

**Registered number: 04054291**

**BT Facilities Services Limited**

**Strategic Report, Directors Report  
and Financial Statements  
for the year ended  
31 March 2014**

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# **BT Facilities Services Limited**

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## **Directors and advisers**

### **Directors**

ML Steele  
PR Turland  
H Savage-Martin  
S Hall

### **Company Secretary**

Newgate Street Secretaries Limited

### **Registered Office**

81 Newgate Street  
London  
United Kingdom  
EC1A 7AJ

### **Independent Auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
1 Embankment Place  
London  
WC2N 6RH

**Strategic report for the year ended 31 March 2014**

The directors present their strategic report for BT Facilities Services Limited for the year ended 31 March 2014.

**Review of business**

On 31 August 2012 Monteray Limited was purchased by British Telecommunications plc from the former shareholders Carillion Services Limited, Balfour Beatty Workplace Limited and Reliance Facilities Management Limited. Following the acquisition the registered name of the company was changed to BT Facilities Services Limited.

During the year BT Facilities Services Limited took on additional services as part of a programme to consolidate management of BT Group plc facilities management services. These are all funded by BT Group plc.

The Company operates under the same contract that was in place prior to the acquisition.

The Company's turnover was £110,476,000 for the year (15 month period ended 31 March 2013: £118,575,000).

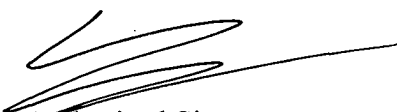
**Principal risks and uncertainties**

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 page 50-55 of the group's 2014 annual report which does not form part of this report.

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.

Other than trade receivables and payables, the Company does not hold any financial instruments. The Company has not entered into any hedging arrangements or derivative financial instruments.

By order of the Board,



Authorised Signatory  
for and on behalf of Newgate Street Secretaries Limited

**Company Secretary**  
10 December 2014

**Directors' report for the year ended 31 March 2014**

The directors submit their report and the audited financial statements of BT Facilities Services Limited (the "Company") for the year ended 31 March 2014. The registered number of the Company is 04054291.

**Principal activities and future developments**

The Company's principal activity is the provision of facilities management services to the UK estate of BT Group plc. The directors do not anticipate any change in the foreseeable future.

**Employees**

The Company is committed to involving employees in the business through a policy of communication and consultation. Arrangements have been established for the regular provision of information to all employees through briefings, staff conferences and well-established formal consultation procedures.

The Company is committed to its equal opportunities policies, which includes promoting training and career development for all employees. Full and fair consideration for all vacancies and opportunities will be given to men and women, people with disabilities and those from ethnic minorities, regardless of marital status, age, religion or sexual orientation. If members of staff become disabled the group continues employment wherever possible and arranges retraining. The policy is supported by a Code of Practice on harassment which recognises that all employees have the right to be treated with dignity and respect.

More details of these policies are set out in the Group's Annual Report and Financial Statements for the year ended 31 March 2014.

**Results and dividends**

The profit on ordinary activities before taxation was £10,246,000 (2013: £11,048,000). The tax on profit on ordinary activities was £2,466,000 (2013: £2,044,000) which left a profit after taxation for the year of £7,780,000 (2013: £9,004,000).

Dividends paid for the year ended 31 March 2014 amounted to £nil (2013: £12,172,000). The directors do not propose to pay a final dividend.

**Payment of creditors**

The Company's standard policy for payment of creditors is 65 days after the end of the month of issue date on invoice unless otherwise negotiated. The number of days credit outstanding at 31 March 2014 was 81 days (2013: 66 days).

**Directors' report for the year ended 31 March 2014 (continued)****Directors**

A list of the current directors is set out on page 1. S Hall was appointed as a director on 11 November 2013. The remaining directors held office throughout the year and up to the date of signing of this report.

**Statement of Directors' Responsibilities**

The directors are responsible for preparing the Strategic Report, 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 2014 (continued)**

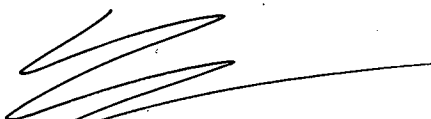
**Disclosure of information to the auditors**

As far as each of the directors is aware, there is no relevant audit 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 auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

The directors' report on pages 3 to 5 were approved by the Board of directors on 10 December 2014 and were signed on its behalf by

By order of the Board,



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

10 December 2014

## **Independent auditors' report to the members of BT Facilities Services Limited**

### **Report on the financial statements**

#### **Our opinion**

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its profit 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.

This opinion is to be read in the context of what we say in the remainder of this report.

#### **What we have audited**

The financial statements, which are prepared by BT Facilities Services Limited, comprise:

- balance sheet as at 31 March 2014;
- profit and loss account for the year then ended;
- accounting policies; and
- notes to the financial statements and other explanatory information.

The financial reporting framework that has been applied in their preparation 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.

#### **What an audit of financial statements involves**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("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.

**Independent auditors' report to the members of BT Facilities Services Limited (continued)**

In addition, we read all the financial and non-financial information in the Strategic Report, 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.

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

In our opinion the information given in the Strategic Report and 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.

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.

**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 4, 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.



**Independent auditors' report to the members of BT Facilities Services Limited**

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.



Paul Barkus (Senior Statutory Auditor)

**For and on behalf of PricewaterhouseCoopers LLP**

Chartered Accountants and Statutory Auditors

London

10 December 2014

**Profit and loss account**

		<b>Year ended 31 March 2014 £'000</b>	<b>15 month period ended 31 March 2013 £'000</b>
	<b>Note</b>		
<b>Turnover</b>	1	110,476	118,575
Cost of sales		<u>(96,761)</u>	<u>(100,379)</u>
Gross profit		13,715	18,196
Administrative expenses		<u>(3,565)</u>	<u>(7,136)</u>
<b>Operating profit</b>	2	10,150	11,060
<b>Profit on ordinary activities before interest and taxation</b>		10,150	11,060
Interest receivable and similar income		96	14
Interest payable and similar charges		-	(26)
Net interest receivable/(payable)	3	<u>96</u>	<u>(12)</u>
<b>Profit on ordinary activities before taxation</b>		10,246	11,048
Tax on profit on ordinary activities	6	<u>(2,466)</u>	<u>(2,044)</u>
<b>Profit for the financial year/period</b>	14,15	<u><u>7,780</u></u>	<u><u>9,004</u></u>

All results derive from continuing operations.

There have been no recognised gains or losses during 2014 or 2013 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 2014

	Note	31 March 2014 £'000	31 March 2013 £'000
<b>Fixed assets</b>			
Tangible assets	8	132	221
<b>Current assets</b>			
Stocks	9	824	825
Debtors	10	46,190	23,603
Cash at bank and in hand		20	1,033
		<u>47,034</u>	<u>25,461</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(35,665)</u>	<u>(22,038)</u>
<b>Net current assets</b>		<u>11,369</u>	<u>3,423</u>
<b>Total assets less current liabilities</b>		<u>11,501</u>	<u>3,644</u>
<b>Capital and reserves</b>			
Called up share capital	13	-	-
Profit and loss account	14	<u>11,501</u>	<u>3,644</u>
<b>Total shareholders' funds</b>	15	<u>11,501</u>	<u>3,644</u>

The financial statements on pages 9 to 21 were approved and authorised for issue by the Board of directors on 10 December 2014 and were signed on its behalf by



Director

P. TURLAND

**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 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 depreciation, stock and taxes.

**Turnover**

Turnover, which excludes value-added tax and other sales taxes, comprises the value of services provided. Turnover is recognised over the year the service is provided.

Where income has been earned, but not invoiced, an estimate of the earned value is recorded in the profit and loss statement in the appropriate income category, and included in the balance sheet as amounts owed by group undertakings.

**Dividend distribution**

Interim and final dividends are recognised when they are paid.

**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.

**Share based payments**

The ultimate parent undertaking, BT Group plc, has a number of employee share schemes and share option plans, as detailed in note 21 in the BT Group plc consolidated financial statements, under which it makes equity settled share based payments to certain employees of the Company. Equity settled share based payments are measured at fair value at the date of grant after taking into account the Company's best estimate of the number of awards expected to vest. For share based payments to employees of the Company, the fair value determined at the date of grant is expensed on a straight line basis together with a corresponding increase in equity over the vesting year.

**Accounting policies (continued)**

At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the profit and loss account, with a corresponding adjustment to reserves.

Fair value is measured using either the Binomial or Monte Carlo model, whichever is the most appropriate to the award.

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at historical cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided on tangible fixed assets on a straight line basis from the time they are available for use, so as to write off their costs over their estimated useful lives taking into account any expected residual values.

The lives assigned to significant tangible assets are:

	<b>Years</b>
Plant and machinery	3 – 10 years

**Leased assets**

Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term.

**Stocks**

Stocks mainly comprise of consumable items. They are stated at the lower of cost, including appropriate overheads, and estimated net realisable value, after provisions for obsolescence.

**Defined contribution pension scheme**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge disclosed in note 5 represents contributions payable by the company to the fund. Defined contribution payments not made at 31 March 2014 were £148,000 (2013: £78,000). These were paid in April 2014 (2013: April 2013).

**Accounting policies (continued)****Taxation**

The charge for taxation is based on the profit 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.

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 years 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 FRS 1 "Cash Flow Statements" from publishing a cash flow statement.

**Trade debtors**

Trade debtors are stated in the balance sheet at estimated net realisable value. Net realisable value is the invoiced amount less provision for doubtful receivables.

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.

## Notes to the financial statements

**1 Turnover**

Turnover represents the net amount receivable, excluding value added tax, for services provided to all customers and is recognised on completion of the services delivered or part thereof relating to the financial year/period covered. Turnover solely relates to the provision of support services in the UK.

**2 Operating profit**

Operating profit is stated after charging:

	Year ended 31 March 2014 £'000	15 month period ended 31 March 2013 £'000
Wages and salaries	36,121	38,283
Social Security costs	3,385	3,310
Share based payments	77	2
Other pension costs	910	609
Staff costs	40,493	42,204
Depreciation of tangible fixed assets:		
Owned assets	89	570
Impairment charge fixed assets	-	1,730
Operating lease charges:		
Vehicles	1,316	1,608
Other	1,388	2,347
Vehicle rental not under operating leases	1,687	1,744
Changes in stocks of finished goods and work in progress	-	307
Auditors' remuneration		
Statutory audit of the Company's annual financial statements	25	32

**3 Net interest receivable/(payable)**

	Year ended 31 March 2014 £'000	15 month period ended 31 March 2013 £'000
Interest payable on loans from group undertakings	-	(26)
Total interest payable and similar charges	-	(26)
Interest receivable from group undertakings	96	14
Other interest receivable	-	-
Total interest receivable and similar income	96	14
Net interest receivable/(payable)	96	(12)

## Notes to the financial statements (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 as a whole. No emoluments were paid to the directors in respect of their services to the Company in the year ended 31 March 2014 (period ended 31 March 2013: £nil).

**5 Employee information**

The average monthly number of persons employed by the Company during the year/period was as follows:

	Year ended 31 March 2014	15 month period ended 31 March 2013
Administrative	80	73
Operational	1,500	1,370
	<u>1,580</u>	<u>1,443</u>

Employment costs of all employees included above:

	Year ended 31 March 2014 £'000	15 month period ended 31 March 2013 £'000
Wages and salaries	36,121	38,283
Social security costs	3,385	3,310
Share based payments	77	2
Other pension costs	910	609
	<u>40,493</u>	<u>42,204</u>



## Notes to the financial statements (continued)

## 6 Tax on profit on ordinary activities

	Year ended 31 March 2014 £'000	15 month period ended 31 March 2013 £'000
<b>Current tax:</b>		
UK corporation tax at 23% (2013 – 24.4%)	2,360	3,149
Adjustments in respect of prior years	-	(650)
<b>Total current tax</b>	<u>2,360</u>	<u>2,499</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	14	(427)
Adjustments in respect of prior years	32	(34)
Change in tax rate – impact on deferred tax liabilities	60	6
<b>Total deferred tax (note 11)</b>	<u>106</u>	<u>(455)</u>
<b>Tax on profit on ordinary activities</b>	<u>2,466</u>	<u>2,044</u>

The tax assessed for the year is higher (2013: lower) than the standard rate of corporation tax in the UK. The differences are explained below:

	Year ended 31 March 2014 £'000	15 month period ended 31 March 2013 £'000
<b>Profit on ordinary activities before taxation</b>	<u>10,246</u>	<u>11,048</u>
Profit on ordinary activities multiplied by standard rate of corporation tax at 23% (2013 – 24.4%)	2,356	2,696
Effects of:		
Expenses not deductible for tax purposes	2	-
Capital allowances in excess of depreciation	(65)	410
Other timing differences	49	43
Adjustments in respect of prior years	-	(650)
Share based payments	18	-
<b>Current tax charge</b>	<u>2,360</u>	<u>2,499</u>

In the 2013 Budget, the UK Government announced a 2% reduction in the main rate of UK corporation tax from 23% to 21% to apply from 1 April 2014 and a further 1% reduction from 21% to 20% to apply from 1 April 2015. These rate reductions were enacted on 17 July 2013 and deferred tax has been calculated at the final rate of 20%.

## Notes to the financial statements (continued)

## 7 Dividends

	Year ended 31 March 2014 £'000	15 month period ended 31 March 2013 £'000
<b>Equity – ordinary</b>		
Interim dividends of £nil per share (2013: £60,860 per share)	-	12,172
Final dividend of £nil per share (2013: £ nil per share)	-	-
<b>Total dividends</b>	<u>-</u>	<u>12,172</u>

## 8 Tangible fixed assets

	Plant and Machinery £'000	Total £'000
<b>Cost</b>		
At 1 April 2013	3,650	3,650
Transfers	-	-
Additions	-	-
<b>At 31 March 2014</b>	<u>3,650</u>	<u>3,650</u>
<b>Accumulated depreciation</b>		
At 1 April 2013	(3,429)	(3,429)
Charged in the year	(89)	(89)
<b>At 31 March 2014</b>	<u>(3,518)</u>	<u>(3,518)</u>
<b>Net book value as at 31 March 2014</b>	<u>132</u>	<u>132</u>
Net book value as at 31 March 2013	<u>221</u>	<u>221</u>

## 9 Stocks

	31 March 2014 £'000	31 March 2013 £'000
Raw materials and consumables	<u>824</u>	<u>825</u>
	<u>824</u>	<u>825</u>

## Notes to the financial statements (continued)

## 10 Debtors

	31 March 2014 £'000	31 March 2013 £'000
Trade debtors	53	2
Amounts owed by group undertakings	43,075	20,954
Other debtors	2,660	1,918
Prepayments and accrued income	15	236
Deferred tax asset (see note 11)	387	493
	<u>46,190</u>	<u>23,603</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

Included in amounts owed by group undertakings is a loan of £17,696,000 (2013: £Nil) to British Telecommunications plc. The loan is interest bearing (closing twelve month GBP LIBOR rate plus 85 basis points), unsecured and repayable on demand.

## 11 Deferred tax asset

	31 March 2014 Deferred taxation £'000	31 March 2013 Deferred taxation £'000
Balance at 1 April 2013	493	38
Charge to the profit and loss account	(14)	427
Effect of reduction in statutory tax rate on opening asset	(60)	(6)
Adjustments in respect of prior years	(32)	34
<b>Balance at 31 March 2014</b>	<u>387</u>	<u>493</u>

**BT Facilities Services Limited**  
**Notes to the financial statements (continued)**

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**11 Deferred tax asset (continued)**

Under Financial Reporting Standard Number 19, deferred taxation is provided for in full on certain timing differences. The Company does not discount the provision. The deferred tax asset was mainly the result of the tax effect of timing differences as follows:

	31 March 2014 £'000	31 March 2013 £'000
Excess of capital allowances	337	452
Short-term timing differences	<u>50</u>	<u>41</u>
Total asset for deferred taxation	<u>387</u>	<u>493</u>

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

	31 March 2014 £'000	31 March 2013 £'000
Trade creditors	16,446	11,203
Amounts owed to group undertakings	1,522	716
Corporation taxes	2,106	1,215
Other taxation and social security	1,073	836
Other creditors	159	218
Accruals and deferred income	<u>14,359</u>	<u>7,850</u>
	<u>35,665</u>	<u>22,038</u>

Included in amounts owed to group undertakings is a loan of £Nil (2013: £713,000) to British Telecommunications plc. The loan is interest bearing (closing twelve month GBP LIBOR rate plus 145 basis points), unsecured and repayable on demand.

**Notes to the financial statements (continued)**

**13 Called up share capital**

	<b>31 March 2014 £</b>	<b>31 March 2013 £</b>
Allotted, called up and fully paid: 200 (2013 - 200) ordinary shares of £1 each	<u>200</u>	<u>200</u>

**14 Profit and loss account**

	<b>£'000</b>
Balance at 1 April 2013	3,644
Retained profit for the financial year	7,780
Share based payments	<u>77</u>
Balance at 31 March 2014	<u><u>11,501</u></u>

**15 Reconciliation of movements in shareholders' funds**

	<b>31 March 2014 £'000</b>	<b>31 March 2013 £'000</b>
Profit for the financial year/period	7,780	9,004
Dividends	<u>-</u>	<u>(12,172)</u>
Retained profit for the financial year/period	7,780	(3,168)
Share based payments	<u>77</u>	<u>2</u>
Net increase/(reduction) to shareholders' funds	7,857	(3,166)
Opening shareholders' funds	<u>3,644</u>	<u>6,810</u>
Closing shareholders' funds	<u><u>11,501</u></u>	<u><u>3,644</u></u>

**Notes to the financial statements (continued)****16 Capital and financial commitments**

Operating lease payments payable within one year of the balance sheet date were in respect of non-cancellable leases expiring:

	<b>31 March 2014</b>	<b>31 March 2013</b>
	<b>Vehicles and IT Software and Hardware £'000</b>	<b>Vehicles and IT Software and Hardware £'000</b>
Within one year	526	136
Between one and five years	1,050	2,417
	<hr/>	<hr/>
	<b>1,576</b>	<b>2,553</b>

**17 Contingent liabilities**

As at 31 March 2014 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

**18 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 2014 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 control during the year ended 31 March 2014. 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 Assistant Secretary, British Telecommunications plc, 81 Newgate Street, London EC1A 7AJ.