

**BT Fifty**

**Annual Report and Financial Statements  
for the year ended  
31 March 2017**

**Registered number: 2604361**



**Directors' report for the year ended 31 March 2017**

The directors present their annual report on the affairs of BT Fifty (the "Company"), together with the audited financial statements and auditors' report, for the year ended 31 March 2017. The registered number of the Company is 2604361.

The directors' report has been prepared in accordance with the special provisions to small companies within Part 15 of the Companies Act 2006.

**Principal activities and future developments**

The directors are in the process of determining the future plans of the Company and the Company's liabilities are supported by BT Group plc, as outlined in the going concern section below. The Company is an unlimited company.

**Principal risks and uncertainties**

The principal risks to which BT Group plc (the ultimate controlling entity of the Company) is exposed are also the principal matters which would create risk and uncertainty for the Company. These are managed by the directors of BT Group plc at group level rather than at an individual business unit level. They are discussed on pages 44-54 of the group's 2017 annual report which does not form part of this report.

**Key performance indicators ("KPIs")**

The directors of BT Group plc manage the group's operations on a line of business basis. For this reason, the Company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company.

**Results and dividends**

The loss before taxation was £6,569,000 (2016: 7,536,000). The tax on loss was £1,314,000 (2016: £1,507,000) which left a loss for the financial year of £5,255,000 (2016: £6,029,000).

The directors do not recommend the payment of a dividend in respect of the year ended 31 March 2017 (2016: £nil).

**Going concern**

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support provided by British Telecommunications plc. Please refer to the accounting policies for further details.

**Directors' report for the year ended 31 March 2017 (continued)****Directors**

The directors of the Company who were in office during the year and up to the date of signing the financial statements were as follows:

Christina Bridget Ryan

Louise Alison Clare Blackwell (appointed on 16 May 2016)

Alberto Buffa (resigned on 09 December 2016)

Michael Joseph Mohun (appointed on 1 June 2017)

**Directors' indemnities**

As permitted by the Articles of Association, the Directors have the benefit of a Directors' and Officers' liability insurance, which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. This indemnity, purchased by BT Group plc and applicable to the directors of BT Fifty, was in force throughout the last financial year and is currently in force. Neither the insurance nor the indemnity provides cover where the person has acted fraudulently or dishonestly.

**Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors 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.

**Directors' report for the year ended 31 March 2017 (continued)**

**Disclosure of information to the auditors**

So far as each of the directors is aware, there is no relevant information that has not been disclosed to the Company's auditors and each of the directors believes that all steps have been taken that ought to have been taken to make them aware of any relevant audit information and to establish that the Company's auditors have been made aware of that information.

**Independent auditors**

PricewaterhouseCoopers LLP have indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

The Company has taken advantage of the small companies exemption.

The directors' report on pages 1 to 3 was approved by the Board of directors on 22 August 2017 and was signed by order of the Board



Authorised Signatory  
for and on behalf of Newgate Street Secretaries Limited  
**Company Secretary**

22 August 2017

# ***Independent auditors' report to the members of BT Fifty***

## **Report on the financial statements**

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### **Our opinion**

In our opinion, BT Fifty's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its loss for the year then ended;
  - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
  - have been prepared in accordance with the requirements of the Companies Act 2006.
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### **What we have audited**

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the balance sheet as at 31 March 2017;
- the profit and loss account for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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## **Opinion on other matter prescribed by the Companies Act 2006**

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

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

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

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## **Other matters on which we are required to report by exception**

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### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

## ***Independent auditors' report to the members of BT Fifty (continued)***

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### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

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### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

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## **Responsibilities for the financial statements and the audit**

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### **Our responsibilities and those of the directors**

As explained more fully in the Statement of directors' responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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### **What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Neil Proudlove (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

22 August 2017

**Profit and loss account for the year ended 31 March 2017**

	Note	2017 £'000	2016 £'000
Administrative expenses		<u>(4)</u>	<u>(9)</u>
<b>Operating loss</b>	3	(4)	(9)
Income from other fixed asset investments	4	-	2,309
Amounts written off investments	5	<u>-</u>	<u>(2,309)</u>
<b>Loss on ordinary activities before interest and taxation</b>		(4)	(9)
Interest payable and similar expenses	6	<u>(6,565)</u>	<u>(7,527)</u>
<b>Loss before taxation</b>		(6,569)	(7,536)
Tax on loss	9	<u>1,314</u>	<u>1,507</u>
<b>Loss for the financial year</b>		<u><u>(5,255)</u></u>	<u><u>(6,029)</u></u>

All results derive from continuing operations.

There have been no recognised gains or losses during either 2017 or 2016 other than as disclosed in the profit and loss account and therefore no separate statement of total comprehensive income has been presented.

## Balance sheet as at 31 March 2017

	Note	2017 £'000	2016 £'000
<b>Fixed assets</b>			
Investments	10	-	-
<b>Current assets</b>			
Debtors	11	1,314	1,507
		1,314	1,507
<b>Creditors: amounts falling due within one year</b>	12	(371,082)	(366,020)
<b>Net current liabilities</b>		(369,768)	(364,513)
<b>Total assets less current liabilities</b>		(369,768)	(364,513)
<b>Net liabilities</b>		(369,768)	(364,513)
<b>Capital and reserves</b>			
Called up share capital	13	1,288,704	1,288,704
Share premium account		1,367,513	1,367,513
Profit and loss account		(3,025,985)	(3,020,730)
<b>Total shareholders' deficit</b>		(369,768)	(364,513)

The financial statements on pages 6 to 14 was approved and authorised for issue by the Board of directors on 22 August 2017 and was signed on its behalf by



Michael Mohun - Director



**Statement of changes in equity for the year ended 31 March 2017**

	<b>Called up share capital £'000</b>	<b>Share premium account £'000</b>	<b>Profit and loss account £'000</b>	<b>Total Shareholders' deficit £'000</b>
<b>Balance as at 1 April 2015</b>	1,288,704	1,367,513	(3,014,701)	(358,484)
Loss for the financial year	-	-	(6,029)	(6,029)
<b>Balance as at 31 March 2016</b>	1,288,704	1,367,513	(3,020,730)	(364,513)
Loss for the financial year	-	-	(5,255)	(5,255)
<b>Balance as at 31 March 2017</b>	<u>1,288,704</u>	<u>1,367,513</u>	<u>(3,025,985)</u>	<u>(369,768)</u>

**Notes to the financial statements for the year ended 31 March 2017****1. General information**

BT Fifty was an investment holding company. The directors are in the process of determining the future plans of the Company.

The Company is a private company unlimited with shares and is incorporated and domiciled in the UK. The address of its registered office is 81 Newgate Street, London EC1A 7AJ.

**2. Basis of preparation and accounting policies**

The financial statements have been prepared in accordance with Financial Reporting Standard 101, "Reduced Disclosure Framework" (FRS 101), which involves the application of International Financial Reporting Standards (IFRS) with a reduced level of disclosure.

The financial statements have been prepared under the historic cost convention and in accordance with the Companies Act 2006 as applicable to companies using FRS 101. The preparation of financial statements in accordance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies.

**Exemptions**

The financial statements present information about the Company as an individual undertaking. The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare and deliver group financial statements as the financial statements of BT Fifty are consolidated in the financial statements of BT Group plc, the ultimate parent entity.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available. The following exemptions have been taken:

- The requirements of IAS 7 Statement of Cash Flows.
- The requirements of paragraphs 17 of IAS 24 Related Party Disclosures.
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.
- The requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - (i) paragraph 79(a)(iv) of IAS 1 'Presentation of Financial Statements';
- The following paragraphs of IAS 1 'Presentation of Financial Statements':
  - 10(d) (statement of cash flows);

## **Notes to the financial statements for the year ended 31 March 2017 (continued)**

### **2. Basis of preparation and accounting policies (continued)**

#### **Exemptions (continued)**

- 16 (statement of compliance with all IFRS);
- 38A (requirement for minimum of two primary statements including cash flow statements);
- 38B-D (additional comparative information);
- 111 (cash flow statement information); and
- 134 to 136 (capital management disclosures).

The Company intends to continue to take advantage of these exemptions in future years.

Where required, equivalent disclosures have been given in the consolidated financial statements of BT Group plc.

#### **New and amended accounting standards effective during the year:**

There are no new or amended accounting standards or interpretations adopted during the year that have a significant impact on the financial statements.

#### **New and amended accounting standards that have been issued but are not yet effective**

The following standards have been issued but are not yet effective for accounting periods ending on or after 1 April 2016 and are expected to have an impact on the Company's financial statements. The impact of these on the financial statements are being considered by the Company.

IFRS 9 'Financial instruments' will be effective for periods beginning on or after 1 January 2018.

### **Accounting policies**

#### **Going concern**

The directors have satisfied themselves that the Company will continue to have financial support provided by British Telecommunications plc in order to meet its requirements for at least the next year from the date of the approval of the financial statements, and therefore believe that preparing the financial statements on the going concern basis is appropriate.

#### **Investments**

Investments are carried at cost less provisions for impairment. Investments are tested for impairment when an event that might affect asset values has occurred. An impairment loss is recognised to the extent that the carrying amount cannot be recovered either by selling the asset or by the discounted future cash flows from the investment.

**Notes to the financial statements for the year ended 31 March 2017  
(continued)****2. Basis of preparation and accounting policies (continued)****Accounting policies (continued)****Current and deferred income tax**

Current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised using the liability method, in respect of temporary differences between the carrying amount of the company's assets and liabilities and their tax base. A deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits, within the same jurisdiction, in the foreseeable future against which the deductible temporary difference can be utilised.

Deferred tax is determined using tax rates that are expected to apply in periods in which the asset is realised or liability settled, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax balances are not discounted.

**Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

## Notes to the financial statements for the year ended 31 March 2017 (continued)

### 3 Operating loss

Operating loss is stated after charging:	2017	2016
	£'000	£'000
Auditors' remuneration for statutory audit of the Company's annual financial statements	<u>4</u>	<u>9</u>

### 4 Income from other fixed asset investments

	2017	2016
	£'000	£'000
Income from shares in group undertakings	<u>-</u>	<u>2,309</u>

The Company received a final distribution of £nil (2016: final distribution £2,309,000) as a result of the dissolution of its wholly owned subsidiaries BT Global Networking A Limited and BT Global Networking B Limited which took place on 1 March 2016.

### 5 Amounts written off investments

	2017	2016
	£'000	£'000
Amounts written off investments (Note 10)	<u>-</u>	<u>2,309</u>

Amounts written-off investments in 2017 of £nil (2016: £2,309,000) comprised the dissolution of the company's two subsidiaries; BT Global Networking A Limited and BT Global Networking B Limited on 1 March 2016.

### 6 Interest payable and similar expenses

	2017	2016
	£'000	£'000
Interest payable to group undertakings	<u>6,565</u>	<u>7,527</u>

### 7 Directors' emoluments

The directors are employed and remunerated by British Telecommunications plc or other group companies in respect of their services to the BT Group plc as a whole. No emoluments were paid to the directors in respect of their services to the Company in the year ended 31 March 2017 (2016: £nil).

### 8 Employee information

The average monthly number of persons employed by the Company during the year was nil (2016: nil).

## Notes to the financial statements for the year ended 31 March 2017 (continued)

### 9 Tax on loss

	2017 £'000	2016 £'000
Amounts payable by British Telecommunications plc for losses surrendered	1,314	1,507
Tax credit on loss on ordinary activities	<u>1,314</u>	<u>1,507</u>

### Reconciliation of the total tax charge

The tax credit in the income statement for the year is the same as (2016: same as) the standard rate of corporation tax in the UK of 20% (2016: 20%). The differences are reconciled below.

	2017 £'000	2016 £'000
Loss on ordinary activities before taxation	<u>(6,569)</u>	<u>(7,536)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax at 20% (2016: 20%)	(1,314)	(1,507)
Effects of:		
Expenses not deductible	-	461
Income not taxable	<u>-</u>	<u>(461)</u>
Total tax credit	<u>(1,314)</u>	<u>(1,507)</u>

### Factors affecting current and future tax charges

The rate of UK corporation tax will change from 20% to 19% on 1 April 2017 and to 17% on 1 April 2020.

### 10 Investments

BT Fifty's only subsidiaries; BT Global Networking A Limited and BT Global Networking B Limited, were dissolved on 1 March 2016. BT Fifty has no other investments.

### 11 Debtors

	2017 £'000	2016 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	1,314	1,507
Total debtors falling due within one year	<u>1,314</u>	<u>1,507</u>

## Notes to the financial statements for the year ended 31 March 2017 (continued)

### 12 Creditors: amounts falling due within one year

	2017 £'000	2016 £'000
Amounts owed to group undertakings	371,078	366,011
Accruals	4	9
	<u>371,082</u>	<u>366,020</u>

Included in amounts owed to group undertakings is an interest-bearing (12 month GBP LIBOR plus 90 basis points) loan of £367,328,000 (2016: £363,570,000) from British Telecommunications plc which is repayable on demand.

### 13 Called up share capital

	2017 £'000	2016 £'000
Allotted, called up and fully paid: 1,288,704,142 (2016: 1,288,704,142) ordinary shares of £1 (2016: £1) each	<u>1,288,704</u>	<u>1,288,704</u>

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

### 14 Contingent liabilities

As at 31 March 2017 (2016: nil), there were no contingent liabilities or guarantees other than those arising in the ordinary course of the Company's business and on these no material losses are anticipated.

### 15 Controlling entities

The Company is a wholly-owned subsidiary of BT (Netherlands) Holdings B.V., which is the immediate controlling entity. The ultimate controlling entity as at 31 March 2017 was BT Group plc.

The parent undertaking of the largest group of companies into which the results of the Company are consolidated is BT Group plc, a company incorporated in England & Wales.

Consequently the Company is exempt from the disclosure requirements of IAS 24 "Related Party Disclosures" from disclosing details of transactions and balances with BT Group plc and fellow group subsidiaries are provided such subsidiaries are wholly owned members of the group during the year ended 31 March 2017. Copies of the financial statements of BT Group plc may be obtained from The Secretary, BT Group plc, 81 Newgate Street, London EC1A 7AJ.

The parent undertaking of the smallest group of companies into which the results of the Company are consolidated is British Telecommunications plc, a company incorporated in England & Wales. Copies of the financial statements of British Telecommunications plc are available from The Secretary, British Telecommunications plc, 81 Newgate Street, London EC1A 7AJ.