

Registered Number 04334320

**Brightview Internet Services Limited**

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

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# **Brightview Internet Services Limited**

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

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# **Brightview Internet Services Limited**

## **Directors and advisors**

### **Directors**

MJ Davies  
A J Baker

### **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  
St Paul's Place  
121 Norfolk Street  
Sheffield  
S1 2LE

# **Brightview Internet Services Limited**

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

The directors present their strategic report for Brightview Internet Services Limited (the “Company”) for the year ended 31 March 2014

### **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 year 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

	<b>2014</b>	<b>2013</b>
Turnover	<b>£6,277k</b>	£6,783k
Gross profit	-	-
Operating loss	<b>£3k</b>	£3k
Loss for the financial year	<b>£39k</b>	£41k

No significant events have occurred 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 2014**

The directors submit their annual report and the audited financial statements of Brightview Internet Services Limited (the "Company") for the year ended 31 March 2014. The registered number of the Company is 04334320.

### **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 (2013: £nil).

### **Directors**

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

MJ Davies

JA Ford (resigned 16 January 2014)

A J Baker (appointed 16 January 2014)

AR Wilson (resigned 16 September 2014)

### **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**



Andrew Baker

28 November 2014

# **Brightview Internet Services Limited**

## **Statement of directors' responsibilities for preparing the financial statements**

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.

**By order of the Board**



Andrew Baker  
28 November 2014

# **Brightview Internet Services Limited**

## **Independent auditors' report to the members of Brightview Internet 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 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

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 Brightview Internet Services Limited, comprise:

- the Balance sheet as at 31 March 2014;
- the Profit and loss account 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 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

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,

## **Brightview Internet Services Limited**

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.

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.



Joanna Allen (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Sheffield

28 November 2014



# Brightview Internet Services Limited

## Profit and loss account for the year ended 31 March 2014

	Notes	2014 £'000	2013 £'000
<b>Turnover</b>	2	<b>6,277</b>	6,783
Cost of sales		<u>(6,277)</u>	<u>(6,783)</u>
<b>Gross profit</b>		-	-
Administrative expenses		<u>(6)</u>	<u>(3)</u>
<b>Operating loss</b>	5	<b>(6)</b>	(3)
Interest payable and similar charges	6	<u>(40)</u>	<u>(45)</u>
<b>Loss on ordinary activities before taxation</b>		<b>(46)</b>	(48)
Tax on loss on ordinary activities	7	<u>7</u>	<u>7</u>
<b>Loss for the financial year</b>	12	<b><u>(39)</u></b>	<b><u>(41)</u></b>

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

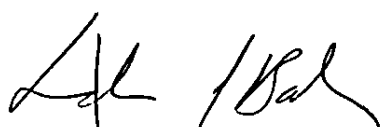
The company has no recognised gains and losses other than the losses above and therefore no separate statement of total recognised gains and losses has been presented

# Brightview Internet Services Limited

## Balance sheet as at 31 March 2014

	Notes	2014 £'000	2013 £'000
<b>Current assets</b>			
Debtors	8	<u>6,403</u>	<u>6,410</u>
		<u>6,410</u>	<u>6,410</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>7,086</u>	<u>7,054</u>
<b>Net current liabilities</b>		<u>(683)</u>	<u>(644)</u>
<b>Total assets less current liabilities</b>		<u>(683)</u>	<u>(644)</u>
<b>Net liabilities</b>		<u>(683)</u>	<u>(644)</u>
<b>Capital and reserves</b>			
Called up share capital	11	-	-
Profit and loss account	12	<u>(683)</u>	<u>(644)</u>
<b>Total shareholders' deficit</b>	13	<u>(683)</u>	<u>(644)</u>

The financial statements on pages 7 to 15 were approved by the board of directors on 28 November 2014 and were signed on its behalf by



**Andrew Baker**  
Director

# **Brightview Internet Services Limited**

**Registered No. 04334320**

## **Notes to the financial statements for the year ended 31 March 2014**

### **1 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 2014 the company had net current liabilities of £683,000 (2013 £644,000)

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 year 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 year.

#### **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 for the year ended 31 March 2014 (continued)**

### **1 Statement of 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 and client related entities 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 for the year ended 31 March 2014 (continued)

### 2 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

### 3 Employee information

As explained in the Directors Report all services (including employee costs) are provided by Plusnet plc, a related party. The company has no direct employees

### 4 Directors' emoluments

The directors received no emoluments for their services to the company in the year ended 31 March 2014 (2013: £nil)

### 5 Operating loss

Operating loss is stated after charging

	2014 £'000	2013 £'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 (2013: £nil).

### 6 Interest payable and similar charges

	2014 £'000	2013 £'000
Interest payable to group companies	<u>40</u>	<u>45</u>

# Brightview Internet Services Limited

## Notes to the financial statements for the year ended 31 March 2014 (continued)

### 7 Tax on loss on ordinary activities

	2014 £'000	2013 £'000
<b>Current tax:</b>		
UK corporation tax at 23 % (2013 24%)	(29)	(35)
Adjustments in respect of prior years	-	-
Total current tax	<u>(29)</u>	<u>(35)</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	18	23
Effect of reduction in statutory tax rate on opening asset	4	5
Total deferred tax (note 10)	<u>22</u>	<u>28</u>
Tax on loss on ordinary activities	<u>(7)</u>	<u>(7)</u>
	2014 £'000	2013 £'000
Loss on ordinary activities before taxation	<u>(46)</u>	<u>(48)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax at 23% (2013 24%)	(11)	(12)
Accelerated capital allowances and other timing differences	(18)	(23)
Adjustments in respect of prior years	-	-
Current tax credit	<u>(29)</u>	<u>(35)</u>

### Factors affecting current and future tax charges

Legislation to reduce the main rate of corporation tax was announced in the 2012 Autumn Statement and the March 2013 Budget Statement to reduce the rate to 21% from 1 April 2014 and 20% from 1 April 2015. These changes had been substantively enacted on 2 July 2013 and, therefore, are recognised in these financial statements. The deferred tax balance as at 31 March 2014 has been re-measured accordingly.

# Brightview Internet Services Limited

## Notes to the financial statements for the year ended 31 March 2014 (continued)

### 8 Debtors

	2014 £'000	2013 £'000
<b>Amounts falling due within one year</b>		
Amounts owed by group undertakings	6,295	6,274
Corporation tax debtor	29	35
Deferred tax (note 10)	79	101
	<u>6,403</u>	<u>6,410</u>

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

### 9 Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Amounts owed to group undertakings	6,640	6,604
Accruals	5	5
Deferred income	441	445
	<u>7,086</u>	<u>7,054</u>

Within amounts owed to group undertakings £1,583,110 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.

# Brightview Internet Services Limited

## Notes to the financial statements for the year ended 31 March 2014 (continued)

### 10 Deferred taxation

	2014 £'000	2013 £'000
<b>Deferred taxation asset in the financial statements comprises:</b>		
Difference between accumulated depreciation and capital allowances	<u>79</u>	<u>101</u>
Deferred tax asset (note 8)	<u>79</u>	<u>101</u>
	2014 £'000	2013 £'000
Opening deferred tax asset capital allowances	101	129
Deferred tax credit in profit and loss account (note 6)	<u>(22)</u>	<u>(28)</u>
Closing deferred tax asset	<u>79</u>	<u>101</u>

### 11 Called up share capital

	No of Shares	2014 £
<b>Allotted, called up and fully paid Ordinary shares of £1 each</b>		
As at 1 April 2013 and at 31 March 2014	<u>1</u>	<u>1</u>

### 12 Profit and loss account

	Profit and loss account £'000
Balance at 1 April 2013	(644)
Loss for the financial year	<u>(39)</u>
<b>Balance at 31 March 2014</b>	<u><u>(683)</u></u>



# Brightview Internet Services Limited

## Notes to the financial statements for the year ended 31 March 2014 (continued)

### 13 Reconciliation of movements in shareholders' deficit

	2014 £'000	2013 £'000
Loss for the financial year	(39)	(41)
<b>Net change in shareholders' deficit</b>	<b>(39)</b>	<b>(41)</b>
Opening shareholders' deficit	(644)	(603)
<b>Closing shareholders' deficit</b>	<b>(683)</b>	<b>(644)</b>

### 14 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.

### 15 Commitments and contingent liabilities

The company has no capital commitments or contingent liabilities at 31 March 2014 (2013 nil).