

Registered Number 04334320

Brightview Internet Services Limited

**Annual Report
for the year ended
31 March 2012**

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Brightview Internet Services Limited
Annual Report and financial statements
for the year ended 31 March 2012
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Brightview Internet Services Limited

Directors and advisors

Directors

MJ Davies
JA Ford
AR Wilson

Company Secretary

Newgate Street Secretaries Limited
81 Newgate Street
London
EC1A 7AJ

Registered Office

81 Newgate Street
London
EC1A 7AJ

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 East Parade
Sheffield
S1 2ET

Brightview Internet Services Limited

Directors' report for the year ended 31 March 2012

The directors submit their annual report and the audited financial statements of Brightview Internet Services Limited (the "Company") for the year ended 31 March 2012. The registered number of the Company is 04334320.

Review of activities and future developments

The company's principal activity during the year was the provision of internet access services in the UK.

There have been no significant changes in the company's principal activities in the period under review.

An agreement with Plusnet plc (a 100% subsidiary of British Telecommunications plc) is in force such that Plusnet plc undertakes the operation, management, customer service, order fulfilment, billing, marketing and other activities of Brightview Internet Services Limited. However, Brightview Internet Services Limited remains the contracting party with customers and as a result the revenue earned from contracts is accounted for within Brightview Internet Services Limited.

Review of business

The company uses the following financial key performance indicators to assess its performance.

	2012	2011
Turnover	£7,332	<u>£8,519k</u>
Gross profit	-	-
Operating loss	(£3k)	(£3k)
Loss for the financial year	(£54k)	<u>(£51k)</u>

No significant events have since the balance sheet date.

Principal risks and uncertainties

As explained above, the net impact of the arrangement with Plusnet plc is such that a charge will be borne by Brightview Internet Services Limited equivalent to the revenue earned from customer contracts. Therefore, the directors consider that all risks and uncertainties are borne by Plusnet plc.

Brightview Internet Services Limited

Directors' report for the year ended 31 March 2012 (continued)

Results and dividends

The profit and loss account for the year is set out on page 7. The directors do not recommend payment of a dividend (2011: £nil).

Directors

The directors who held office during the year are given below:

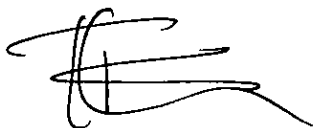
MJ Davies
JA Ford
AR Wilson

Independent Auditors and disclosure of information to the auditors

So far as each of the directors is aware, there is no relevant information that has not been disclosed to the Company's auditors and each of the directors believes that all steps have been taken that ought to have been taken to make them aware of any relevant audit information and to establish that the Company's auditors have been made aware of that information.

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

By order of the Board



13 September 2012

Brightview Internet Services Limited

Statement of directors' responsibilities for preparing the financial statements

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.

By order of the Board



13 September 2012

Brightview Internet Services Limited

Independent auditors' report to the members of Brightview Internet Services Limited

We have audited the financial statements of Brightview Internet Services Limited for the year ended 31 March 2012 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. 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).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement 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 International Standards on Auditing (UK and 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.

Scope of the audit of the financial statements

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. In addition, we read all the financial and non-financial information in the Director's report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 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.

Brightview Internet Services Limited

Independent auditors' report to the members of Brightview Internet Services Limited

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- 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, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



David Therkettle (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Sheffield

13 September 2012

Brightview Internet Services Limited

Profit and loss account for the year ended 31 March 2012

	Notes	2012 £'000	2011 £'000
Turnover	1	7,332	8,519
Cost of sales		<u>(7,332)</u>	<u>(8,519)</u>
Gross profit		-	-
Administrative expenses		<u>(3)</u>	<u>(3)</u>
Operating loss	4	(3)	(3)
Interest payable and similar charges	5	<u>(56)</u>	<u>(50)</u>
Loss on ordinary activities before taxation		(59)	(53)
Tax on loss on ordinary activities	6	<u>5</u>	<u>2</u>
Loss for the financial year	11	<u>(54)</u>	<u>(51)</u>

All items dealt with in arriving at operating loss above relate to continuing operations

There is no difference between the loss on ordinary activities before taxation and the loss for the financial year stated above and their historical cost equivalents

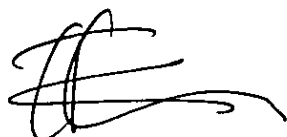
The company has no recognised gains and losses other than the losses/profits above and therefore no separate statement of total recognised gains and losses has been presented

Brightview Internet Services Limited

Balance sheet as at 31 March 2012

	Notes	2012 £'000	2011 £'000
Current assets			
Debtors due within one year	7	<u>6,237</u>	<u>6,259</u>
		<u>6,237</u>	<u>6,259</u>
Creditors: amounts falling due within one year	8	<u>6,840</u>	<u>6,808</u>
Net current liabilities		<u>(603)</u>	<u>(549)</u>
Total assets less current liabilities		<u>(603)</u>	<u>(549)</u>
Net liabilities		<u>(603)</u>	<u>(549)</u>
Capital and reserves			
Called up share capital	10	-	-
Profit and loss account	11	<u>(603)</u>	<u>(549)</u>
Total shareholders' deficit	12	<u>(603)</u>	<u>(549)</u>

The financial statements on pages 7 to 14 were approved by the board of directors and were signed on its behalf by



J Ford
Director

Registered No. 04334320

Brightview Internet Services Limited

Notes to the financial statements

Statement of Accounting policies

Basis of preparation - going concern

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.

At 31 March 2012 the company had net current liabilities of £603,000 (2011 £549,000)

The directors believe that it is appropriate to prepare the financial statements on a going concern basis as the company's intermediate parent undertaking British Telecommunications plc has committed to continue to support Brightview Internet Services Limited and provide adequate funding to enable the company to meet its obligations as they fall due for at least twelve months from the date the financial statements are signed

The principal accounting policies, which have been applied consistently throughout the year, are set out below

Turnover

Service subscription income is recognised over the period to which it relates. Call revenue is recognised upon usage by customers. Turnover excludes value added tax. All turnover has arisen from activities within the UK.

Deferred income

Deferred income represents that portion of subscription fees paid by customers but relating to a future period.

Deferred taxation

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.

Brightview Internet Services Limited

Notes to the financial statements (continued)

Accounting policies (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 periods in which the timing difference 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

Related Party Transactions

In accordance with the exemption allowed by FRS 8 “Related Party Transactions”, transactions with entities that are part of British Telecommunications plc are not disclosed

Exemption from the obligation to prepare group financial statements and a cash flow statement

The company is a wholly-owned subsidiary of BT Group plc and the results and cash flows of the company are included in the consolidated financial statements of that company. Accordingly, the company has chosen to take the exemption from preparing group financial statements and a cash flow statement

Brightview Internet Services Limited

Notes to the financial statements (continued)

1 Turnover

The company's turnover and operating loss relate entirely to its principal activity and arise in the United Kingdom

The company had a single class of business during all periods reported on, and consequently does not present a segmental analysis

The net assets of the company at the end of each period were all held in the United Kingdom

2 Employee information

As explained in the Directors Report all services (including employee costs) are provided by Plusnet plc, a related party

3 Directors' emoluments

The directors received no emoluments for their services to the company in the year ended 31 March 2012 (2011 £nil).

4 Operating loss

Operating loss is stated after charging

	2012 £'000	2011 £'000
Audit fees payable to the auditor for the statutory audit of the company's financial statements	<u>3</u>	<u>3</u>

Fees paid to PricewaterhouseCoopers LLP for non-audit services in the UK were £nil (2011 £nil).

5 Interest payable and similar charges

	2012 £'000	2011 £'000
Interest payable to group companies	<u>(56)</u>	<u>(50)</u>

Brightview Internet Services Limited

Notes to the financial statements (continued)

6 Tax on loss on ordinary activities

	2012 £'000	2011 £'000
Current tax:		
UK corporation tax at 26 % (2011 28%)	(50)	(62)
Adjustments in respect of prior years	-	-
Total current tax	<u>(50)</u>	<u>(62)</u>
Deferred tax:		
Origination and reversal of timing differences	32	43
Effect of reduction in statutory tax rate on opening asset	13	17
Total deferred tax (note 9)	<u>45</u>	<u>60</u>
Tax on loss on ordinary activities	<u>(5)</u>	<u>(2)</u>
	2012 £'000	2011 £'000
Loss on ordinary activities before taxation	<u>(59)</u>	<u>(53)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax at 26% (2011 28%)	(16)	(15)
Accelerated capital allowances and other timing differences	(34)	(47)
Adjustments in respect of prior years	-	-
Current tax credit	<u>(50)</u>	<u>(62)</u>

Factors affecting current and future tax charges

During the year, as a result of the change in the UK main corporation tax rate from 28% to 26% that was substantially enacted on 20 July 2010 and that will be effective from 1 April 2012, the relevant deferred tax balances have been re-measured

Further reductions in the UK corporation tax rate were announced in the June 2010 Budget. The changes, which are expected to be enacted separately each year, propose to reduce the rate by 1% per annum to 24% by 1 April 2014. The change has not been substantially enacted at the balance sheet date, and therefore, are not recognised in these financial statements

Brightview Internet Services Limited

Notes to the financial statements (continued)

7 Debtors

	2012 £'000	2011 £'000
Amounts falling due within one year		
Amounts due from group undertakings	6,058	6,023
Corporation tax debtor	50	62
Deferred tax (note 9)	129	174
	<u>6,237</u>	<u>6,259</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

8 Creditors: amounts falling due within one year

	2012 £'000	2011 £'000
Amounts owed to group undertakings	6,571	6,542
Accruals	5	-
Deferred income	264	266
	<u>6,840</u>	<u>6,808</u>

Within amounts owed to group undertakings £1,505,000 is an unsecured loan repayable on demand. Interest is payable on the loan at LIBOR plus 0.50%. All other amounts due to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

9 Deferred taxation

	2012 £'000	2011 £'000
Deferred taxation asset in the financial statements comprises:		
Difference between accumulated depreciation and capital allowances	129	174
Deferred tax asset (note 7)	<u>129</u>	<u>174</u>
	2012 £'000	2011 £'000
Opening deferred tax asset capital allowances	174	234
Deferred tax credit in profit and loss account (note 6)	(45)	(60)
Closing deferred tax asset	<u>129</u>	<u>174</u>

Brightview Internet Services Limited

Notes to the financial statements (continued)

10 Called up share capital

	No of shares	2012 £
Allotted, called up and fully paid Ordinary shares of £1 each		
As at 1 April 2011 and at 31 March 2012	<u>1</u>	<u>1</u>

11 Profit and loss account

	Profit and loss account £'000
Balance at 1 April 2011	(549)
Loss for the financial year	<u>(54)</u>
Balance at 31 March 2012	<u><u>(603)</u></u>

12 Reconciliation of movements in shareholders' deficit

	2012 £'000	2011 £'000
Loss attributed to shareholders	<u>(54)</u>	<u>(51)</u>
Net change in shareholders' deficit	<u>(54)</u>	<u>(51)</u>
Opening shareholders' deficit	<u>(549)</u>	<u>(498)</u>
Closing shareholders' deficit	<u><u>(603)</u></u>	<u><u>(549)</u></u>

13 Ultimate parent undertaking and ultimate party

The immediate parent undertaking is Brightview Group Limited

The ultimate parent undertaking and controlling party is BT Group plc, a UK listed company
Copies of BT Group plc consolidated financial statements can be obtained from the Company Secretary at 81 Newgate Street, London, EC1A 7AJ