RELIANCE JIO INFOCOMM UK LIMITED

Financial Statements

For the Year ended 31st December, 2018

Independent Auditor's Report to the members of Reliance Jio Infocomm UK Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Reliance Jio Infocomm UK Ltd (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 15.

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

Basis for opinion

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

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council ('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 director's use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The director is 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.

Independent Auditor's Report to the members of Reliance Jio Infocomm UK Limited (continued)

Responsibilities of directors

As explained more fully in the director's responsibilities statement, the director is 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 director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the director's report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the director's report and from the requirement to prepare a strategic report.

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.

Peter McDermott FCA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

Date: 8th April 2019

Income Statement for the year ended 31st December 2018

	Note	**Year ended 31 December 2018 £**	**Year ended 31 December 2017 £**
Revenue from operations	14	9,320,561	4,262,737
Other operating expenses	3	(9,162,095)	(4,082,958)
Profit/(Loss) before taxation		158,466	179,779
Income tax	5	(25,545)	(18,302)
Profit/(Loss) for the year		132,921	161,477

All amounts relate to continuing operations. There were no recognised gains and losses for 2018 and 2017 other than those included in the Income Statement.

Balance Sheet As at 31st December 2018

	Note	2018	2017
		£	£
Non-current assets			
Property, plant and equipment	6	4,490,451	3,706,899
Intangible assets	7	986,549	657,028
		5,477,000	4,363,927
Current assets			
Trade receivables	8	2,095,929	2,146,779
Other current assets	8	144,466	74,123
Cash and bank balances		958,814	404,731
		3,199,209	2,625,633
Total assets		8,676,209	6,989,560
Non-current liabilities			
Deferred tax liabilities	5	(43,847)	(18,302)
Current liabilities			
Trade and other payables	9	(2,422,915)	(1,394,732)
Net current assets		776,294	1,230,901
Net assets		6,209,447	5,576,526
Equity			
Share capital	10	6,000,000	5,500,000
Retained earnings/(losses)	11	209,447	76,526
Equity attributable to owners of the Company		6,209,447	5,576,526

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements of Reliance Jio Infocomm UK Limited (registered number 08630000) were approved by the Board and authorised for issue on 8th April 2019. They were signed on its behalf by

Saji Varghese
Director

Statement of changes in Equity For the year ended 31st December 2018

	Note	Share capital £	Retained earnings £	Total £
Balance at 1 January 2017		3,000,000	(84,951)	2,915,049
Profit for the year ended 31 December 2017		-	161,477	161,477
Total comprehensive income for the year		-	161,477	161,477
Issue of share capital		2,500,000	-	2,500,000
Balance at 31 December 2017		5,500,000	76,526	5,576,526
Profitfor the year ended 31 December 2018	11	-	132,921	132,921
Total comprehensive income for the year		-	132,921	132,921
Issue of share capital	10	500,000		500,000
Balance at 31 December 2018		6,000,000	209,447	6,209,447

Notes to the financial statements for the year ended 31 December 2018

1. Significant accounting policies

Reliance Jio Infocomm UK Limited (the Company) is a private company limited by shares incorporated in the United Kingdom and registered in England & Wales, with its principal place of business and registered office at 8th Floor, 105 Wigmore Street, London W1U 1QY. The group accounts of Reliance Industries Limited are available to the public and can be obtained as set out in note 15.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year ended 31 December 2018 and prior year ended 31 December 2017.

These financial statements are presented in pounds sterling which is the currency of the primary economic environment in which the Company operates.

Basis of preparation

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, presentation of a cash flow statement, standards not yet effective, certain disclosures in respect of revenue from contracts with customers, impairment of assets and certain related party transactions. Where required, the equivalent disclosures are given in the group accounts of Reliance Industries Limited whose consolidated financial statements include those of the Company and are publicly available and can be obtained as set out in note 15.

The financial statements have been prepared under the historical cost convention.

Going concern

The Director has reviewed the cash flow projections for next 12 months from the date of signing of these accounts. Based on these projections, the Director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, the Director continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Changes in Accounting policies and disclosures

Impact of application of IFRS 15 Revenue from Contracts with Customers

In the current year, the Company has applied IFRS 15 Revenue from Contracts with Customers (as amended in April 2016) which is effective for an annual period that begins on or after 1 January 2018. IFRS 15 introduced a 5-step approach to revenue recognition. The Company has applied IFRS 15 in accordance with the fully retrospective transitional approach without using the practical expedients for completed contracts in IFRS 15.C5(a), and (b), or for modified contracts in IFRS 15.C5(c).

IFRS 15 uses the terms 'contract asset' and 'contract liability' to describe what might more commonly be known as 'accrued revenue' and 'deferred revenue', however the Standard does not prohibit an entity from using alternative descriptions in the balance sheet.

The Company's accounting policies for its revenue streams are disclosed in detail below. Apart from providing more extensive disclosures for the Company's revenue transactions, the application of IFRS 15 has not had a significant impact on the financial position and/or financial performance of the Company.

Impact of initial application of IFRS 9 Financial Instruments

In the current year, the Company has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after 1 January 2018. The transition provisions of IFRS 9 allow an entity not to restate comparatives.

(a) Classification and measurement of financial assets

All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Notes to the financial statements for the year ended 31 December 2018

As the Company's business model objective is to collect the contractual cash flows, and the contractual cash flows are solely payments of principal and interest on the principal amount outstanding, the Company's financial assets are subsequently measured at amortised cost.

There are no differences in classification under IFRS 9, therefore there is no impact on the Company's financial position, profit or loss, other comprehensive income or total comprehensive income in either year.

(b) Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, IFRS 9 requires the Company to recognise a loss allowance for expected credit losses on trade receivables. Having performed an assessment of the trade debtor's balance and aging the director has concluded that no loss allowance is required therefore there is no impact on the Company's financial position, profit or loss, other comprehensive income or total comprehensive income in either year.

All bank balances are assessed to have low credit risk at each reporting date as they are held with reputable international banking institutions.

IFRS 16 Leases

IFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019. As the Company has no leases IFRS 16 will not have an impact on the financial statements on adoption.

Revenue recognition

Revenue from contracts with customers is recognised when control of the services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those services.

Rendering of services

Revenue from a contract to provide voice services is recognised at point in time and revenue from contracts to provide data services (including IP transit and bandwidth services) is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government).

Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional. Generally, the credit period varies between 30-60 days from the delivery of services.

In case of discounts, rebates, credits, price incentives or similar terms, consideration is determined based on its most likely amount, which is assessed at each reporting period.

Property, plant and equipment

Plant and equipment are carried at cost, less accumulated depreciation and any accumulated impairment losses. Plant and equipment in the course of construction for production, supply and administrative purpose is carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing cost capitalised in accordance with company's accounting policy. Depreciation commences when the assets are ready for their intended use.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.The gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in the financial statements.

Notes to the financial statements for the year ended 31 December 2018

Depreciation of property, plant and equipment

Depreciation of tangible fixed assets is charged so as to write off the cost of assets, other than assets under construction, using the straight line method over their estimated useful lives, as follows:

Plant and machinery 15 years

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the contractual life to which we can use that Asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is de-recognised.

Indefeasible Right of Use asset 15 years

Taxation

Current tax

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

Deferred tax

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. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

Foreign currency

The company's accounting records are maintained in Pounds Sterling (GBP) and transactions in foreign currencies during the year have been translated into GBP at rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the income statement.

Pension costs

For defined contribution schemes the amount attributable to pension cost payable is capitalised in the books to the extent it is provided as on 31 May 2016 where the respective recipients were working on capital projects. With effect from 1June 2016,all pension costs have been charged to Income Statement. Differences between contributions payable in the year and contributions actually paid are shown as accruals in the balance sheet.

Financial Instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the company becomes a party to the contractual provisions of the instrument.

Financial assets

Trade and other receivables are initially recognised at fair values plus transaction costs and subsequently measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term balances when the effect of discounting is immaterial.

Notes to the financial statements for the year ended 31 December 2018

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments.

Impairment of financial assets

The Company recognises a loss allowance for lifetime expected credit losses (‘ECL’) on trade debtors and contract assets. lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets’ gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

Write-off policy

When a customer fails to pay an undisputed sum within due dates as per the credit period mentioned in the contract then it constitutes a default. If the default continues for a significant period (365 days), the company uses its best judgement and provides for a doubtful receivable taking into account substantial increase in the credit risk (e.g. there is significant uncertainty regarding the ultimate collectability considering the current financial position of the customer, current geographical tensions etc.)

During the financial year once it is established that debts are likely to be irrecoverable or that it is uneconomic to pursue further the debt will be recommended for write-off.

Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers or retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised at fair value, net of directly attributable cost.

Subsequent measurement

Financial liabilities are carried at amortised cost using the effective interest method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition of financial instruments

A financial liability (or a part of a financial liability) is derecognised from the Company’s Balance Sheet when the obligation specified in the contract isdischarged or cancelled or expires.

Notes to the financial statements for the year ended 31 December 2018

Offsetting

Financial Assets and Financial Liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount andit intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously

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 Director is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The only significant judgement made by the Director relates to the useful lives of property, plant and equipment.

Useful lives of property, plant and equipment

As described above, the Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, the director determined that there should be no changes in the useful lives of property, plant and equipment.

There are no other judgements that the director considers to be of a critical nature.

The company does not have any key sources of estimation uncertainty.

3. Other Operating expenses

	Year ended 31 December 2018 £	Year ended 31 December 2017 £
Employee Benefit Expenses	156,393	133,794
Depreciation and amortisation	365,285	305,327
IP Transit Cost	1,173,029	1,294,324
Voice charges	6,562,916	1,746,965
Professional fees	51,072	15,581
Payment to Auditor	17,000	15,000
Insurance	21,869	12,321
Colocation Charges	592,526	434,938
Repairs & Maintenance	58,387	53,188
Foreign Exchange losses	138,728	47,600
General expenditure	24,891	23,920
	9,162,096	4,082,958

Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual accounts were £17,000 (2017: £15,000).

4. Directors' Emoluments and Staff costs

The director did not receive any remuneration from the company during the year (2017: £nil).

The average monthly number of employees (excluding the directors) during the year was 1 (2017: 1).

His aggregate remuneration comprised:

	Year ended 31 December 2018 £	Year ended 31 December 2017 £
Wages and salaries	129,563	111,000
Social security costs	17,042	14,469
Pension costs	9,788	8,325
	156,393	133,794

Notes to the financial statements for the year ended 31 December 2018

5. Tax

	Year ended 31 December 2018 £	Year ended 31 December 2017 £
Corporation tax:		
UK corporation tax at 19.00% (2017: 19.00%)	-	-
Deferred tax	25,545	18,302
	25,545	18,302

Corporation tax is calculated at 19.00% (2017: 19.00%) of the profit for the year. The charge for the year can be reconciled to the profit in the income statement as follows:

	Year ended 31 December 2018 £	Year ended 31 December 2018 £
Profit / (Loss) before tax	158,466	179,779
Tax at the UK corporation tax rate of 19.00 % (2017: 19.00 %)	30,108	34,158
Tax effect of expenses that are not deductible in determining taxable profit	-	-
Change in unrecognised deferred tax assets		
Brought forward unrecognised deferred tax assets	-	(21,231)
Adjustment to prior year deferred tax assets	-	5,375
Effect of change in tax rate	(4,563)	-
Tax expense for the year	25,545	18,302

At 31 December 2018, other temporary timing differences exceed losses available, resulting in a net deferred tax liability of £43,847.

Changes to the UK Corporation Tax system were substantively enacted as part of Finance Bill 2016 on 6 September 2016. These include reduction in the rate of corporation tax to 17% from 1st April 2020. Deferred taxes at the balance sheet date have been measured using this enacted tax rate and reflected in these financial statements.

The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon during the current and prior reporting period.

	Accelerated tax depreciation £	Total £
At 1 January 2017		
Charge to profit or loss	(18,302)	(18,302)
At 1 January 2018	(18,302)	(18,302)
Charge/(credit) to profit or loss	(27,471)	(27,471)
Effect of change in tax Rate		
– profit or loss	1,926	1,926
– equity	-	-
At 31 December 2018	43,847	43,847

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2018 £	2017 £
Deferred tax liabilities	43,847	18,302
Deferred tax assets	-	-
	43,847	18,302

Notes to the financial statements for the year ended 31 December 2018

6. Property, plant and equipment

	Plant and machinery £	Construction work-in-progress £	Total £
Cost:			
At 1 January 2017	2,806,477	-	2,806,477
Additions	-	1,201,518	1,201,518
Transfers to Plant and Machinery	1,201,518	(1,201,518)	-
At 31 December 2017	4,007,995	-	4,007,995
Additions	-	1,096,156	1,096,156
Transfers to Plant and Machinery	1,096,156	(1,096,156)	-
At 31 December 2018	5,104,151	-	5,104,151
Accumulated depreciation:			
At 1 January 2017	(43,124)	-	(43,124)
Depreciation for the year	(257,972)	-	(257,972)
At 31 December 2017			
	(301,096)	-	(301,096)
Depreciation for the year	(312,604)	-	(312,604)
At 31 December 2018	(613,700)	-	(613,700)
Carrying amount:			
At 31 December 2018	4,490,451	-	4,490,451
At 31 December 2017	3,706,899	-	3,706,899

7. Intangible assets

	Rights-to-use capacity £	Total £
Cost:		
At 1 January 2017	788,432	788,432
Adjustments	(78,105)	(78,105)
At 31 December 2017	710,327	710,327
Additions	382,202	382,202
At 31 December 2018	1,092,529	1,092,529
Accumulated amortisation:		
At 1 January 2017	(5,944)	(5,944)
Charge for the year	(47,355)	(47,355)
At 31 December 2017		
(53,299)	(53,299)	
Charge for the year	(52,681)	(52,681)
At 31 December 2018	(105,980)	(105,980)
Carrying amount:		
At 31 December 2017	657,028	657,028
At 31 December 2018	986,549	986,549

The amortisation expense has been included in the line item 'depreciation and amortisation expense' in other operating expenses in the Income Statement. The intangible assets including the new additions during the year represent 'Indefeasible Right to Use' of capacities on optical fibre cables.

Notes to the financial statements for the year ended 31 December 2018

8. Trade and other receivables

	2018 £	2017 £
Trade receivables		
(payable within 30 to 45 days from invoice date)		
- Holding company	103,125	200,847
- Fellow Subsidiary	56,276	784,598
- Others	682,327	500,725
	841,728	1,486,170
Accrued income		
- Holding Company	124,040	94,594
- Fellow Subsidiary	390,027	284,537
- Others	740,133	281,478
	1,254,200	660,609
Other current assets	144,466	74,123
Total current assets	2,240,394	2,220,902

9. Current liabilities

	2018 £	2017 £
Trade payables		
- Payable to parentcompany	707,860	689,740
- Payable to fellow subsidiary	208,244	-
- Others	342,132	71,688
	1,258,236	761,428
Other Payables	161,955	367,515
Accruals		
- Payable to parent company	712,402	248,921
- Payable to fellow subsidiary	36,900	-
- Others	253,422	16,868
	1,002,724	265,789
Amounts falling due within one year	2,422,915	1,394,732

10. Authorised share capital

	2018 £	2017 £
Authorised, Issued and fully paid:		
6,000,000 ordinary shares of £1 each (2017: 5,500,000 ordinary shares of £1 each)	6,000,000	5,500,000

500,000 ordinary shares of £1 eachfully paid (£ 500,000) were issued to Reliance Jio Infocomm Limited in the year ending 31 December 2018. These were approved by the Board on 12thDecember 2018.

The Company has one class of ordinary shares which carry no right to fixed income.

11. Retained earnings

	£
Balance at 1 January 2017	(84,951)
Net profit for the year ended 31 December 2017	161,477
Balance at 31 December 2017	76,526
Net Profit for the year ended 31 December 2018	132,921
Balance at 31 December 2018	209,447

Notes to the financial statements for the year ended 31 December 2018

12. Capital Commitments

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	2018 £	2017 £
Commitments for the acquisition of plant and equipment	33,689	987,144

13. Related party transactions

Trading transactions

During the year, the Company entered into the following trading transactions with related parties:

	Sale of services		Purchase of services	
	2018 £	2017 £	2018 £	2017 £
Reliance Jio Infocomm Limited (Holding Company)	777,623	323,122	5,696,377	1,440,851
Associates (Other Group Undertakings)	2,321,056	2,249,628	239,801	0

The following amounts were outstanding at the balance sheet date:

	Amounts owed by related parties		Amounts owed to related parties	
	2018 £	2017 £	2018 £	2017 £
Reliance Jio Infocomm Limited (Holding Company)	227,165	295,441	1,420,262	938,661
Associates (other Group Undertakings)	446,303	1,069,135	245,144	0

Reliance Jio Infocomm Limited is a related party of the Company because RJIL holds 100% share capital in RJIUK.

RJIPL and RJIUS are Associate companies for RJIUK as they are also 100% subsidiaries of RJIL.

Sales of services to related parties were made at the cost plus appropriate mark-up. Purchases were made at market price discounted to reflect the quantity of services purchased and the relationships between the parties.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

Amounts repayable to Reliance Jio Infocomm Limited carry no interest.

The Company doesn't have any loans outstanding with or from any of the group undertakings.

14. Revenue

Type of services	£
Voice Termination Services	6,556,260
IP Transit Services	2,289,852
Other	474,449
Total	**9,320,561**

Notes to the financial statements for the year ended 31 December 2018

15. Immediate parent and ultimate controlling party

The Company's immediate parent Company and controlling party is Reliance Jio Infocomm Limited, a Company incorporated in India and having registered address at Office -101, Saffron, Near Centre Point, Panchwati 5 Rasta, Ambawadi, Ahmedabad-380006, Gujarat, India. The ultimate parent company, which is also the parent undertaking of the largest group which includes the Company and for which group accounts are prepared, is Reliance Industries Limited, a Company incorporated in India. The group accounts for Reliance Industries Limited can be obtained from the registered address, being the 3rd Floor, Maker Chambers IV, 222, Nariman Point, Mumbai 400 021, India.