

Registered Number 04334320

Brightview Internet Services Limited
Annual Report and accounts
for the year ended 31 March 2009

TUESDAY



ARWQKG7U

A23

29/12/2009

130

COMPANIES HOUSE

Brightview Internet Services Limited
Annual Report and accounts
for the year ended 31 March 2009
Contents

Directors and advisers	1
Directors' report.....	2
Statement of directors' responsibilities	4
Independent auditors' report.....	5
Profit and loss account.....	7
Balance sheet	8
Statement of accounting policies	9
Notes to the financial statements.....	11

Brightview Internet Services Limited

Directors and advisers for the year ended 31 March 2009

Directors

C Sadlier
S Booth
HA Vollmer

Secretary

Newgate Street Secretaries Limited
81 Newgate Street
London
EC1A 7AJ

Registered Office

81 Newgate Street
London
EC1A 7AJ

Auditors

PricewaterhouseCoopers LLP
1 East Parade
Sheffield
S1 2ET

Bankers

Barclays Bank plc
Level 28
1 Churchill Place
London
E14 5HP

Brightview Internet Services Limited

Directors' report for the year ended 31 March 2009

The directors present their report and the audited financial statements of the company for the year ended 31 March 2009.

Principal activities

The company's principal activity during the period 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 would undertake 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.

This agreement came into place during 31 March 2008 and since then a phased transition to supporting these customers through this subcontracted service has been undertaken.

The directors are not aware, at the date of this report, of any likely major changes in activities in the next year.

Review of business and future developments

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

	12 months ended 31 March 2009	9 months ended 31 March 2008
Broadband customer numbers as at period end date	31,045	30,240
Turnover	£10,153k	£7,212k
Gross profit	£433k	£2,351k
Earnings before exceptional items, interest, tax, depreciation and amortisation	£208k	(£164k)
Cash at bank and in hand	(£1,556k)	£671k

No significant events have arisen after 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 equal 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 (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 final dividend (2008: £nil).

Directors

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

C Sadlier	(appointed 7 May 2008)	
S Booth	(appointed 7 May 2008)	
HA Vollmer	(appointed 26 November 2008)	
N Laycock	(appointed 7 May 2008)	(resigned 31 December 2008)
R Cameron	(appointed 31 July 2007)	(resigned 9 April 2008)
E Scleparis	(appointed 31 July 2007)	(resigned 8 August 2008)
D Morris	(appointed 31 July 2007)	(resigned 7 May 2008)
D Stewart	(appointed 31 July 2007)	(resigned 7 May 2008)

C Sadlier, S Booth and HA Vollmer will retire in accordance with the company's Articles of Association and, being eligible, offer themselves for re-election.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the Board



Director

20 December 2009

Brightview Internet Services Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (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
- 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 Act 1985. 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.

So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. Relevant information is defined as information needed by the company's auditors in connection with preparing their report. Each director has taken all the steps (such as making enquiries of other directors and the auditors and any other steps required by the director's duty to exercise due care, skill and diligence) that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the Board



Director
22 December 2009

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 2009 which comprise the profit and loss account, the balance sheet, the statement of accounting policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report and all of the other information listed on the contents page. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

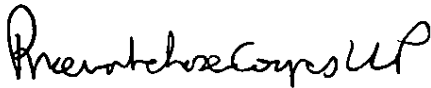
Brightview Internet Services Limited

Independent auditors' report (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Sheffield

12 December 2009

Brightview Internet Services Limited

Profit and loss account for the year ended 31 March 2009

	Note	12 months ended 31 March 2009 £'000	9 months ended 31 March 2008 £'000
Turnover	1	10,153	7,212
Cost of sales		(9,720)	(4,861)
Gross profit		433	2,351
Administrative expenses – before exceptional items and FRS 20 Share Based Payments		(225)	(1,837)
Operating Exceptional items	2	(60)	(728)
		(285)	(2,565)
Operating profit/(loss)	5	148	(214)
Interest payable and similar charges		(93)	-
Interest receivable and similar income		46	29
Profit/(loss) on ordinary activities before taxation		101	(185)
Tax on profit/(loss) on ordinary activities	6	(290)	201
(Loss)/profit for the financial year	11	(189)	16

All items dealt with in arriving at operating profit/(loss) above relate to continuing operations.

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

The company has no recognised gains and losses other than the losses 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 2009

	Note	31 March 2009 £'000	31 March 2008 £'000
Current assets			
Debtors due within one year	7	6,313	7,110
Cash at bank and in hand		-	671
		6,313	7,781
Creditors: amounts falling due within one year	8	(6,868)	(8,147)
Net current liabilities		(555)	(366)
Total assets less current liabilities		(555)	(366)
Net liabilities		(555)	(366)
Capital and reserves			
Called up share capital	10	-	-
Profit and loss account	11	(555)	(366)
Total shareholders' deficit	12	(555)	(366)

The financial statements on pages 7 to 17 were approved by the board of directors on 21 December 2009 and were signed on its behalf by:



Director

Brightview Internet Services Limited

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 1985 and applicable Accounting Standards in the United Kingdom.

At 31 March 2009 the company had net current liabilities of £555,000 (2008: £366,000). The directors believe that it is appropriate to prepare the financial statements on a going concern basis as the company's immediate 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:

Pensions

The company contributes to a defined contribution group personal pension scheme on behalf of employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

Turnover

Service subscription income is recognised over the period to which it relates. Call revenue is recognised on the accruals basis. 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.

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 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.

Brightview Internet Services Limited

Statement of accounting policies (continued)

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 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 a cash flow statement.

Brightview Internet Services Limited

Notes to the financial statements for the year ended 31 March 2009

1 Segmental reporting

The company's turnover and operating profit/(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 liabilities of the company at the end of each period were all attributable to the United Kingdom.

The profit/(loss) before tax of the company during each period was attributable to activities wholly carried out in the United Kingdom.

2 Operating Exceptional items

	12 months ended 31 March 2009	9 months ended 31 March 2008
	£'000	£'000
Impairment of fixed assets	-	330
Redundancy costs	60	398
	60	728

3 Employee costs

	12 months ended 31 March 2009	9 months ended 31 March 2008
	£'000	£'000
Wages and salaries	115	1,019
Redundancy costs	60	398
Social security costs	26	107
Other pensions costs	4	20
	205	1,544

Brightview Internet Services Limited

Notes to the financial statements (continued)

The average monthly number of persons (including executive directors) employed by the company during the year was:

	12 months ended 31 March 2009	9 months ended 31 March 2008
	3	25

4 Directors' emoluments

The directors received no emoluments for their services to the company in the year ended 31 March 2009 (2008: £nil).

5 Operating profit/(loss)

	12 months ended 31 March 2009 £'000	9 months ended 31 March 2008 £'000
Operating profit/(loss) is stated after charging:		
Depreciation of tangible fixed assets		
- owned assets	-	50
- impairment	-	330
Operating leases – land and buildings	24	53
Audit fees payable to the auditor for the statutory audit of the company's financial statements	11	12

Fees paid to PricewaterhouseCoopers LLP for non-audit services in the UK were £nil (2008: £nil).

Brightview Internet Services Limited

Notes to the financial statements (continued)

6 Tax on profit/(loss) on ordinary activities

	12 months ended 31 March 2009 £'000	9 months ended 31 March 2008 £'000
Current Tax		
UK corporation tax at 28% (2008: 30%)	(45)	(210)
Adjustment in respect of prior years	262	(3)
Total current tax	217	(213)
Deferred tax		
Origination and reversal of timing differences	73	-
Prior year adjustment for under provision	-	12
Total deferred tax	73	12
Tax on profit/(loss) on ordinary activities	290	(201)

	12 months ended 31 March 2009 £'000	9 months ended 31 March 2008 £'000
Profit/(loss) on ordinary activities before taxation	101	(185)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008: 30%)	28	(56)
Expenses not deductible for tax purposes	-	124
Accelerated capital allowances and other timing differences	(73)	(90)
Adjustment in respect of prior years	262	(3)
Prior year adjustments allowable for tax in the current period	-	(188)
Current tax charge/(credit) for period	217	(213)

Brightview Internet Services Limited

Notes to the financial statements (continued)

7 Debtors

	31 March 2009 £'000	31 March 2008 £'000
Amounts falling due within one year		
Trade debtors	-	72
Amounts due from group undertakings	6,021	5,931
Prepayments and accrued income	-	532
Corporation tax	-	210
Deferred tax (note 9)	292	365
	6,313	7,110

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

	31 March 2009 £'000	31 March 2008 £'000
Amounts due to group undertakings	4,942	52
Trade creditors	-	260
Corporation tax	7	-
Other taxation & social security	-	605
Accruals	-	6,928
Deferred income	363	302
Bank overdraft	1,556	-
	6,868	8,147

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

The bank overdraft is unsecured and is repayable on demand. Interest is payable on the bank overdraft at LIBOR plus 0.50%.

Brightview Internet Services Limited

Notes to the financial statements (continued)

9 Deferred taxation

	31 March 2009 £'000	31 March 2008 £'000
Deferred taxation asset in the accounts comprises:		
Difference between accumulated depreciation and capital allowances	292	365
Deferred tax asset (note 7)	292	365

	31 March 2009 £'000	31 March 2008 £'000
Opening deferred tax asset	365	377
Deferred tax charge in profit and loss account (note 6)	(73)	(12)
Closing deferred tax asset	292	365

10 Called up share capital

	31 March 2009 £'000	31 March 2008 £'000
Authorised		
1,000 ordinary shares of £1 each	1	1

	Number of Shares
Allotted, called up and fully paid Ordinary shares of £1 each	
At 1 April 2008 and at 31 March 2009	1

Brightview Internet Services Limited

Notes to the financial statements (continued)

11 Reserves

	Profit and loss account
	£'000
At 1 April 2008	(366)
Loss for the financial year	(189)
At 31 March 2009	(555)

12 Reconciliation of movements in shareholders' deficit

	31 March 2009	31 March 2008
	£'000	£'000
(Loss)/profit attributable to shareholders	(189)	16
Net Change in shareholders funds	(189)	16
Opening shareholders' deficit	(366)	(382)
Closing shareholders' deficit	(555)	(366)

13 Financial commitments

At 31 March 2009 the company had annual commitments under non-cancellable operating leases expiring as follows:

	Land and buildings	
	12 months ended 31 March 2009	9 months ended 31 March 2008
	£'000	£'000
Within one year	-	28

Brightview Internet Services Limited

Notes to the financial statements (continued)

14 Pension commitments

The company operates a defined contribution group personal pension scheme. The pension cost charge for the period represents contributions payable by the company to fund the scheme and amounted to £4,145 (2008: £20,430). The amount of outstanding contributions at the year end amounted to £nil (2008: £2,254).

15 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