

Reliance Jio Infocomm UK Limited

Financial statements

for the year ended 31 December 2023

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 Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2023 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;
- the material accounting policy information; 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'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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are Authorized for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

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. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act 2006; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and] the directors' report 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.

Fred Hui (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

17 April 2024

Reliance Jio Infocomm UK Limited

Income statement

For the year ended 31 December 2023

	Note	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Revenue from operations	14	22,892,494	21,649,516
Other operating income	14	27,656	135,479
Operating expenses	3	(22,732,608)	(21,380,757)
Profit before taxation		<u>187,542</u>	<u>404,238</u>
Income tax	5	(54,888)	(89,214)
Profit for the year		<u><u>132,654</u></u>	<u><u>315,024</u></u>

All amounts relate to continuing operations. There were no recognized income and expenses for 2023 and 2022 other than those included in the Income Statement and accordingly no statement of comprehensive income has been prepared.

The notes 1 to 15 form part of these financial statements.

Reliance Jio Infocomm UK Limited

Balance sheet

As at 31 December 2023

	Note	As at 31st December 2023 £	As at 31st December 2022 £
Non-current assets			
Property, plant and equipment	6	3,805,809	4,162,202
Intangible assets	7	755,695	839,980
Capital Work In Progress	6	782,998	74,444
Prepayments	8	1,225,468	-
		<u>6,569,970</u>	<u>5,076,626</u>
Current assets			
Trade receivables	8	852,457	2,469,890
Accrued income	8	2,482,397	5,690,723
Prepayments	8	303,553	1,790,067
Cash and bank balances		620,313	277,886
		<u>4,258,720</u>	<u>10,228,566</u>
Total assets		<u>10,828,690</u>	<u>15,305,192</u>
Current liabilities			
Trade and other payables	9	(2,204,092)	(6,729,427)
Contract Liability	9	(178,814)	(1,349,398)
Net current assets		<u>1,875,814</u>	<u>2,149,741</u>
Total Assets less Current Liabilities		8,445,784	7,226,367
Non-current liabilities			
Deferred tax liabilities	5	(348,590)	(296,313)
Contract Liability	9	(1,034,486)	-
Net assets		<u>7,062,708</u>	<u>6,930,054</u>
Equity			
Share capital	10	6,000,000	6,000,000
Retained earnings	11	1,062,708	930,054
Equity attributable to owners of the Company		<u>7,062,708</u>	<u>6,930,054</u>

The financial statements of Reliance Jio Infocomm UK Limited (registered number 08630000) were approved by the Board and Authorized for issue on **17th April 2024**. They were signed on its behalf by

Saji Varghese
Director

Reliance Jio Infocomm UK Limited

Statement of changes in equity For the year ended 31 December 2023

	Note	Share capital £	Retained earnings £	Total £
Balance at 1 January 2022		6,000,000	615,030	6,615,030
Profit for the year ended 31 December 2022		-	315,024	315,024
Total comprehensive income for the year		-	315,024	315,024
Issue of share capital		-	-	-
Balance at 31 December 2022		6,000,000	930,054	6,930,054
Profit for the year ended 31 December 2023	11	-	132,654	132,654
Total comprehensive income for the year		-	132,654	132,654
Issue of share capital	10	-	-	-
Balance at 31 December 2023		6,000,000	1,062,708	7,062,708

Reliance Jio Infocomm UK Limited

Notes to the financial statements

For the year ended 31 December 2023

1. Material 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 United Kingdom. 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 summarized below. They have all been applied consistently throughout the year ended 31 December 2023 and prior year ended 31 December 2022.

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. New and amended IFRS effective in the year have no material impact on the company. 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 at least 12 months from the approval of the financial statements. Based on these projections and the commitment of the parent company to invest in the Company, should investment be needed, the Director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Director has also considered the external factors and does not believe it will have any significant impact on the business and operations. Accordingly, the Director continues to adopt the going concern basis of accounting in preparing the annual financial statements.

IFRS 16 Leases

The Company has applied IFRS 16 Leases which is effective for an annual period that begins on or after 1 January 2022. As the Company has no leases IFRS 16 does not have an impact on the financial position and/or financial performance of the Company.

Revenue recognition

Revenue from contracts with customers is recognized 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 recognized at point in time and revenue from contracts to provide data services (including IP transit and bandwidth services) is recognized 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 recognized 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.

Reliance Jio Infocomm UK Limited

Notes to the financial statements

For the year ended 31 December 2023

1. Material accounting policies (continued)

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 recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing cost capitalized 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 recognized in profit or loss. Fully depreciated assets still in use are retained in the financial statements.

At each balance sheet date, the Company reviews the carrying amount of its tangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). The impairment loss is recognized in profit or loss.

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 amortization and accumulated impairment losses. Amortization is recognized 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 recognized in profit or loss when the asset is de-recognized.

Indefeasible Right to Use Capacity 15 years

Capital Work in Progress (CWIP)

CWIP assets are the assets which the Company has purchased and currently undergoing through Installation and Testing. The same is yet to be put to use as on 31 Dec 2023.

At each balance sheet date, the Company reviews the CWIP items with the technical team to determine whether those assets have not been put to use and are actually undergoing through Installation and Testing.

Upon completion of the Installation & Testing, the said assets will be transferred to the property, plant and machinery and capitalized from the said date in accordance with company's accounting policy. Depreciation commences when the assets are ready for their intended use.

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 recognized 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

Reliance Jio Infocomm UK Limited

Notes to the financial statements

For the year ended 31 December 2023

1. Material accounting policies (continued)

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 recognized 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 recognized in the income statement.

Pension costs

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 recognized 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 recognized at fair values plus transaction costs and subsequently measured at amortized cost using the effective interest method less impairment. Interest is recognized by applying the effective interest method, except for short-term balances when the effect of discounting is immaterial.

Effective interest method

The effective interest method is a method of calculating the amortized 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 recognized on an effective interest basis for debt instruments.

Impairment of financial assets

The Company recognizes 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

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Notes to the financial statements

For the year ended 31 December 2023

1. Material accounting policies (continued)

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 derecognizes 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 recognizes 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 recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

Financial liabilities are carried at amortized 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 derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

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 and it intends, either to settle them on a net basis or to realize 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 key source of estimation 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 accounting judgements that the Director considers to be of a critical nature.

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

Reliance Jio Infocomm UK Limited

Notes to the financial statements

For the year ended 31 December 2023

3. Operating expenses

	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Employee benefit expenses	271,137	347,701
Depreciation and amortization	515,123	513,366
Internet Protocol transit cost	1,684,618	1,310,494
Voice charges	18,357,324	18,196,771
Professional fees	21,219	8,433
Audit fees	35,000	35,000
Insurance	50,945	40,785
Colocation charges	917,629	821,372
Repairs & maintenance	232,116	241,393
Foreign exchange losses/(gains)	238,371	(160,237)
General expenditure	409,126	25,679
	<u>22,732,608</u>	<u>21,380,757</u>

Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual accounts were £35,000 (2022: £35,000). No fees for any other services were paid to Deloitte LLP.

4. Directors' Emoluments and Staff costs

The Director did not receive any remuneration from the company during the year (2022: £nil) as it is borne by another group company and is not recharged to this company.

The average monthly number of employees (excluding the directors) during the year was 1 (2022: 2).

The aggregate remuneration comprised:

	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Wages and salaries	232,500	292,500
Social security costs	25,137	41,041
Pension costs	13,500	14,160
	<u>271,137</u>	<u>347,701</u>

Reliance Jio Infocomm UK Limited

Notes to the financial statements

For the year ended 31 December 2023

5. Tax

	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Corporation tax:		
UK corporation tax at 23.52% (2022: 19.00%)	2,611	-
Deferred tax	52,277	89,214
	<u>54,888</u>	<u>89,214</u>

Corporation tax is calculated at 23.52% (2022: 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 2023 £	Year ended 31 December 2022 £
Profit before tax	187,542	404,238
Tax at the UK corporation tax rate of 23.52% (2022: 19.00 %)	44,110	76,805
Tax effect of expenses that are not deductible in determining taxable profit	89,796	73,808
Capital Allowance	(126,174)	(116,702)
Use of brought forward losses	(5,120)	(33,911)
Adjustment to prior year deferred tax assets	18,611	-
Deferred tax movement on fixed assets	31,054	89,214
Effect of change in tax rate	2,611	-
Tax expense for the year	<u>54,888</u>	<u>89,214</u>

At 31 December 2023, other temporary timing differences exceed losses available, resulting in a net deferred tax liability of £348,590.

The UK corporation tax rate increased on the 1 April 2023 from 19% to 25%. The UK corporation tax payable on taxable profits is calculated at 19% for the profits earned till 31 March 2023 and 25% from 1 April 2023 onwards. The increase in the main rate of corporation tax to 25% from 1 April 2023 was confirmed in the Spring Budget 2023 (15 March 2023) and is substantively enacted as part of Finance Bill (no.2) 2023 on 11 July 2023. Deferred taxes at the balance sheet date have been measured using this tax rate and reflected in these financial statements. Finance Act 2024 does not have any impact on taxation of the Company as of 31 December 2023.

Reliance Jio Infocomm UK Limited

Notes to the financial statements

For the year ended 31 December 2023

5. Tax (continued)

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

	Accelerated tax depreciation £	Total £
At 1 January 2023	296,313	296,313
Charge to profit or loss	52,277	52,277
At 31 December 2023	<u>348,590</u>	<u>348,590</u>

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:

	2023 £	2022 £
Deferred tax liabilities	348,590	296,313
Deferred tax assets	-	-
	<u>348,590</u>	<u>296,313</u>

Reliance Jio Infocomm UK Limited

Notes to the financial statements

For the year ended 31 December 2023

6. Property, plant and equipment

	Plant and machinery £	Capital work- in-progress £	Total £
Cost:			
At 1 January 2022	6,376,790	12,043	6,388,833
Additions	27,026	74,444	101,470
Transfers to Plant and Machinery	12,043	(12,043)	-
	<hr/>	<hr/>	<hr/>
At 31 December 2022	6,415,859	74,444	6,490,303
Additions	74,445	708,554	782,999
	<hr/>	<hr/>	<hr/>
At 31 December 2023	6,490,304	782,998	7,273,302
	<hr/>	<hr/>	<hr/>
Accumulated depreciation:			
At 1 January 2022	(1,824,574)	-	(1,824,574)
Depreciation for the year	(429,083)	-	(429,083)
	<hr/>	<hr/>	<hr/>
At 31 December 2022	(2,253,657)	-	(2,253,657)
Depreciation for the year	(430,838)	-	(430,838)
	<hr/>	<hr/>	<hr/>
At 31 December 2023	(2,684,495)	-	(2,684,495)
	<hr/>	<hr/>	<hr/>
Carrying amount:			
At 31 December 2023	3,805,809	782,998	4,588,807
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2022	4,162,202	74,444	4,236,646
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Reliance Jio Infocomm UK Limited

Notes to the financial statements

For the year ended 31 December 2023

7. Intangible assets

	Rights-to-use capacity £	Total £
Cost:		
At 1 January 2022	1,264,402	1,264,402
Adjustments	-	-
	<hr/>	<hr/>
At 31 December 2022	1,264,402	1,264,402
Additions	-	-
	<hr/>	<hr/>
At 31 December 2023	1,264,402	1,264,402
	<hr/>	<hr/>
Accumulated amortization:		
At 1 January 2022	(340,139)	(340,139)
Charge for the year	(84,283)	(84,283)
	<hr/>	<hr/>
At 31 December 2022	(424,422)	(424,422)
Charge for the year	(84,285)	(84,285)
	<hr/>	<hr/>
At 31 December 2023	(508,707)	(508,707)
	<hr/>	<hr/>
Carrying amount:		
At 31 December 2023	755,695	755,695
	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2022	839,980	839,980
	<hr/> <hr/>	<hr/> <hr/>

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

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Notes to the financial statements

For the year ended 31 December 2023

8. Trade and other receivables

	As at 31st December 2023 £	As at 31st December 2022 £
Trade receivables (payable within 30 to 45 days from invoice date)		
- Holding company	108,764	87,783
- Fellow Subsidiary	626,640	855,554
- Others	117,053	<u>1,526,553</u>
	<u>852,457</u>	<u>2,469,890</u>
Accrued income		
- Holding Company	348,641	491,117
- Fellow Subsidiary	981,883	2,340,455
- Others	1,151,873	<u>2,859,151</u>
	<u>2,482,397</u>	<u>5,690,723</u>
Other current assets	1,529,021	1,790,067
- Current	303,553	1,790,067
- Non-Current	1,225,468	-
Total trade and other receivables	<u>4,863,875</u>	<u>9,950,680</u>

For details on the terms and conditions of the balances due from related parties, please refer to note 13.

9. Current liabilities

	As at 31st December 2023 £	As at 31st December 2022 £
Trade payables		
- Payable to parent company	214,618	922,964
- Others	105,395	517,842
	<u>320,013</u>	<u>1,440,806</u>
Other Payables	1,201,285	3,578,765
Accruals		
- Payable to parent company	28,706	21,027
- Payable to fellow subsidiary	439,970	1,546,067
- Others	214,118	140,762
	<u>682,794</u>	<u>1,707,856</u>
Total Trade and other Payable	2,204,092	6,727,427
Contract Liability	1,213,300	1,349,398
- Current	178,814	1,349,398
- Non- Current	1,034,486	-
	<u>3,417,392</u>	<u>8,076,825</u>

Reliance Jio Infocomm UK Limited

Notes to the financial statements For the year ended 31 December 2023

The Contract Liability noted above is the deferred income. For details on the terms and conditions of the balances due to related parties, please refer to note 13.

10. Authorized share capital

	As at 31st December 2023 £	As at 31st December 2022 £
Authorized, Issued and fully paid:		
6,000,000 ordinary shares of £1 each (2022: 6,000,000 ordinary shares of £1 each)	6,000,000	6,000,000
	<u>6,000,000</u>	<u>6,000,000</u>

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

11. Retained earnings

	£
Balance at 1 January 2022	615,030
Net profit for the year ended 31 December 2022	315,024
	<u>930,054</u>
Balance at 31 December 2022	930,054
Net Profit for the year ended 31 December 2023	132,654
	<u>1,062,708</u>
Balance at 31 December 2023	<u>1,062,708</u>

12. Capital Commitments

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

	As at 31st December 2023 £	As at 31st December 2022 £
Commitments for the acquisition of plant and equipment	470,776	1,043,015
	<u>470,776</u>	<u>1,043,015</u>

Reliance Jio Infocomm UK Limited

Notes to the financial statements

For the year ended 31 December 2023

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	
	2023	2022	2023	2022
	£	£	£	£
Reliance Jio Infocomm Limited (Holding Company)	3,108,104	1,593,311	10,834,751	8,468,365
Associates (Other Group Undertakings)	4,422,520	6,368,244	4,189,747	4,386,726

The following amounts were outstanding at the balance sheet date:

	Amounts owed by related parties		Amounts owed to related parties	
	2023	2022	2023	2022
	£	£	£	£
Reliance Jio Infocomm Limited (Holding Company)	280,010	578,900	736,038	2,002,808
Associates (other Group Undertakings)	1,608,523	3,196,008	623,116	1,546,067

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

RJPL and RJUS are Associate companies for RJUK as they are also 100% subsidiaries of RJIL.

Sale 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 does not have any loans outstanding with or from any of the group undertakings.

Reliance Jio Infocomm UK Limited

Notes to the financial statements

For the year ended 31 December 2023

14. Revenue from operations and other operating income

All the revenue is generated in the UK.

Type of services	Year ended	Year ended
	31 December 2023	31 December 2022
	£	£
Voice Termination Services	18,967,230	18,475,459
IP Transit Services	3,925,264	3,174,057
Other Operating Income	27,656	135,479
Total	22,920,150	21,784,995

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 smallest group of which the company is a member and for which group accounts are prepared is the consolidated financial statements of Reliance Jio Infocomm Limited.

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.