112988/20

Registered number: 78620

COMPANY NUMBER:
FC023049 /
BR005953

British Telecommunications Finance Limited

Annual Report
for the year ended
31 March 2013

SATURDAY
A35675QP
A03 05/04/2014 #187
COMPANIES HOUSE

British Telecommunications Finance Limited

Director

CB Ryan

Secretary

Newgate Street Secretaries Limited

Registered Office

26 New Street
St Helier
Jersey
JE4 8PP

Report of the directors for the year ended 31 March 2013

The director submits the annual report and the unaudited financial statements of British Telecommunications Finance Limited for the year ended 31 March 2013

Review of activities and future developments

The Company's principal activity is to act as an investment holding company within the BT Group plc ("BT") group of companies either directly or through wholly owned companies

The directors are currently considering the future of the company The financial statements have been prepared on a going concern basis In the opinion of the Directors, there would be no material differences between the balance sheet as presented, and the balance sheet if the accounts were prepared on a break-up basis

Results and dividends

The profit before taxation was £nil (2012 - £nil) The charge for taxation was £nil (2012 - £nil) which left a profit after taxation for the year of £nil (2012 – £nil)

The directors do not recommend any dividend in respect of the year ended 31 March 2013 (2012 nil)

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 23-27 of the group's 2013 annual report which does not form part of this report

Key performance indicators ("KPIs")

The directors of BT Group plc manage the group's operations on a 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

Report of the directors for the year ended 31 March 2013

Director

The sole director named on page 1 held office throughout the financial year and up to the date of signing this report

Statement of directors' responsibilities

A statement by the directors of their responsibilities for preparing the financial statements is included on page 4

By order of the Board,

CB Ryan
17th December 2013

Report of the directors for the year ended 31 March 2013

Statement of directors' responsibilities for preparing the financial statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable laws and regulations

Companies (Jersey) Law 1991 requires the directors to prepare financial statements for each financial year Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Principles (United Kingdom Accounting Standards and applicable law) The financial statements are required by law to 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business, in which case there should be supporting assumptions or qualifications as necessary

The directors confirm that they have complied with the above requirements in preparing the financial statements

The directors are responsible for keeping proper accounting records that 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 (Jersey) Law 1991 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

Profit and loss account for the year ended 31 March 2013

	Notes	2013 £'000	2012 £'000
Administrative expenses		-	-
Profit (loss) on ordinary activities before taxation		-	-
Tax on profit on ordinary activities	3	-	-
Profit (loss) on ordinary activities after taxation		-	-
Profit/(loss) for the financial year	9	-	-

The result on ordinary activities before taxation derives entirely from continuing activities

Other than the result for the financial year, there have been no other recognised gains or losses

There were no material differences between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis

Balance sheet as at 31 March 2013

	Notes	2013 £'000	2012 £'000
Current assets			
Debtors	4	1,496,707	1,496,707
Total current assets		1,496,707	1 496 707
Creditors: amounts falling due within one year	5	(332 111)	(332,111)
Current assets less current liabilities		1,164,596	1,164,596
Creditors: amounts falling due after more than one year	6	(750,750)	(750,750)
Net assets		413 846	413,846
Capital and reserves			
Called up share capital	7	6,750	6,750
Share premium account	7	292 500	292,500
Profit and loss account	8	114 596	114,596
Total shareholders' funds	9	413 846	413,846

The financial statements on pages 7 to 12 were approved by the board of directors on 17th December 2013 and were signed on its behalf by

C B Ryan
Director

Notes to the financial statements

Accounting Policies

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

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 provisions for liabilities and charges and taxes

Financial instruments

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 that the Company intends to sell immediately or in the short term, which are classified as held for trading,
- 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 in the line which most appropriately reflects the nature of the item or transaction

The Company has not adopted FRS 26 and therefore the disclosure requirements of FRS 29 are not applicable

Taxation

The charge for taxation is based on the profit for the period 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

Notes to the financial statements

Accounting Policies (Continued)

Taxation (continued)

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date Deferred tax is measured on an undiscounted basis

Cash flow statement

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 Financial Reporting Standard Number 1 (Revised 1996) from publishing a cash flow statement

Notes to the financial statements

1 Directors' emoluments

The director is 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 director in respect of her services to the Company in the year ended 31 March 2013 (2012· £nil)

2 Employee information

The average monthly number of persons employed by the Company during the year was nil (2012 nil)

3 Tax on profit on ordinary activities

Jersey taxation

With effect from 1 January 2009, Jersey abolished the exempt company regime for existing companies At the same time, the standard rate of income tax for companies moves from 20% to 0% Therefore, some entities previously exempt from tax under the provision will now be taxed at 0%

UK taxation

The company is centrally and effectively managed and controlled within the UK and is therefore UK tax resident

The Company is liable to UK corporation tax at 24% (2012 26%) on its taxable profits The tax charge for the current year is £nil (2012 £nil)

	2013 £'000	2012 £'000
Profit on ordinary activities before taxation	-	-
Profit on ordinary activities multiplied by standard rate of corporation tax at 24% (2012 26%)	-	-
Effect of transfer pricing adjustment	6,181	8,224
Group relief claimed for nil consideration	(6,181)	(8,224)
Current tax charge	-	-

Notes to the financial statements

4 Debtors

	2013 £'000	2012 £'000
Amounts owed by group undertakings	1,496,707	1,496,707

Amounts owed by group undertakings comprise an interest free loan to Tudor Minstrel The loan, which is unsecured and payable on demand, was issued as part of a borrowing programme with the overall facility being £1,500 million

5 Creditors: amounts falling due within one year

	2013 £'000	2012 £'000
Preference dividend payable	14,724	14,724
Amounts owed to group undertakings	317,387	314,978
Corporation taxes	-	2,409
Total creditors falling due within one year	332,111	332,111

Amounts owed to group undertakings comprise an unsecured interest free balance due to British Telecommunications plc

6 Creditors: amounts falling due after more than one year

	2013 £'000	2012 £'000
Preference share capital	750	750
Preference share premium	750,000	750,000
Total creditors falling due after more than one year	750,750	750,750

Preference share capital	**2013 £'000**	**2012 £'000**
Allotted, called up and fully paid:		
750,000 preference shares of £1 each	750	750
	750	750

Notes to the financial statements

The preference shares are redeemable at par at the option of the issuer. Every preference share carries one voting right provided that on a poll of votes the aggregate votes of the holders of preference shares present in person shall equal 10% of the total votes of holders of all the shares in issue in the share capital of the Company

In the event of winding up, preference shares rank higher than ordinary shares and are entitled to receive the nominal value and premium paid up plus any unpaid dividends prior to the winding up and any surplus assets available following distribution of the nominal value and premium paid up to ordinary shareholders rateably distributed between the preference shareholders and ordinary shareholders on the basis of the aggregate amounts of nominal value and premium paid up by both classes of shareholders prior to the winding up

7 Called up share capital

	2013 £'000	2012 £'000
Issued, called up and fully paid.		
6,750,000 ordinary shares of £1 each	6,750	6,750

8 Reserves

	Share premium account £'000	Profit and loss account £'000
Balance at 1 April 2012	292,500	114,596
Retained profit/(loss) for the financial year	-	-
Balance at 31 March 2013	292,500	114,596

9 Reconciliation of movements in shareholders' funds

	2013 £'000	2012 £'000
Profit / (loss) for the financial year	-	-
Net increase (reduction) in shareholders funds	-	-
Opening equity shareholders' funds	413,846	413,846
Closing equity shareholders' funds	413 846	413,846

Notes to the financial statements

10 Contingent liabilities

As at 31 March 2013 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

11 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 2013 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 Financial Reporting Standard Number 8 from disclosing details of transactions and balances with BT Group plc, fellow group subsidiaries and associated undertakings, and those deemed under control during the year ended 31 March 2013 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