

**Registered number: 4109640**

**BT (RRS LP) Limited  
Directors' Report and Financial Statements  
For the year ended  
31 March 2015**

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# **BT (RRS LP) Limited**

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## **Directors and advisers**

### **Directors**

CB Ryan  
LC Winnister  
A Buffa

### **Company Secretary**

Newgate Street Secretaries Limited

### **Registered Office**

81 Newgate Street  
London  
EC1A 7AJ

### **Independent Auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
141 Bothwell Street  
Glasgow  
G2 7EQ

**Directors' report for the year ended 31 March 2015**

The directors submit their report and the audited financial statements of BT (RRS LP) Limited for the year ended 31 March 2015. The registered number of the Company is 4109640.

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

**Principal activities and future developments**

The Company's principal activity is to act as an investment holding company within the British Telecommunications Plc group of companies. The directors do not anticipate any change in the foreseeable future.

**Principal risks and uncertainties**

The directors of BT Group plc (the ultimate controlling entity of the Company) manage the group's risks at a group level, rather than at an individual business unit level. For this reason, the Company's directors believe that a discussion of the group's risks would not be appropriate for an understanding of the development, performance or position of the Company's business. The principal risks and uncertainties of BT Group plc, which include those of the company, are discussed on pages 41 to 52 of the 2015 annual report of BT Group plc, which does not form part of this report.

**Key performance indicators**

The directors of BT Group plc manage the group's operations on a divisional 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 on ordinary activities before taxation was £620,000 (2014: profit of £1,495,000). The tax credit on loss on ordinary activities was £195,000 (2014: profit of £103,000) which left a loss for the year of £425,000 (2014: profit of 1,598,000).

The directors do not propose to pay a final dividend (2014: £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 section on page 10 for further details.

**Directors' report for the year ended 31 March 2015 (continued)****Directors**

A list of the current directors is set out on page 1. A Buffa was appointed as a director with effect from 18 May 2015. The remaining directors held office throughout the year and up to the date of signing this report.

**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 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 these financial statements, the directors are required to:

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

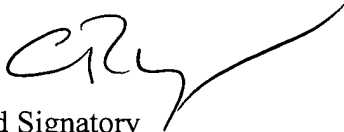
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies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

**Directors' report for the year ended 31 March 2015 (continued)**

**Disclosure of information to the auditors**

As far as each of the directors is aware, there is no relevant information of which the Company's auditors are unaware and each of the directors has taken all reasonable steps that ought to have been taken to make the auditor aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The directors' report on pages 2 to 4 were approved by the Board of directors on 9 November 2015 and signed on its behalf by Christina Ryan.

A handwritten signature in black ink, appearing to read 'CR', followed by a long horizontal stroke extending to the right.

Authorised Signatory  
for and on behalf of Newgate Street Secretaries Limited  
Company Secretary  
9 November 2015

**Independent auditors' report to the members of BT (RRS LP) Limited**

**Report on the financial statements**

**Our opinion**

In our opinion, BT (RRS LP) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2015 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.

**What we have audited**

The financial statements comprise:

- the balance sheet as at 31 March 2015;
- the profit and loss account for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (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.

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

In our opinion, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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.

**Independent auditors' report to the members of BT (RRS LP) Limited  
(continued)**

We have no exceptions to report arising from this responsibility.

**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.

**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: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

**Responsibilities for the financial statements and the audit****Our responsibilities and those of the directors**

As explained more fully in the Statement of directors' responsibilities set out on page 3, 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.

**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:

**Independent auditors' report to the members of BT (RRS LP) Limited  
(continued)**

- 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 Directors' Report and Financial Statements 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.



Sharron Moran (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Glasgow  
12 November 2015



**Profit and loss account for the year ended 31 March 2015**

	Note	2015 £'000	2014 £'000
Administrative expenses		(5)	(5)
<b>Operating loss</b>	1	<u>(5)</u>	<u>(5)</u>
Interest payable and similar charges	2	(615)	(637)
Income from fixed asset Investments	3	<u>-</u>	<u>2,137</u>
<b>(Loss)/profit on ordinary activities before taxation</b>		(620)	1,495
Tax credit on (loss)/profit on ordinary activities	6	<u>195</u>	<u>103</u>
<b>(Loss)/profit for the financial year</b>	11	<u><u>(425)</u></u>	<u><u>1,598</u></u>

All results derive from continuing operations.

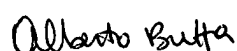
There have been no recognised gains or losses during either 2015 or 2014 other than as disclosed in the profit and loss account and therefore no separate statement of total recognised gains and losses has been presented.

There were no differences between the results as disclosed above and the results on an unmodified historical cost basis.

**Balance sheet as at 31 March 2015**

	Note	2015 £'000	2014 £'000
<b>Fixed assets</b>			
Investment	7	<u>24,500</u>	<u>22,154</u>
<b>Current assets</b>			
Debtors	8	195	103
<b>Creditors: amounts falling due within one year</b>	9	<u>(28,336)</u>	<u>(25,473)</u>
<b>Net current liabilities</b>		<u>(28,141)</u>	<u>(25,370)</u>
<b>Total assets less current liabilities</b>		<u>(28,141)</u>	<u>(25,370)</u>
<b>Net liabilities</b>		<u>(3,641)</u>	<u>(3,216)</u>
<b>Capital and reserves</b>			
Called up share capital	10	-	-
Profit and loss account	11	<u>(3,641)</u>	<u>(3,216)</u>
<b>Total shareholders' deficit</b>	12	<u>(3,641)</u>	<u>(3,216)</u>

The financial statements on pages 8 to 15 were approved and authorised for issue by the Board of directors and were signed on its behalf by Alberto Buffa.



**Alberto Buffa**  
Director

**Accounting policies****Basis of accounting**

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies which have been consistently applied are set out below.

The financial statements present information about the Company as an individual undertaking, and not about its group. 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 (RRS LP) Limited are consolidated in the financial statements of BT Group plc, the ultimate parent entity.

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure during the reporting year. Actual results could differ from those estimates. Estimates are used principally when accounting for taxes.

**Going concern**

The directors have satisfied themselves that the Company will continue to have access to financing to meet its requirements for at least the next year, and therefore believe that preparing the accounts on the going concern basis is appropriate.

**Taxation**

The charge for taxation is based on the profit for the year and takes into account deferred tax.

**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.

**Accounting policies (continued)****Cash flow statement and related party disclosures**

The Company is a wholly-owned subsidiary of BT Group plc. The cash flows of the Company are included in the consolidated cash flow statement of BT Group plc, whose annual report is publicly available. Consequently the Company is exempt under the terms of FRS 1 (Revised 1996) "Cash Flow Statements" from publishing a cash flow statement.

The Company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the BT group plc.

**Interest**

Interest expense from inter-company payables is based on the carrying amount and effective rate of interest for the instrument.

**Accounting standards, interpretations and amendments not yet effective**

Following the publication of FRS 100 'Application of Financial Reporting Requirements' by the Financial Reporting Council, BT (RRS LP) Limited is required to change its accounting framework for its entity financial statements, which is currently UK GAAP, for its financial year commencing 1 April 2015. The purpose of FRS 100 is to align reporting in the UK with IFRS. As a qualifying subsidiary, the company will adopt FRS 101 'Reduced Disclosure Framework'.

As required by FRS 101, the company notified its shareholders of the proposed change.

**Notes to the financial statements****1 Operating loss**

Operating loss is stated after charging:

	2015 £'000	2014 £'000
Auditors' remuneration for Statutory audit	<u>5</u>	<u>5</u>

**2 Interest payable and similar charges**

	2015 £'000	2014 £'000
Interest payable to group undertakings	<u>615</u>	<u>637</u>

**3 Income from fixed asset Investments**

	2015 £'000	2014 £'000
Income from Joint Venture	<u>-</u>	<u>(2,137)</u>

**4 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 as a whole. No emoluments were paid to the directors in respect of their services to the Company in the year ended 31 March 2015 (2014: £nil).

**5 Employee information**

The average monthly number of persons employed by the Company during the year was nil (2014: nil).

**6 Tax on (loss)/profit on ordinary activities**

	2015 £'000	2014 £'000
Current tax:		
UK corporation tax at 21% (2014: 23%)	<u>(195)</u>	<u>(103)</u>
Tax credit on (loss)/profit on ordinary activities	<u>(195)</u>	<u>(103)</u>

**Notes to the financial statements (continued)****6. Tax on (loss)/profit on ordinary activities (continued)**

The tax assessed for the year is lower (2014: lower) than the standard rate of corporation tax in the UK of 21% (2014: 23%), as shown below:

	2015 £'000	2014 £'000
(Loss)/profit on ordinary activities before taxation	<u>(620)</u>	<u>1,495</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax at 21% (2014: 23%)	(130)	344
Effects of:		
Non-taxable income	-	(491)
Share of partnership's (income)/loss	<u>(65)</u>	<u>44</u>
Current tax credit	<u>(195)</u>	<u>(103)</u>

**7 Fixed asset investment**

	Shares in joint venture £'000
<b>Cost</b>	
At 1 April 2014	22,154
Addition	<u>2,346</u>
<b>At 31 March 2015</b>	<u>24,500</u>
<b>Net Book Value</b>	
At 31 March 2015	<u>24,500</u>
At 31 March 2014	<u>22,154</u>

In the opinion of the directors, the carrying value of the investment is supported by its underlying net assets. Brief details of Partnership are as follows:

Company Name	Company Activity	Percentage of Capital Contribution	Country
Rugby Radio Station LP	Property Company	50%	United Kingdom

The additions to fixed asset investments represent contributions towards the share of partner's capital in Rugby Radio Station Limited Partnership.

## Notes to the financial statements (continued)

**8 Debtors**

	2015 £'000	2014 £'000
Amounts falling due within one year:		
Group relief receivable	<u>195</u>	<u>103</u>

**9 Creditors: amounts falling due within one year**

	2015 £'000	2014 £'000
Amounts owed to group undertakings	28,331	25,468
Accruals	<u>5</u>	<u>5</u>
	<u>28,336</u>	<u>25,473</u>

Amount owed to group undertakings includes an interest bearing loan facility of £27,941,000 (2014: £25,101,000) from British Telecommunications plc. The loan bears interest at 12 month GBP LIBOR + 102.5 bps. The loan is repayable within 12 months.

**10 Called up share capital**

	2015 £'000	2014 £'000
Allotted, called up and unpaid:		
1 (2014: 1) ordinary share of £1 (2014: £1)	<u>-</u>	<u>-</u>

**11 Profit and loss account**

	£'000
Balance at 1 April 2014	(3,216)
Loss for the financial year	<u>(425)</u>
Balance at 31 March 2015	<u>(3,641)</u>

**12 Reconciliation of movements in shareholders' deficit**

	2015 £'000	2014 £'000
(Loss)/profit for the financial year	(425)	1,598
Net (reduction)/addition to shareholders' deficit	<u>(425)</u>	<u>1,598</u>
Opening shareholders' deficit	(3,216)	(4,814)
Closing shareholders' deficit	<u>(3,641)</u>	<u>(3,216)</u>

**Notes to the financial statements (continued)****13 Post Balance sheet events**

On 16 April 2015 Rugby Radio Station Limited Partnership sold a parcel of land comprising 57.06% of the total land held for £33,320,000 and paid a cash dividend to the Company of £17,298,000. After these transactions, the Company's remaining investment in Rugby Radio Station Limited Partnership was reduced to £9,961,000.

**14 Contingent liabilities**

At 31 March 2015, 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 British Telecommunications plc, which is the immediate controlling entity. The ultimate controlling entity as at 31 March 2015 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 under the terms of FRS 8 "Related Party Disclosures" from disclosing details of transactions and balances with BT Group plc, fellow group subsidiaries and associated undertakings, and those deemed under BT Group control during the year ended 31 March 2015. 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.