultimate parent entity was SoftBank Group Corp and is now Brightstar Capital Partners (see Note 17). The Company is under common management of the Group and is able to benefit from Group support when needed. This support is in the form of a USD 140m facility provided to Likewise Services UK Ltd (formerly Brightstar 20:20 UK Ltd) and Likewise EMEA Ltd (formerly Brightstar 20:20 Ltd) from Likewise Netherlands IHB BV (formerly Brightstar IHB BV), a fellow Likewise group company. This facility expires in December 2022 and is repayable on demand. In assessing the actual and potential impact of the COVID-19 pandemic on the Group sensitised forecasts and projections have been considered through to December 2022 which show that the Group should be able to meet its liabilities as they fall due. The cash balances and available unutilised facilities allow more than sufficient headroom even when the business model is stress tested. As well as a base-case scenario that forecasts profitable trading, the Company's main trading subsidiary has prepared a reasonably possible worst case scenario that assumes the Company will be loss-making for the next 12 months and therefore depend on increased utilisation of its Group facility. In this scenario the Company would have sufficient funding availability, assuming the Group facility remains available for the next 12 months.

In its capacity as an intermediate holding company within the Group, the Company is dependent on the continued operational existence of the Likewise Group together with access to the Group facility. Therefore, in assessing the going concern position of the Company the Directors have also considered the forecast financial performance and position of the Group. Likewise Corp (formerly Brightstar Corp) has provided a letter of support stating that it will provide any necessary funding to ensure that the Company has adequate funding to meet its financial liabilities as they fall due for a period of 12 months after the date of signing of these financial statements. The Directors have assessed the willingness and ability of the Group to provide such support and, taking into consideration additionally the cash that is expected to be generated by the Company, having made enquiries of the Directors of Likewise Corp, are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

### DIRECTORS

The Directors of the Company who currently hold office at the date of signing the financial statements and who held office during the year are listed below:

G P O'Keeffe (appointed 12 August 2020)  
Jack Negro (appointed 8 April 2019)  
P M Adams (appointed 24 July 2020)  
Noel Marsden (resigned 8 April 2019)  
Michael Singer (resigned 24 July 2020)  
S D Russell (appointed 24 July 2020 and resigned 20 August 2021)  
Stijn Nijs (resigned 24 July 2020)  
Andy Hancock (resigned 12 August 2020)

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Likewise EMEA Limited (formerly Brightstar 20:20 Limited)  
Annual report and financial statements for the year ended 31 December 2019

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**DIRECTORS' REPORT (CONTINUED)**

**FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

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

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

***Cash flow interest rate risk***

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

***Credit risk***

The Company's principal financial assets are investments, cash and intercompany balances. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

***Currency risk***

The Company's activities expose it primarily to the financial risks of changes in foreign exchange rates. In connection with the Company's risk management strategy, intergroup currency agreements are entered into for trading purposes to reduce the impact of exchange rate and/or interest rate fluctuations related to debt payments. The Company does not trade speculatively.

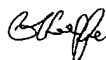
**AUDITOR**

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 of; 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 4<sup>th</sup> November 2021 and signed on behalf of the Board by:



G P O'Keeffe  
Director

Likewise EMEA Limited (formerly Brightstar 20:20 Limited)  
Annual report and financial statements for the year ended 31 December 2019

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**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 period. 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.

Likewise EMEA Limited (formerly Brightstar 20:20 Limited)  
Annual report and financial statements for the year ended 31 December 2019

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## **Independent auditor's report**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of Likewise EMEA Limited (formerly Brightstar 20:20 Limited) (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of the Company, which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

- the Directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Likewise EMEA Limited (formerly Brightstar 20:20 Limited)  
Annual report and financial statements for the year ended 31 December 2019

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## **Independent auditor's report (continued)**

### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

### **Responsibilities of Directors**

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Independent auditor's report (continued)**

### **Report on other legal and regulatory requirements**

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the Directors' report.

#### **Matters on which we are required to report by exception**

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

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

We have nothing to report in respect of these matters.

#### **Use of our report**

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



**Simon Hearne FCA (Senior Statutory Auditor)**  
for and on behalf of Deloitte LLP  
Statutory Auditor  
Manchester, United Kingdom

4<sup>th</sup> November 2021

## Likewise EMEA Limited (formerly Brightstar 20:20 Limited)

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### PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2019

	Note	2019 £'000	2018 £'000
Administrative expenses		(14,115)	(16,759)
Other operating income	1	4,952	5,624
<b>Operating loss</b>	3	(9,163)	(11,135)
Investment impairment	10	(23,300)	-
Finance costs	6	(2,110)	(1,723)
<b>Loss on before tax</b>		(34,573)	(12,858)
Tax on loss	7	-	-
<b>Loss for the financial year</b>		(34,573)	(12,858)

The notes on pages 13 to 21 form an integral part of the financial statements.

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

There have been no recognised income or expenses attributable to the shareholders other than the loss on ordinary activities after taxation for the current year and prior year as shown in the profit and loss account. Accordingly no separate statement of other comprehensive income has been presented.

## Likewise EMEA Limited (formerly Brightstar 20:20 Limited)

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### BALANCE SHEET

As at 31 December 2019

	Note	2019 £'000	2018 £'000
<b>FIXED ASSETS</b>			
Intangible assets	8	1,436	1,788
Tangible assets	9	291	911
Investments	10	20,294	43,585
		<u>22,021</u>	<u>46,284</u>
<b>CURRENT ASSETS</b>			
Debtors due within one year	11	4,534	6,311
Cash at bank and in hand		113	-
		<u>4,647</u>	<u>6,311</u>
<b>CREDITORS: amounts falling due within one year</b>	12	<u>(68,339)</u>	<u>(59,693)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(63,692)</u>	<u>(53,382)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES BEING NET LIABILITIES</b>		<u>(41,671)</u>	<u>(7,098)</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	13	49,834	49,834
Capital reserves		1,850	1,850
Retained losses		<u>(93,355)</u>	<u>(58,782)</u>
<b>SHAREHOLDER'S DEFICIT</b>		<u>(41,671)</u>	<u>(7,098)</u>

The notes on pages 13 to 21 form an integral part of the financial statements.

These financial statements of Likewise EMEA Limited (formerly Brightstar 20:20 Limited), registered number 08411776 were approved by the Board of Directors on 4<sup>th</sup> November 2021.

Signed on behalf of the Board of Directors



G P O'Keeffe  
Director

## Likewise EMEA Limited (formerly Brightstar 20:20 Limited)

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### STATEMENT OF CHANGES IN EQUITY

As at 31 December 2019

	<i>Called-up share capital £'000</i>	<i>Capital reserve £'000</i>	<i>Retained losses £'000</i>	<i>Total £'000</i>
Balance as at 1 January 2018	49,834	1,850	(45,924)	5,760
Loss for the year	-	-	(12,858)	(12,858)
Balance as at 31 December 2018	49,834	1,850	(58,782)	(7,098)
Loss for the year	-	-	(34,573)	(34,573)
<b>Balance as at 31 December 2019</b>	<b>49,834</b>	<b>1,850</b>	<b>(93,355)</b>	<b>(41,671)</b>

The notes on pages 13 to 21 form an integral part of the financial statements.

Capital reserve relates to intercompany loans/debts waived.

## Likewise EMEA Limited (formerly Brightstar 20:20 Limited)

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### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

#### 1. ACCOUNTING POLICIES

##### **General information and basis of Accounting**

Likewise EMEA Limited (formerly Brightstar 20:20 Limited) is a private company limited by shares incorporated in England and Wales under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Strategic report on page 2. The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The functional currency of Likewise EMEA Limited is considered to be Pounds Sterling because that is the currency of the primary economic environment in which the Company operates.

Likewise EMEA 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. Likewise EMEA Limited is consolidated in the financial statements of its former 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 financial instruments, presentation of a cash flow statement, related party disclosure and remuneration of key management personnel.

##### **Going concern**

COVID-19 has had a significant impact on the UK and global economy and affected the vast majority of businesses. From an operational perspective, the wider Likewise (formerly Brightstar) group moved to having its staff working remotely where possible and the group has been able to continue commercial operations in a largely unaffected way. In spite of COVID-19, post year-end financial performance has improved for the group. The group continues to monitor carefully the situation and the impact that it may have on its people and its clients.

The Company is a subsidiary within the Likewise group of companies ("the Group") whose ultimate parent entity was SoftBank Group Corp and is now Brightstar Capital Partners (see Note 17). The Company is under common management of the Group and is able to benefit from Group support when needed. This support is in the form of a USD 140m facility provided to Likewise Services UK Ltd (formerly Brightstar 20:20 UK Ltd) and Likewise EMEA Ltd (formerly Brightstar 20:20 Ltd) from Likewise Netherlands IHB BV (formerly Brightstar IHB BV), a fellow Likewise group company. This facility expires in December 2022 and is repayable on demand. In assessing the actual and potential impact of the COVID-19 pandemic on the Group sensitised forecasts and projections have been considered through to December 2022 which show that the Group should be able to meet its liabilities as they fall due. The cash balances and available unutilised facilities allow more than sufficient headroom even when the business model is stress tested. As well as a base-case scenario that forecasts profitable trading, the Company's main trading subsidiary has prepared a reasonably possible worst case scenario that assumes it will be loss-making for the next 12 months and therefore depend on increased utilisation of its Group facility. In this scenario the Company would have sufficient funding availability, assuming the Group facility remains available for the next 12 months.

In its capacity as an intermediate holding company within the Group, the Company is dependent on the continued operational existence of the Likewise Group together with access to the Group facility. Therefore, in assessing the going concern position of the Company the Directors have also considered the forecast financial performance and position of the Group. Likewise Corp (formerly Brightstar Corp) has provided a letter of support stating that it will provide any necessary funding to ensure that the Company has adequate funding to meet its financial liabilities as they fall due for a period of 12 months after the date of signing of these financial statements. The Directors have assessed the willingness and ability of the Group to provide such support and, taking into consideration additionally the cash that is expected to be generated by the Company, having made enquiries of the Directors of Likewise Corp, are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

## Likewise EMEA Limited (formerly Brightstar 20:20 Limited)

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### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

#### 1. ACCOUNTING POLICIES (CONTINUED)

##### *Exemption from consolidation and cash flow*

At the year end the Company was 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. See note 17.

##### *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.

##### *Other operating income*

Other operating income represents intercompany management and service fees in addition to dividend income received from subsidiary undertakings.

##### *Finance income and expenses*

Finance income and expenses are recognised in the Profit and loss account in the period to which they relate.

##### *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:

Computers and office equipment	- 33% per annum straight line
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##### *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 cash flows resulting from the use of those assets. Impairments, if required, are charged to the profit and loss account.

##### *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.

##### *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.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 December 2019

**1. ACCOUNTING POLICIES (CONTINUED)**

***Financial instruments***

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

***(i) Financial assets and liabilities***

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

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

***(ii) Investments***

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

In the Company balance sheet, investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

***(iii) Equity instruments***

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

**2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

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

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

## Likewise EMEA Limited (formerly Brightstar 20:20 Limited)

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

#### 2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

##### Impairment review

An impairment review is carried out at least annually. Determining whether there has been an impairment requires an estimation of the value in use of the business being tested for impairment and of the cash-generating units to which these assets have been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit, taking into account the achievability of long-term business plans and macroeconomic assumptions underlying the valuation process, and a suitable discount rate in order to calculate present value. The discount rates used are based on the weighted average cost of capital adjusted to reflect the specific economic environment of the relevant cash-generating unit.

During 2019, the Swedish Tax Agency ("STA") issued a number of queries to Brightstar 20:20 (SWE) AB ("Brightstar Sweden"), a subsidiary of the Company, resulting in Brightstar Sweden becoming insolvent in 2021. The underlying transactions that were queried by the STA related to financial years 2018 and 2019. At the date the 2018 financial statements of this Company were signed, the directors were unaware of matters resulting in the investigation by the STA. The directors have therefore concluded that the resulting impairment of £23.3m should be recognised fully in the year ended 31 December 2019. Refer to notes 10 and 17 for further details.

Other than investment impairment, the Directors are of the view that there are no other critical judgements or key sources of estimation uncertainty, that have been made in the process of applying the Company's accounting policies and that would have the most significant effect on the amounts recognised in the financial statements.

#### 3. OPERATING LOSS

	2019 £'000	2018 £'000
Operating loss is stated after charging / (crediting):		
Amortisation of intangible assets (note 8)	352	351
Depreciation of owned tangible fixed assets (note 9)	131	121
Loss on fixed asset disposal	570	-
Impairment of investments (note 10)	23,300	-
<i>Services provided by the Company's auditor:</i>		
Fees payable for the audit	26	26
Foreign exchange loss / (gain)	48	(63)

There were no non-audit fees paid to the Company's auditor in the year (2018: £nil).

#### 4. STAFF COSTS

	2019 £'000	2018 £'000
Wages and salaries	6,621	9,246
Social security costs	798	938
Pension costs (note 14)	230	600
	<u>7,649</u>	<u>10,784</u>

The average number of persons employed by the Company (including executive Directors) during the year was 44 (2018: 70).

## Likewise EMEA Limited (formerly Brightstar 20:20 Limited)

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

#### 5. DIRECTORS' EMOLUMENTS

	2019 £'000	2018 £'000
Aggregate emoluments	285	205

The total amount payable to the highest paid director in respect of emoluments was £285,000 (2018: £205,000). Retirement benefits are not accruing (2018: same) to Directors under a money purchase pension scheme.

#### 6. FINANCE COSTS

	2019 £'000	2018 £'000
Other interest payable and similar charges	152	120
Interest payable to group undertaking	1,958	1,603
Total finance costs	2,110	1,723

#### 7. TAX ON LOSS

Analysis of charge in the year:

	2019 £'000	2018 £'000
In respect of the year:		
UK corporation tax based on the results for the year at 19% (2018: 19%)	-	-
Tax on loss on	-	-

There is an unrecognised deferred tax asset in the Company in respect of accelerated depreciation of fixed assets of £335,209 (2018: £216,177) and of losses of £5,414,603 (2018: £3,551,615). This has not been recognised due to the uncertainty of the availability of future taxable profits.

#### 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 (2018: lower) than the standard rate of UK corporation tax of 19% (2018: 19%). The differences are explained below:

	2019 £'000	2018 £'000
In respect of the year :		
Loss before taxation	(34,573)	(12,858)
Loss before taxation at standard UK corporation tax rate of 19% (2018: 19%)	(6,569)	(2,443)
Effects of:		
Expenses not deductible for tax purposes	4,509	1,131
Depreciation in excesses of capital allowances	133	23
Interest restriction	401	327
Losses arising in year not relievable against current tax	1,526	962
Total tax	-	-

## Likewise EMEA Limited (formerly Brightstar 20:20 Limited)

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

#### 7. TAX ON LOSS (continued)

In the March 2021 Budget the UK Government announced that legislation will be introduced in Finance Bill 2021 to increase the main rate of UK corporation tax from 19% to 25%, effective 1 April 2023. As the changes had not been substantively enacted at the balance sheet date, the deferred tax balances as at 31 December 2019 continue to be measured at a rate of 19%.

#### 8. INTANGIBLE ASSETS

	<i>Goodwill</i> <i>£'000</i>
Cost:	
At 1 January 2018 and 31 December 2019	3,517
At 1 January 2019	(1,729)
Amortisation for the year	(352)
At 31 December 2019	(2,081)
Net book value:	
At 31 December 2019	1,436
At 31 December 2018	1,788

Intangibles relate to goodwill booked upon the acquisition of Likewise Services UK Limited (formerly Brightstar 20:20 UK Limited) in 2014 and is amortised over 10 years.

#### 9. TANGIBLE ASSETS

	<i>Computer and office equipment</i> <i>£'000</i>
Cost or valuation:	
At 1 January 2019	1,415
Additions	81
Disposals	(586)
At 31 December 2019	910
Depreciation:	
At 1 January 2019	(504)
Charge for the year	(131)
Disposals	16
At 31 December 2019	(619)
Net book value:	
At 31 December 2019	291
At 31 December 2018	911

## Likewise EMEA Limited (formerly Brightstar 20:20 Limited)

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

#### 10. INVESTMENTS

	Shares in subsidiary undertakings Cost £'000
At 1 January 2019	43,585
Additions	9
Impairment	(23,300)
At 31 December 2019	20,294

The addition relates to 100% ownership of Brightstar Italia Srl, based at Corso Vercelli 40, 20145 Milano, a company registered in Italy. This company remains dormant since its incorporation in 2019.

#### Exceptional impairment

During 2019, the Swedish Tax Agency ("STA") issued a number of queries to Brightstar 20:20 (SWE) AB ("Brightstar Sweden"), a sub-subsidiary of the Company, to request information regarding transactions with certain suppliers that were under investigations conducted by the STA. In late 2020 the STA issued an assessment to Brightstar Sweden denying its right to deduct input VAT during the periods under review. In 2021 Brightstar Sweden became insolvent and entered bankruptcy. Consequently, an impairment loss of £23.3m in relation to the investment value has been recognised in 2019 as the underlying transactions queried by the STA pre-dated 31 December 2019. Refer to note 17 for further details. The Directors consider the carrying value of the investments to be supported by their underlying assets. Details of the subsidiary undertakings are as follows:

Investment	Address	Status	Ownership
Likewise Services UK Limited (formerly Brightstar 20:20 UK Limited)	Jack Mills Way, Shavington, Crewe, CW2 5XF, UK	Trading	100
Brightstar 2020 (Espana) SA	Calle de Basauri, 14, 28023 Madrid, Spain	Trading	100
Brightstar Italia Srl	Corso Vercelli 40, 20145 Milano, Italy	Dormant	100

The main activity of trading entities is the supply of communication equipment and related services.

#### 11. DEBTORS

	2019 £'000	2018 £'000
Amounts owed by subsidiary undertakings	2,688	3,520
Other debtors	1,308	1,596
Other taxes and social security	-	429
Prepayments and accrued income	538	766
	4,534	6,311

Amounts owed by group undertakings are unsecured and repayable on demand. No interest is charged on these balances (2018: none).

## Likewise EMEA Limited (formerly Brightstar 20:20 Limited)

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

#### 12. CREDITORS: amounts falling due within one year

	2019 £'000	2018 £'000
Overdrafts	11,746	13,443
Trade creditors	74	198
Amounts owed to group undertakings	52,933	43,548
Other taxes and social security	766	610
Accruals and deferred income	2,820	1,894
	<u>68,339</u>	<u>59,693</u>

The overdraft balances are held as part of a group facility not incurring an interest as it sets off against a positive balance held within Likewise Services UK Ltd.

Amounts owed to group undertakings are unsecured and repayable on demand. Included within the amounts owed to group subsidiary undertakings is £48,031,000 (2018: £39,461,000) on which interest is charged at the 12 month LIBOR rate plus 3%.

#### 13. CALLED-UP SHARE CAPITAL

	No.'000	£'000
<i>Allotted, called-up and fully paid</i>		
Ordinary shares of £1 each at 1 January 2019 and 31 December 2019	49,834	49,834

The Company has one class of ordinary shares which carry no right to fixed income. In 2014 the Company received a capital contribution of £1,850,000.

The profit and loss reserve represents cumulative profits or losses, net of dividends paid.

#### 14. PENSION COSTS

The Company operates a defined contribution group personal pension plan.

The total pension cost for the year was £230,000 (2018: £600,000) (note 4). Amounts equal to £151,000 (2018: £163,000) were accrued but not paid over to the pension scheme at the balance sheet dates.

#### 15. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the disclosure exemptions available in FRS 102 section 33 in relation to balances and transactions between wholly-owned entities within the SoftBank Group Corp group of companies.

#### 16. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

At 31 December 2019, 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, for which the registered address is: 1-9-1 Higashi-shimbashi, Minato-ku, Tokyo 105-7303. The immediate holding Company is Chicago Group Limited, a Company incorporated in the Isle of Man. Refer Note 17.

## Likewise EMEA Limited (formerly Brightstar 20:20 Limited)

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### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

#### 17. POST BALANCE SHEET EVENTS

COVID-19 has had a significant impact on the UK and global economy and affected the vast majority of businesses. From an operational perspective, the wider Likewise (formerly Brightstar) group moved to having its staff working remotely where possible and the Group has been able to continue commercial operations in a largely unaffected way. The Group continues to monitor carefully the situation and the impact that it may have on its people and its clients. COVID-19 and its related impacts are a non-adjusting post balance sheet event.

During 2019, the Swedish Tax Agency ("STA") issued a number of queries to Brightstar 20:20 (SWE) AB ("Brightstar Sweden"), an indirect subsidiary of the Company, to request information regarding transactions with certain suppliers. Such suppliers were under investigations conducted by the STA for VAT claims and Brightstar Sweden complied in a timely manner. In late 2020 the STA issued an assessment to Brightstar Sweden denying its right to deduct input VAT during the periods under review. In early 2021 Brightstar Sweden appealed the STA decision to the Administrative Court of first instance and intended to pursue all available administrative and, if necessary, judicial remedies to resolve the assessment. However, Brightstar Sweden subsequently became insolvent when it defaulted on the tax payment due in June 2021. In July, 2021, Brightstar Sweden petitioned for voluntary bankruptcy protection which was granted later that month. The Court appointed a bankruptcy administrator who now maintains control of Brightstar Sweden and its investments including subsidiaries in Norway, Finland and Denmark. For this reason investment impairment adjustments have been made as at 31 December 2019 to reflect these circumstances, taking into account the fact that underlying transactions queried by the STA pre-dated 31 December 2019.

On 22nd October 2020 the ultimate parent undertaking, SoftBank Group Corp, sold 75% of its shareholding to Brightstar Capital Partners, a US based private equity firm, leaving SoftBank Group Corp with a 25% holding in the Group. It is anticipated that the financial strength of the Group will improve as a result of this transaction and also the cessation of the PNC financing facility, which ended in 2020. Accordingly, post year end Brightstar Capital Partners is the smallest and largest entity in which Brightstar 20:20 Ltd is consolidated, for which the registered address is 650 Fifth Avenue, 29th Floor, New York, NY 10019 USA.

In April 2021 the Company exited its offices at Weston Road and relocated to a new Advanced Fulfilment Centre at Crewe Logistics Park. The new site will be equipped with AI automation and state of the art systems to allow it to become the central hub for the UK group's device processing operations.

In August 2021 the Company changed its name to Likewise EMEA Limited from Brightstar 20:20 Limited as part of rebranding of its Group, designed to showcase the transformation from its origin as a mobile phone distributor to the complete tech protection and support provider it has become. Under the new name 'Likewise', the group is committed to advancing the world by making people's technology problems painless and resolving any problem they may encounter.