

Registered number: 4312827

Autumnwindow No.2 Limited

**Directors' Report and Financial Statements
for the year ended
31 March 2015**



Autumnwindow No.2 Limited

Directors and advisers

Directors

G.A.R. Paton
N.W. Lecky
P.A. Ratcliffe

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 Autumnwindow No.2 Limited (the "Company") for the year ended 31 March 2015. The registered number of the Company is 4312827.

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

Principal activities and future developments

The Company's principal activity is the holding of investments. 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 ("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.

Results and dividends

The loss on ordinary activities before taxation was £4,793 (2014: £4,708). The tax credit on loss on ordinary activities was £1,007 (2014: £1,083) which left a loss after taxation for the financial year of £3,786 (2014: £3,625).

The directors do not recommend the payment of a dividend in respect of the year ended 31 March 2015 (2014: £nil).

Directors

A list of the current directors is set out on page 1. All the directors held office throughout the year and up to the date of signing of this report.

Directors' report for the year ended 31 March 2015 (Continued)**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 auditor is 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 auditor is aware of that information.

The directors' report on pages 2 to 4 was approved by the Board of directors on 7 October 2015 and was signed on its behalf by **ALBERTO BUFFA**

By order of the Board,



Authorised Signatory
for and on behalf of Newgate Street Secretaries Limited
Company Secretary
7 October 2015

Independent auditors' report to the members of Autumnwindow No.2 Limited

Report on the financial statements

Our opinion

In our opinion, Autumnwindow No.2 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

Independent auditors' report to the members of Autumnwindow No.2 Limited (continued)

- the financial statements are not in agreement with the accounting records and returns.

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 Autumnwindow No.2 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
15 October 2015

Profit and loss account for the year ended 31 March 2015

	Note	2015 £	2014 £
Administrative expenses		(5,411)	(5,480)
Operating loss	1	<u>(5,411)</u>	<u>(5,480)</u>
Interest receivable and similar income	4	<u>618</u>	<u>772</u>
Loss on ordinary activities before taxation		(4,793)	(4,708)
Tax on loss on ordinary activities	5	<u>1,007</u>	<u>1,083</u>
Loss for the financial year	10	<u><u>(3,786)</u></u>	<u><u>(3,625)</u></u>

All results derive from continuing operations.

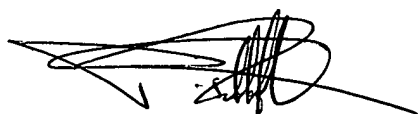
There have been no recognised gains or losses during either 2015 or 2014 other than as disclosed in the profit and loss account and therefore no separate statement of total recognised gains and losses has been presented.

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

Balance sheet as at 31 March 2015

	Notes	2015 £	2014 £
Fixed Asset Investment	6	-	-
Current assets			
Debtors	7	35,163	38,818
Creditors: amounts falling due within one year	8	<u>(5,410)</u>	<u>(5,279)</u>
Net current assets		29,753	33,539
Net Assets		<u>29,753</u>	<u>33,539</u>
Capital and reserves			
Called up share capital	9	220,001	220,001
Profit and loss account	10	<u>(190,248)</u>	<u>(186,462)</u>
Total shareholders' funds	11	<u>29,753</u>	<u>33,539</u>

The financial statements on pages 8 to 15 were approved and authorised for issue by the Board of directors on 7 October 2015 and were signed on its behalf by



Peter Ratcliffe
Director

Accounting policies**Basis of accounting**

The 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 Autumnwindow No.2 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 period. Actual results could differ from those estimates. Estimates are used principally when accounting for investment impairment and taxes.

Interest Income

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

Taxation

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

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.

Cash flow statement and related parties 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 "Cash Flow Statement" 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.

Accounting standards, interpretations and amendments not yet effective

Following the publication of FRS 100 'Application of Financial Reporting Requirements' by the Financial Reporting Council, Autumnwindow No.2 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	2014
	£	£
Auditors' remuneration for statutory audit	<u>5,410</u>	<u>5,279</u>

2 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 for the year ended 31 March 2015 (2014: £nil).

3 Employee information

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

4 Interest receivable and similar income

	2015	2014
	£	£
Interest receivable from group undertaking	<u>618</u>	<u>772</u>

5 Tax on loss on ordinary activities

	2015	2014
	£	£
Current tax:		
UK corporation tax at 21% (2014: 23%) - Amount owed by BT plc for losses surrendered	<u>(1,007)</u>	<u>(1,083)</u>
Total current tax credit	<u>(1,007)</u>	<u>(1,083)</u>

The tax assessed for the year is equal to (2014: equal) the standard rate of corporation tax in the UK of 21% (2014: 23%), as explained below:

Notes to the financial statements (continued)

5 Tax on loss on ordinary activities (continued)

	2015 £	2014 £
Loss on ordinary activities before taxation	<u>(4,793)</u>	<u>(4,708)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax at 21% (2014: 23%)	<u>(1,007)</u>	<u>(1,083)</u>
Current tax credit	<u>(1,007)</u>	<u>(1,083)</u>

The Company surrenders all corporation tax losses to its immediate holding company British Telecommunications plc.

6 Fixed asset Investments

	Subsidiary Undertakings Shares £
Cost (As on 1 April 2014 and 31 March 2015)	176,400
Provision (As on 1 April 2014 and 31 March 2015)	(176,400)
Net Book value (As on 31 March 2014 and 31 March 2015)	<u>-</u>

Brief details of the associated undertakings is as follows:

Company name	Company Activity	Percentage of allocated ordinary share capital owned	Number and class of Shares	Country
BT Newgate LLC.	Communications related services, systems integration and products provider	47.727%	1764 Common Shares	United Kingdom

7 Debtors

	2015 £	2014 £
Amounts falling due within one year:		
Amount due from Holding Company	1	1
Group relief receivable	1,007	1,083
Amounts owed by group undertakings	<u>34,155</u>	<u>37,734</u>
	<u>35,163</u>	<u>38,818</u>

Included in amounts owed by group undertakings is an unsecured interest bearing (12 Month GBP LIBOR plus 42.5 basis points) loan facility of £33,778 (2014: £37,307) to British Telecommunications plc. The loan is receivable within twelve months.

Notes to the financial statements (continued)

8 Creditors: amounts falling due within one year

	2015 £	2014 £
Accruals	<u>5,410</u>	<u>5,279</u>

9 Called up share capital

	2015 £	2014 £
Allotted, called up and fully paid: 220,001 (2014: 220,001) ordinary shares of £1 each	<u>220,001</u>	<u>220,001</u>

10 Reserves

	Profit and loss account £
Balance at 1 April 2014	(186,462)
Loss for the financial year	<u>(3,786)</u>
Balance at 31 March 2015	<u>(190,248)</u>

11 Reconciliation of movements in shareholders' funds

	2015 £	2014 £
Loss for the financial year	<u>(3,786)</u>	<u>(3,625)</u>
Net reduction to shareholders' funds	(3,786)	(3,625)
Opening shareholders' funds	<u>33,539</u>	<u>37,164</u>
Closing shareholders' funds	<u><u>29,753</u></u>	<u><u>33,539</u></u>

12 Contingent liabilities

As 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.

13 Controlling entity

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.

Notes to the financial statements (continued)**13 Controlling entity (continued)**

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.