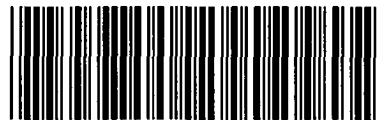


BT (RRS LP) Limited

**Annual Report and Financial Statements
for the year ended
31 March 2018**

Registered number: 4109640

WEDNESDAY



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COMPANIES HOUSE

BT (RRS LP) Limited

Directors' report

The directors present their annual report on the affairs of BT (RRS LP) Limited (the “Company”), together with the audited financial statements and independent auditors' report, for the year ended 31 March 2018. The registered number of the Company is 4109640.

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

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 risk 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 the group level rather than at an individual business unit level. They are discussed on pages 56-70 of the group's 2018 annual report which does not form part of this report.

Financial risk management

Price risk

The company is exposed to commodity price risk as a result of its operations. However, given the size of the company's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

Liquidity risk

The company actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the company has sufficient available funds for operations and planned expansions.

Interest risk

The company has a policy of maintaining debt at a fixed rate to ensure certainty of future interest cash flows.

Key performance indicators (“KPIs”)

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.

BT (RRS LP) Limited

Directors' report (continued)

Results and dividends

The loss before taxation was £209,000 (2017: loss of £214,000). The tax credit on loss was £67,000 (2017: tax credit of £64,000) which left a loss for the financial year of £142,000 (2017: loss of £150,000).

The directors have not declared a interim dividend (2017: £nil). The directors have not declared a final dividend (2017: £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 12 for further details.

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:

CB Ryan
LC Winnister

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 (RRS LP) Limited 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 in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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:

BT (RRS LP) Limited

Directors' report (continued)

Statement of Directors' responsibilities in respect of the financial statements (continued)

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising 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 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.

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.

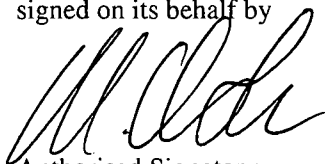
Disclosure of information to the auditors

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 will stand down as the company's auditors and on the recommendation of the Audit & Risk Committee, the Board proposes that KPMG LLP be appointed as the company's new auditors in the absence of an Annual General Meeting.

The directors' report on pages 1 to 3 was approved by the Board of directors on *10 SEPTEMBER* and were signed on its behalf by *MICHAEL MOHUN*



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

BT (RRS LP) Limited

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 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 March 2018; the profit and loss account, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

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

BT (RRS LP) Limited

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 March 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the financial statements set out on pages 2-3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

BT (RRS LP) Limited

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

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.

Auditors' 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 auditors' 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 auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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

We have no exceptions to report arising from this responsibility.

BT (RRS LP) Limited

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

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.



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

10 September 2018

BT (RRS LP) Limited

Profit and loss account for the year ended 31 March 2018

	Note	2018 £'000	2017 £'000
Administrative expenses		(8)	(3)
Interest payable and similar expenses	5	<u>(201)</u>	<u>(211)</u>
Loss before taxation		(209)	(214)
Tax on loss	7	<u>67</u>	<u>64</u>
Loss for the financial year		<u><u>(142)</u></u>	<u><u>(150)</u></u>

All results derive from continuing operations.

There has been no other comprehensive income during either 2018 or 2017 other than as disclosed in the profit and loss account and therefore no separate statement of total comprehensive income has been presented.

BT (RRS LP) Limited

Balance sheet as at 31 March 2018

	Note	2018 £'000	2017 £'000
Fixed assets			
Investments	9	9,488	8,068
Current assets			
Debtors	10	67	64
Creditors: amounts falling due within one year	11	<u>(13,930)</u>	<u>(12,365)</u>
Net current liabilities		<u>(13,863)</u>	<u>(12,301)</u>
Total assets less current liabilities		(4,375)	(4,233)
Net liabilities		<u>(4,375)</u>	<u>(4,233)</u>
Equity			
Called up share capital	12	-	-
Accumulated losses		<u>(4,375)</u>	<u>(4,233)</u>
Total shareholders' deficit		<u>(4,375)</u>	<u>(4,233)</u>

The financial statements on pages 8 to 17 were approved and authorised for issue by the board of directors on 10th sep 2018 and were signed on its behalf. by Christina Ryan

Director



BT (RRS LP) Limited

Statement of changes in equity for the year ended 31 March 2018

	£'000	£'000	£'000
	Called up share capital	Accumulated losses	Total shareholders' deficit
Balance at 1 April 2016	-	(4,083)	(4,083)
Loss for the financial year and total comprehensive expense	-	(150)	(150)
Balance at 31 March 2017	-	(4,233)	(4,233)
Loss for the financial year and total comprehensive expense	-	(142)	(142)
Balance at 31 March 2018	-	(4,375)	(4,375)

BT (RRS LP) Limited

Notes to the financial statements

1. General information

BT (RRS LP) Limited acts as an investment holding company within the BT Group plc group of companies.

The company is a private company, limited by 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

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 conformity 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. There are no areas involving a higher degree of complexity, or areas where assumptions and estimates are significant to the financial statements.

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 its financial statements are consolidated in the financial statements of BT Group plc, the ultimate parent entity.

Exemptions

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard. 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.
- Paragraphs 30 and 31 of IAS 8 accounting policies, changes in accounting estimates and errors.
- The requirements of IFRS 7 Financial Instruments: Disclosures.
- The following paragraphs of IAS 1 'Presentation of Financial Statements':
 - 10(d) (statement of cash flows);
 - 10(f) (third statement of financial position);
 - 16 (statement of compliance with all IFRS);
 - 38A (requirement for minimum of two primary statements including cash flow statements);
 - 38B-D (additional comparative information);
 - 40A-D (third statement of financial position);
 - 111 (cash flow statement information); and
 - 134 to 136 (capital management disclosures).

BT (RRS LP) Limited

Notes to the financial statements (continued)

2. Basis of preparation (continued)

Exemptions (continued)

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.

3. Accounting policies

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 provided by British Telecommunications plc, and therefore believe that preparing the financial statements on the going concern basis is appropriate.

Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

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.

Dividend distribution

Dividend distributions are recognised as a liability in the year in which the dividends are approved by the company's shareholders. Interim dividends are recognised when they are paid; final dividends when authorised in general meetings by shareholders.

BT (RRS LP) Limited

Notes to the financial statements (continued)

3. Accounting policies (continued)

Foreign currencies

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

Transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise.

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.

Trade Debtors

Total debtors are stated in the balance sheet at estimated net realisable value. Net realisable value is the invoiced amount less provision for doubtful debts. Provisions are made specifically where there is objective evidence of a dispute or an inability to pay. An additional provision is made based on an analysis of balances by age, previous losses experienced and general economic conditions.

Trade Creditors

Financial liabilities within creditors are initially recognised at fair value, which is usually the original invoiced amount and subsequently carried at amortised cost using the effective interest method.

BT (RRS LP) Limited

Notes to the financial statements (continued)

3. Accounting policies (continued)

Investments

Investments are carried at cost less provision 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.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those for which the company may not recover substantially all of its initial investment, other than because of credit deterioration, which are classified as available-for-sale. Loans and receivables are initially recognised at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method, with changes in carrying value recognised in the profit and loss account.

4. Auditors' Remuneration

Fees payable to the company's auditor and their associates for the audit of the company's annual accounts were £5,612 (2017: £5,575).

5. Interest payable and similar expenses

	2018 £'000	2017 £'000
Interest payable on loans from group undertakings	<u>201</u>	<u>211</u>

6. 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 either the year ended 31 March 2018 or the year ended 31 March 2017.

7. Tax on loss

	2018 £'000	2017 £'000
Current tax:		
UK corporation tax current year	<u>(67)</u>	<u>(64)</u>

Reconciliation of the total tax charge

The tax in the income statement for the year is different than the standard rate of corporation tax in the UK of 19% (2017: 20%). The differences are reconciled below.

BT (RRS LP) Limited

Notes to the financial statements (continued)

7. Taxation (continued)

	2018 £'000	2017 £'000
Loss before taxation	(209)	(214)
Tax calculated at UK standard rate of corporation tax of 19% (2017: 20%)	(40)	(43)
Effect of:		
Share of partnership's losses	(27)	(21)
Total tax on loss	(67)	(64)

Factors affecting current and future tax charges

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

8. Employee information

The average monthly number of persons employed by the Company during the year was nil (2017: nil).

9. Investments

	Shares in Joint Venture £'000
Cost	
As at 1 April 2017	25,059
Additions	1,420
Cost at 31 March 2018	26,479
Provision for Impairment	
As at 1 April 2017 and 31 March 2018	(16,991)
Net Book Value	
At 31 March 2018	9,488
Net Book Value	
At 31 March 2017	8,068

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

BT (RRS LP) Limited

Notes to the financial statements (continued)

9. Investments (continued)

Company Name	Company Activity	% of Capital Contribution	Country and registered address
Rugby Radio Station LP	Property company	50%	St Helen's 1 Undershaft, London, EC3P 3DQ, United Kingdom

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

10. Debtors

	2018 £'000	2017 £'000
Group relief receivable	67	64

11. Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Amounts owed to group undertakings	13,924	12,360
Accruals	6	5
	13,930	12,365

Included in amounts owed to group undertakings is a loan from British Telecommunications plc of £13,799,000 (2017: £12,238,000) which is repayable within 12 months, the loan attracts interest at LIBOR plus 90 (2017: 90) basis points.

12. Called up share capital

	2018 £'000	2017 £'000
Allotted, called up and fully paid: 1 (2017: 1) ordinary shares of £1 each	-	-

13. Contingent Liabilities

As at 31 March 2018, 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.

BT (RRS LP) Limited

Notes to the financial statements (continued)

14. Controlling entity

The Company is a wholly owned subsidiary of BT Holdings Limited, which is the immediate controlling entity. The ultimate controlling entity is 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 IAS 24 "Related Party Disclosures" from disclosing details of transactions and balances with BT Group plc and fellow group subsidiaries provided such subsidiaries are wholly owned members of the group during the year ended 31 March 2018. 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.