

BT Moorgate One Limited
Directors' Report and Financial Statements
For the year ended
31 March 2017

Registered number: 8098650



Directors' report for the year ended 31 March 2017

The directors present their annual report on the affairs of BT Moorgate One Limited (the "Company"), together with the financial statements and auditors' report for the year ended 31 March 2017. The registered number of the Company is 8098650.

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 the purchase and sale of patents. The directors do not anticipate any change in the foreseeable future.

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 the group level rather than at an individual business unit level. They are discussed on pages 44-54 of the group's 2017 financial statements, 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 rate cash flow risk

The company has both interest-bearing assets and interest-bearing liabilities. Interest-bearing assets include only government securities and cash balances, all of which earn interest at fixed rate. The company has a policy of maintaining debt at fixed rate to ensure certainty of future interest cash flows. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

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.

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

The loss before taxation was £7,487 (2016: £11,475). The tax on loss was £1,497 (2016: £2,295) which left a loss for the financial year of £5,990 (2016: £9,180).

Dividends

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

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 B Ryan

Louise Blackwell (appointed on 16 May 2016)

Michael Mohun (appointed on 01 June 2017)

Alberto Buffa (resigned on 9 December 2016)

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 thirdparty 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 Moorgate One 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.

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. The Accounting Policies section on page 11 provides further details.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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:

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

Statement of directors' responsibilities (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 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.

Disclosure of information to the auditors

So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware; and each of the directors has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

PricewaterhouseCoopers LLP has indicated its willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as independent 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 21 August 2017 and was signed

By order of the Board



Authorised signatory
for and on behalf of Newgate Street Secretaries Limited
Company Secretary
21 August 2017

Independent auditors' report to the members of BT Moorgate One Limited

Report on the financial statements

Our opinion

In our opinion, BT Moorgate One 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 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.

What we have audited

The financial statements, included within the Directors' 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.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Directors' Report for the financial period 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.

**Independent auditors' report to the members of BT Moorgate One Limited
(continued)**

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.

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 2-3, 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.

**Independent auditors' report to the members of BT Moorgate One Limited
(continued)****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. With respect to the Directors' Report, we consider whether those reports includes the disclosures required by applicable legal requirements.



Sharron Moran (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
21 August 2017

Profit and loss account for the year ended 31 March 2017

	Note	2017 £	2016 £
Operating expenses		(7,125)	(11,196)
Operating loss	3	<u>(7,125)</u>	<u>(11,196)</u>
Interest payable and similar expenses	6	(362)	(279)
Loss before taxation		<u>(7,487)</u>	<u>(11,475)</u>
Tax on loss	7	1,497	2,295
Loss for the financial year		<u><u>(5,990)</u></u>	<u><u>(9,180)</u></u>


All results derive from continuing operations.

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

Balance sheet as at 31 March 2017

	Note	2017 £	2016 £
Current assets			
Debtors			
- Amounts falling due within one year	9	1,498	2,296
Creditors			
- Amounts falling due within one year	10	<u>(32,668)</u>	<u>(27,476)</u>
Net current liabilities		<u>(31,170)</u>	<u>(25,180)</u>
Net liabilities		<u>(31,170)</u>	<u>(25,180)</u>
Equity			
Called up share capital	11	311,901	311,901
Accumulated losses		<u>(343,071)</u>	<u>(337,081)</u>
Total shareholders' deficit		<u>(31,170)</u>	<u>(25,180)</u>

The financial statements on pages 7 to 15 were approved by the board of directors on 21 August 2017 and signed on its behalf by:


Director – Michael Mohun

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

	Called up share capital £	Accumulated losses £	Total shareholders' deficit £
Balance as at 1 April 2015	311,901	(327,901)	(16,000)
Loss and total comprehensive expense for the financial year	-	(9,180)	(9,180)
Balance as at 31 March 2016	311,901	(337,081)	(25,180)
Loss and total comprehensive expense for the financial year	-	(5,990)	(5,990)
Balance as at 31 March 2017	311,901	(343,071)	(31,170)

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

BT Moorgate One Limited's principal activity is the purchase and sale of patents.

The company is a private company 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**Preparation of the financial statements**

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

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 paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payments.
- The requirements of IFRS 7 Financial Instruments: Disclosures.
- 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 requirements of paragraphs 6 and 21 of IFRS 1 'First-time Adoption of International Financial Reporting Standards' to present an opening statement of financial position at the date of transition.
- 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';
 - (ii) paragraph 73(e) of IAS 16 'Property, Plant and Equipment'.
 - (iii) paragraph 118(e) of IAS 38 'Intangible Assets'.
- The following paragraphs of IAS 1 'Presentation of Financial Statements':

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

- 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).

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 and are effective for accounting periods ending on or after 1 April 2017 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

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

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 funding requirements for at least the next year, and therefore believe that preparing the financial statements on the going concern basis is appropriate.

**Notes to the financial statements for the year ended 31 March 2017
(continued)****2. Basis of preparation and 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.

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.

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.

3. Operating loss

Operating loss is stated after charging:

	2017	2016
	£	£
Auditors' remuneration for statutory audit	<u>7,285</u>	<u>11,196</u>

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

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 plc as a whole. No emoluments were paid to the directors in respect of their services to the Company for the year ended 31 March 2017 (2016: £nil).

5. Employee information

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

6. Interest payable and similar expenses

	2017 £	2016 £
Interest payable on loans from group undertakings	<u>362</u>	<u>279</u>

7. Tax on loss

	2017 £	2016 £
Current tax:		
UK corporation tax at 20% (2016: 20%)	<u>1,497</u>	<u>2,295</u>
Total current tax credit	<u>1,497</u>	<u>2,295</u>

The tax assessed for the year is equal to (2016: equal to) the standard rate of corporation tax in the UK of 20% (2016: 20%), as shown below:

	2017 £	2016 £
Loss before taxation	<u>(7,487)</u>	<u>(11,475)</u>
Loss before taxation multiplied by standard rate of Corporation tax 20% (2016: 20%)	<u>(1,497)</u>	<u>(2,295)</u>
Total tax credit	<u>(1,497)</u>	<u>(2,295)</u>

Factors affecting 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.

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

8. Fixed asset Investments

	Subsidiary Undertakings Shares £
Cost (as at 1 April 2016 and 31 March 2017)	311,900
Impairment provision (as at 1 April 2016 and 31 March 2017)	<u>(311,900)</u>
Net book value (as at 1 April and 31 March 2016)	<u><u>-</u></u>

The company's related undertakings are as follows:

Company Name	Company Activity	Group Interest in allotted capital	Number and Class of shares	Registered Address
BT Moorgate LLC	Trading Company	47.71%	3119 Ordinary Shares	c/o Corporation Service Company 2711 Centerville Road Suite 400 Wilmington DE 19808 United States

9. Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Amounts owed by group undertakings	1	1
Group relief receivable	1,497	2,295
	<u>1,498</u>	<u>2,296</u>

10. Creditors: amounts falling due within one year

	2017 £	2016 £
Amounts owed to group undertakings	25,383	16,280
Accruals	7,285	11,196
	<u>32,668</u>	<u>27,476</u>

Amounts owed to group undertakings include a loan from British Telecommunications plc of £25,146 (2016:£ 16,082). The loan is interest-bearing (LIBOR plus 90 basis points) and is repayable on demand.

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

11. Called up share capital

	2017 £	2016 £
Allotted, called up and fully paid:		
311,900 (2016: 311,900) ordinary shares of £1 each	311,900	311,900
Allotted, called up and unpaid		
1 (2016: 1) ordinary share of £1	1	1
	<u>311,901</u>	<u>311,901</u>

12 Contingent liabilities

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

13 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 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.