BT Group

Results for the full year to 31 March 2024

BT Group plc
16 May 2024

Allison Kirkby, Chief Executive, commenting on the results, said

"BT Group built and connected customers to our next generation networks at record speed and efficiency over the past year, while continuing to grow revenue and EBITDA. Having passed peak capex on our full fibre broadband rollout and achieved our £3 billion cost and service transformation programme a year ahead of schedule, we've now reached the inflection point on our long-term strategy.

"This delivery and greater capex efficiency gives us the confidence to provide new guidance for significantly increased short term cash flow and sets out a path to more than double our normalised free cash flow over the next five years. This enhanced cash flow allows us to increase our dividend for FY24 by 3.9% to 8.0 pence per share. We're also setting a further £3bn of gross annualised cost savings to be reached by the end of FY29.

"As we move into the next phase of BT Group's transformation, we are sharpening our focus to be better for our customers and the country, by accelerating the modernisation of our operations, and by exploring options to optimise our global business. This will create a simpler BT Group, fully focused on connecting the UK, and well positioned to generate significant growth for all our stakeholders."

Continued strong delivery against our strategy

- **FTTP build rate** accelerated to 1.0m premises passed in the quarter, a record 78k per week. **FTTP footprint** now over 14m premises with a further 6m where initial build is underway; on track to reach 25m by December 2026. Department for Science, Innovation and Technology has notified Openreach of its preferred bidder status for Project Gigabit cross-regional supplier contract (Type C)[1]
- **Strong Openreach customer demand for FTTP** with net adds of 397k in Q4; total premises connected now over 4.8m with increased take-up rate of 34%
- **Openreach broadband ARPU** in FY24 grew year-on-year by 10% to £15.1 due to price rises and increased volumes and mix of FTTP; Openreach broadband line losses of 491k, a 2% decline in the broadband base, as weaker than expected growth in the broadband market in FY24 did not offset competitor losses which were at comparable levels to FY23; we expect that the broadband market will recover over the medium term but if it remains weak over the next 12 months then we can expect Openreach's broadband base to be impacted by moderately higher competitor losses
- **Consumer broadband ARPU** in FY24 increased 5% year-on-year to £41.2; **Consumer postpaid mobile ARPU** increased 9% year-on-year to £19.4; **monthly churn** for the year remained stable in a competitive market with broadband and postpaid mobile both at 1.1%
- **Business financial performance** continues to be impacted by higher input costs, legacy declines, a one off revenue adjustment and prior year one-offs, partly offset by cost transformation and growth in Small & Medium Business (SMB) and Security
- **Retail FTTP base** grew year-on-year by 40% to 2.6m of which Consumer 2.4m and Business 0.2m; **5G base** 11.1m, up 29% year-on-year
- **Cost transformation** target of £3bn gross annualised cost savings since May 2020 achieved 12 months early, at a cost to achieve of £1.5bn, £0.1bn lower than target. Announced further £3bn gross annualised cost savings by end FY29 at a cost to achieve of £1.0bn
- **BT Group NPS** of 24.0, up 1.0pts year-on-year, further improving customer experience
- Looking forward, BT Group will focus on the UK; we will explore all options to optimise our global business

FY24 Normalised free cash flow[2] (NFCF) ahead of guidance; dividend raised; growth in NFCF to £1.5bn in FY25, £2.0bn in FY27 and £3bn by the end of the decade

- **Reported revenue** £20.8bn, up 1%; **adjusted[2] revenue** £20.8bn, up 2% on a pro forma[3] basis due to price increases and fibre-enabled product sales in Openreach, increased service revenue in Consumer with annual contractual price rises being aided by higher roaming and increased FTTP connections, partly offset by legacy product declines and a one-off revenue adjustment in Business
- **Adjusted[1] EBITDA** £8.1bn, up 2%; and up 1% on a pro forma[3] basis with revenue flow through and cost control more than offsetting cost inflation and one-off items; Openreach and Consumer delivered strong EBITDA growth, partially offset by EBITDA decline in Business due to increased input costs and legacy high-margin managed contract declines
- We have recognised a **non-cash impairment of goodwill** allocated to Business of £488m as a specific item, reflecting a decline in profitability in recent years
- **Reported profit before tax** £1.2bn, down 31% primarily due to impairment of goodwill, increased depreciation, amortisation and pension interest expense, partially offset by adjusted[2] EBITDA growth

[1] Subject to contract signing
[2] See Glossary on page 11.
[3] See 'Prior period comparatives' section on page 3 for background on pro forma comparatives.

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- **Capital expenditure ('capex')** £4.9bn, down 3% primarily driven by lower networks spend despite higher FTTP build in the year due to reduced unit costs and efficiencies; cash capex of £5.0bn also down 6%
- **Net cash inflow from operating activities** £6.0bn; **normalised free cash flow[1]** £1.3bn, down 4% due to working capital timing and a prior year tax refund, partly offset by EBITDA growth and lower capital expenditure
- **Net debt** £19.5bn (FY23: £18.9bn), increased mainly due to our scheduled pension scheme contributions of £0.8bn
- **Gross IAS 19 pension deficit** of £4.8bn, up from £3.1bn at 31 March 2023 mainly due to the increase in real interest rates and narrowing of credit spreads over the period, partly offset by our scheduled contributions
- **Final dividend** of 5.69 pence per share (pps), bringing the full year dividend to 8.00pps, up 3.9%
- **FY25 Outlook**: Adjusted[1] revenue growth of 0-1% and EBITDA of around £8.2bn; capital expenditure excluding spectrum less than £4.8bn; normalised free cash flow of around £1.5bn
- **Mid-term guidance:** Consistent and predictable adjusted[1] revenue growth and EBITDA growth ahead of revenue, enhanced by cost transformation from FY26 to FY30; capital expenditure excluding spectrum less than £4.8bn until FY26, reducing by c. £1bn post peak FTTP build; normalised free cash flow of c. £2.0bn in FY27 and c. £3.0bn by the end of the decade

Full year to 31 March	2024	2023	Change
Reported measures	**£m**	£m	%
Revenue	**20,797**	20,681	1
Profit before tax	**1,186**	1,729	(31)
Profit after tax	**855**	1,905	(55)
Basic earnings per share	**8.7p**	19.4p	(55)
Net cash inflow from operating activities	**5,953**	6,724	(11)
Full year dividend	**8.00p**	7.70p	4
Capital expenditure	**4,880**	5,056	(3)
Adjusted measures			
Adjusted[1] Revenue	**20,835**	20,669	1
Adjusted[1] EBITDA	**8,100**	7,928	2
Pro forma[2] Revenue	**20,835**	20,431	2
Pro forma[2] EBITDA	**8,100**	7,999	1
Adjusted[1] basic earnings per share	**18.5p**	22.0p	(16)
Normalised free cash flow[1]	**1,280**	1,328	(4)
Net debt[1]	**19,479**	18,859	£620m

Customer-facing unit updates

	Adjusted[1] revenue			Adjusted[1] EBITDA			Normalised free cash flow[1]		
Full year to 31 March	**2024**	2023 Pro forma[2] re-presented[2]	Change	**2024**	2023 Pro forma[2] re-presented[2]	Change	**2024**	2023 Pro forma[2] re-presented[2]	Change
	£m	£m	%	**£m**	£m	%	**£m**	£m	%
Consumer	**9,833**	9,499	4	**2,672**	2,540	5	**1,023**	1,086	(6)
Business	**8,128**	8,258	(2)	**1,630**	1,945	(16)	**431**	648	(33)
Openreach	**6,077**	5,675	7	**3,827**	3,510	9	**590**	219	169
Other	**16**	27	(41)	**(29)**	4	n/m	**(764)**	(625)	(22)
Intra-group items	**(3,219)**	(3,028)	(6)	**—**	—	—	**—**	—	
Total	**20,835**	20,431	2	**8,100**	7,999	1	**1,280**	1,328	(4)

Fourth quarter to 31 March	**2024**	2023 Pro forma[2] re-presented[2]	Change	**2024**	2023 Pro forma[2] re-presented[2]	Change
	£m	£m	%	**£m**	£m	%
Consumer	**2,370**	2,306	3	**664**	610	9
Business	**2,001**	2,115	(5)	**421**	555	(24)
Openreach	**1,503**	1,420	6	**924**	904	2
Other	**4**	3	33	**(31)**	(21)	(48)
Intra-group items	**(801)**	(755)	(6)	**—**	—	—
Total	**5,077**	5,089	—	**1,978**	2,048	(3)

1 See Glossary on page 11.
2 See 'Prior period comparatives' section below for more information on pro forma and re-presented measures.
n/m: comparison not meaningful

Performance against FY24 outlook

	FY24 outlook	FY24 performance
Change in adjusted[1] revenue	**Growth on a Sports JV pro forma[1] basis**	**Up 2%**
Adjusted[1] EBITDA	**Growth on a Sports JV pro forma[1] basis**	**Up 1%**
Capital expenditure[1]	**c.£5.0bn**	**£4.9bn**
Normalised free cash flow[1]	**Toward the top end of £1.0bn-£1.2bn**	**£1.3bn**

Prior period comparatives

Throughout this release, comparative financial information for year to 31 March 2023 ('FY23') has been re-presented to reflect the merger of our Global and Enterprise business units to form Business; and the change in the methodology used to allocate shared Network, Digital and support function costs across our units, which improves the relevance of our financial reporting by better allocating internal costs to the drivers behind those costs. These adjustments are made pursuant to IFRS accounting requirements, for more information see note 1 to the condensed consolidated financial statements on page 17 .

In addition, the group and operating review sections of this release present comparative financial information for the Consumer customer-facing unit and BT Group overall on an unaudited 'pro forma' basis. This reflects adjustments that estimate the impact as if trading in relation to BT Sport has been equity accounted in FY23, akin to the Sports JV being in place historically. Analysis on a pro forma basis enables comparison of results on a like-for-like basis.

The Additional Information on page 29 presents a bridge between financial information for the year to 31 March 2023 as published on 3 November 2022, and the comparatives presented in this release. For further information see bt.com/about for separate publications covering the formation of Business and cost allocation changes, (published 27 June 2023), and the pro forma adjustments (published 18 October 2022).

[1] See Glossary on page 11.

Overview of the full year to 31 March 2024

Sharpening our focus to accelerate progress

We have a clear strategy which is underpinned by three key pillars:

- Build the strongest foundations: investing in the best converged networks, with the broadest reach and enhanced capabilities
- Create standout customer experiences: through outstanding customer service, brilliant and secure digital products and services
- Lead the way to a bright sustainable future: creating a responsible, inclusive and sustainable business championing responsible technology, inclusion and tackling climate change

Our five priorities support our strategy and remain unchanged:

- Deliver Openreach growth and strong returns on FTTP
- Drive Consumer growth through converged solutions
- Capitalise on Business' unrivalled assets to restore growth
- Digitise, automate and reskill to transform the cost base and improve productivity
- Optimise the business portfolio and capital allocation

Looking forward, we will sharpen our focus to accelerate the modernisation of our operations, and deliver growth for all our stakeholders:

- Leveraging our significant investments into our networks and platforms to accelerate migrations and deliver the best converged customer experience
- Focussing on the UK where we have a strong competitive advantage. While our global business sits outside this strategy, it shows strong commercial opportunity, so we will explore ways to optimise the business and potentially partner to accelerate the rollout of Global Fabric, our network-as-a-service, and achieve scale
- Accelerating transformation; we delivered our previous cost savings programme 12 months early and building on this momentum, we announce a further £3bn gross annualised cost savings
- Peak capex now passed as a result of improved efficiency and a clear focus on connectivity in the UK

This sharpened focus allows a clearer path to significant cash flow expansion in the short-term, and a doubling of normalised free cash flow over the next 5 years.

Strategic priorities and transformation

In FY23 we outlined a number of strategic metrics to measure successful delivery against our strategic priorities with FY28-30 targets outlined for the BT Group of the future. During FY24, BT Group made strong progress against these strategic metrics:

- Total labour resource decreased by 10k to 120k; target of 75-90k
- FTTP premises passed increased by 3.5m to 13.8m; target of 25-30m
- Openreach take-up increased to 34% and retail take-up increased by 0.8m to 2.6m; targets of 40-55% and 6.5-8.5m respectively
- 5G UK population coverage increased to 75% and 5G retail connections increased by 2.4m to 11.1m; targets of >98% and 13.0m-14.5m respectively

We have successfully delivered our £3bn gross annualised cost savings, announced in May 2020, 12 months early and at a cost of £1.5bn, £0.1bn lower than forecast. We plan to further transform our cost base and improve our productivity by delivering a further £3bn gross annualised cost savings by the end of FY29, including a further £0.6bn of savings from the current transformation programme as it concludes in FY25, at an overall cost to achieve of £1bn. We expect c.40% of the £1bn cost to achieve in FY25, the remainder is spread across the years.

In FY24 we successfully completed the 3G network switch-off. Following the industry-wide pause to non-voluntary migrations in December 2023, we now expect to have migrated all customers off the PSTN by the end of January 2027, allowing us to align the programme with full fibre broadband customer upgrades where available.

Financial outlook

- Despite challenging macro economic conditions, cost of living challenges and a highly competitive market for connectivity services, we remain well positioned to deliver consistent and predictable growth and value through delivery of our focused strategy. Our outlook is underpinned by confidence in our unrivalled assets, leading network position, strong brands, ever-improving customer experience and continued focus on transformation.
- In FY25 we expect adjusted[1] revenue growth of 0-1.0% and EBITDA of around £8.2bn. Capital expenditure excluding spectrum will be less than £4.8bn with normalised free cash flow of around £1.5bn.
- From FY26 to FY30, we expect consistent and predictable revenue growth and EBITDA growth ahead of revenue enhanced by cost transformation. Capital expenditure will remain at less than £4.8bn until FY26 before reducing by c.£1bn post peak FTTP build. We expect to deliver c.£2.0bn in normalised free cash flow in FY27 and c.£3.0bn by the end of the decade.

	FY25 outlook	End of decade
Change in adjusted[1] revenue	0 - 1.0%	Consistent and predictable growth
Adjusted[1] EBITDA	c.£8.2bn	Consistent and predictable growth ahead of revenue enhanced by cost transformation
Capital expenditure[1]	<£4.8bn	<£4.8bn to FY26 Reduces by c.£1bn post peak FTTP build rate
Normalised free cash flow[1]	c.£1.5bn	c.£2.0bn in FY27 c.£3.0bn by end of decade

Dividend

- In line with our policy, we are today declaring a final dividend of 5.69 pence per share (pps), increasing our full year dividend to 8.00pps, a year-on-year increase of 3.9% (FY23: 7.70pps).
- We reconfirm our progressive dividend policy which is to maintain or grow the dividend each year whilst taking into consideration a number of factors including underlying medium-term earnings expectations and levels of business reinvestment
- The Board expects to continue with this policy for future years, and to declare two dividends per year with the interim dividend being fixed at 30% of the prior year's full year dividend

Principal risks and uncertainties

A summary of the group's principal risks and uncertainties is provided in note 12.

[1] See Glossary on page 11.

Group results for the full year to 31 March 2024

Income statement

- Reported revenue was £20,797m, up 1% due to fibre-enabled product sales and price increases in Openreach, increased service revenue in Consumer driven by contractual price rises, partly offset by the prior year removal of BT Sport revenue and legacy product declines and a one off revenue adjustment in Business.
  - on a Sports JV pro forma[1] basis reported revenue was up 2%.
- We have recognised a non-cash impairment of goodwill allocated to Business of £488m as a specific item, reflecting a decline in profitability in recent years.
- Reported operating costs were £18,583m, up 3% year-on-year due to the goodwill impairment, excluding this costs are flat with tight cost control and the removal of BT Sport rights and production costs, partly offset by cost inflation and one-off items.
- Adjusted[1] EBITDA of £8,100m, up 2%, primarily driven by revenue flow through and cost control more than offsetting cost inflation and one-off items; Openreach and Consumer delivered strong EBITDA growth, partially offset by EBITDA decline in Business due to increased input costs and legacy high-margin managed contract declines.
  - on a Sports JV pro forma[1] basis adjusted[1] EBITDA was up 1%.
- Reported profit before tax of £1,186m, down 31%, primarily due to impairment of goodwill, increased depreciation, amortisation and pension interest expense, partially offset by adjusted[1] EBITDA growth.

Specific items (Note 5 to the condensed consolidated financial statements)

- Specific items resulted in a net charge after tax of £963m (FY23: £253m). The main components were goodwill impairment of £488m (FY23: £nil), restructuring charges of £388m (FY23: £300m), and interest expense on retirement benefit obligation of £121m (FY23: £18m); partly offset by a tax credit on specific items of £145m (FY23: credit of £308m).

Tax

- The effective tax rate on reported profit was 27.9% (FY23: negative 10.2%) which is higher than the UK corporation tax rate of 25% primarily due to a non-deductible goodwill impairment, partly offset by the UK patent box regime, which taxes some of our UK profits at 10%. The FY23 rate was lower due to the previous super deduction regime, the non-taxable gain on the revaluation and disposal of the BT Sport business and the lower UK corporation tax rate of 19%.
- The effective tax rate on adjusted[1] profit was 20.7% (FY23: 5.8%) for the same reasons.
- At the end of FY24, we had c.£11bn of carried forward UK tax losses.
- We made income tax payments of £59m (FY23: £136m refund).
- Our tax expense recognised in the income statement before specific items was £476m (FY23: £132m). We also recognised a £678m tax credit (FY23: £642m tax credit) in the statement of comprehensive income, mainly relating to the increase in our IAS 19 deficit.
- We expect our sustainable effective tax rate before specific items to be around the UK rate of corporation tax, as we do most of our business in the UK.

Capital expenditure

- Capital expenditure was £4,880m, down 3%, primarily driven by lower networks spend despite higher FTTP build in the year, due to reduced unit costs and efficiencies.
- Cash capital expenditure was also down 6% at £4,969m, with the difference to reported capital expenditure primarily representing the timing of government grant funding repayments.

Net cash inflow from operating activities and normalised free cash flow

- Net cash inflow from operating activities was £5,953m, down 11%.
- Normalised free cash flow[1] was £1,280m, down £48m primarily due to working capital timing and a prior year tax refund, offsetting EBITDA growth and lower cash capital expenditure. Year on year net working capital includes £(506)m from lower utilisation of a supply chain financing programme offset by £305m from the sale of cash flows of contract assets relating to mobile handsets and £105m as a prepayment for the forward sale of copper.
  - a reconciliation of these measures to our free cash flow is shown in Additional Information on page 29.
- Net cash cost of specific items adjusted from normalised free cash flow[1] was £439m (FY23: £404m), primarily relating to restructuring payments.

Net debt and liquidity

- Net financial debt (which excludes lease liabilities) at 31 March 2024 was £14.5bn (31 March 2023: £13.5bn), increasing mainly due to our scheduled pension scheme contributions of £0.8bn.
- Net debt[1] (which includes lease liabilities) at 31 March 2024 was £19.5bn (31 March 2023: £18.9bn). The difference to the movement in net financial debt reflects lease movements.
- BT Group holds cash and current investment balances of £2.8bn; the current portion of loans and other borrowings is £1.4bn.
- Our £2.1bn revolving credit facility, which matures in March 2027, remains undrawn at 31 March 2024.
- We remain committed to our credit rating target of BBB+ and minimum rating of BBB.
  - During FY24 all of the major agencies confirmed their ratings at BBB or equivalent with stable outlook.

[1] See Glossary on page 11.

Pensions (Note 6 to the condensed consolidated financial statements)

- The IAS 19 deficit has increased to £4.8bn at 31 March 2024, net of tax £3.8bn (FY23: £3.1bn, net of tax £2.5bn), mainly due to the increase in real interest rates and narrowing of credit spreads over the period, partly offset by our scheduled contributions.
- The BT Pension Scheme (BTPS) hedges inflation and interest rate risk with reference to the funding deficit, which has resulted in the BTPS being over hedged on an IAS 19 measure. In addition, the IAS 19 liabilities are set by reference to corporate bond yields. The increase in real yields and narrowing of credit spreads over the period have therefore led to an increase in the IAS 19 deficit, partly offset by deficit contributions of £0.8bn. The impact of these factors is different for the funding valuation deficit.
- The 2023 BTPS funding valuation included a future funding commitment for BT to provide additional deficit contributions should the funding deficit be more than £1bn behind plan at two consecutive semi-annual assessment dates. At the 31 December 2023 assessment date, the funding position was within this limit.

Sports JV performance

Our joint venture with Warner Bros. Discovery ('Sports JV'), which has been rebranded to TNT Sports during the year, continues to deliver a compelling sports offering after extending Premier League rights and adding the FA Cup to its comprehensive line-up of premium content. Underlying trading operations in FY24 were profitable but we recognised a share of losses after tax of £41m after adjustments made to align with the group’s accounting policies.

Further details on the transaction are provided in note 10.

Operating review

Measures discussed in the operating review are on an adjusted basis and unless otherwise stated commentary is on full year results.

Consumer: Continued adjusted[2] EBITDA growth and strong operational performance

	Fourth quarter to 31 March				Full year to 31 March			
	2024	2023 re-presented[1]	Change		**2024**	2023 re-presented[1]	Change	
	£m	£m	£m	%	**£m**	£m	£m	%
Revenue[2]	**2,370**	2,306	64	3	**9,833**	9,737	96	1
Operating costs[2]	**1,706**	1,696	10	1	**7,161**	7,268	(107)	(1)
EBITDA[2]	**664**	610	54	9	**2,672**	2,469	203	8
Depreciation & amortisation[2]					**1,738**	1,603	135	8
Operating profit[2]					**934**	866	68	8
Capital expenditure					**1,175**	1,221	(46)	(4)
Normalised free cash flow[2]					**1,023**	963	60	6
Pro forma[3] adjusted revenue	**2,370**	2,306	64	3	**9,833**	9,499	334	4
Pro forma[3] adjusted EBITDA	**664**	610	54	9	**2,672**	2,540	132	5
Pro forma[3] capital expenditure					**1,175**	1,221	(46)	(4)
Pro forma[3] normalised free cash flow					**1,023**	1,086	(63)	(6)

- Adjusted[2] revenue growth of 4% on a pro forma[3] basis was driven by service revenue[4] growth from the annual contractual price rise, increased roaming and increased FTTP connections. This was partially offset by a decline in voice revenues and continued handset to SIM-only migration. Adjusted revenue was up 1% as per above, offset by BT Sport disposal in H1 prior year
- Adjusted[2] EBITDA growth of 5% on a pro forma[3] basis with the growth in service revenue[4] offset by higher input costs and prior year one-off items. Adjusted[2] EBITDA was up 8% due to revenue growth and rights and production cost savings from the BT Sport disposal
- Strong ARPU growth in FY24; broadband £41.2, up 5% year-on-year, postpaid mobile £19.4, up 9% year-on-year
- Churn remains low despite competitive markets; Broadband 1.1%, Postpaid mobile 1.1%. BT and EE Ofcom complaints are equal to or lower than industry average for mobile, broadband and landline
- Continued growth in FTTP base with an increase of 683k during the year; up 18% year-on-year; FTTP base now at 2.4m, 5G connected base now at 9.5m
- Depreciation and amortisation[2] was up, driven by higher mobile network, digital and customer equipment investment
- Capital expenditure was down due to lower digital spend; Normalised free cash flow[2] was down with £(506)m from lower utilisation of a supply chain financing programme partly offset by £305m from the sale of cash flows of contract assets relating to mobile handsets along with higher EBITDA and lower capital expenditure
- Strong progress made with New EE since the launch in October, including major growth in brand and commercial metrics, adoption of EE Fibre and EE TV, and major expansion of EE ID
- In April, Consumer, in line with recommendations from Ofcom, implemented a new pricing mechanic for new and recontracting customers. Moving away from index linked contracts (FY24: 14.4%, FY25: 7.9%) to known 'pounds and pence' annual price increases, providing customers greater certainty on the amount they will pay in the future while supporting our network investments to allow our customers to enjoy the best and most reliable connections
- Looking forward, expect revenue and EBITDA growth to be weighted towards the second half of FY25 as lower equipment sales, reduced benefit of annual price rises and base decline impact performance in the first half

[1] Prior period comparatives have been re-presented for the changes detailed in the 'Re-presented' heading of the Glossary on page 11. See also note 1 to the condensed consolidated financial statements on page 17 for more details, and Additional Information on page 29 for a bridge to previously published results.
[2] Financials and commentary are based on adjusted measures; see Glossary on page 11.
[3] See Sports JV pro forma definition in the Glossary on page 11, and Additional Information on page 29 for a bridge to previously published results.
[4] See Glossary on page 11.

Business: Ongoing margin pressure reflecting higher input costs and legacy declines, partly offset by cost transformation.

	Fourth quarter to 31 March				Full year to 31 March			
	2024	2023 re-presented[1]	Change		**2024**	2023 re-presented[1]	Change	
	£m	£m	£m	%	**£m**	£m	£m	%
Revenue[2]	**2,001**	2,115	(114)	(5)	**8,128**	8,258	(130)	(2)
Operating costs[2]	**1,580**	1,560	20	1	**6,498**	6,313	185	3
EBITDA[2]	**421**	555	(134)	(24)	**1,630**	1,945	(315)	(16)
Depreciation & amortisation[2]					**984**	1,047	(63)	(6)
Operating profit[2]					**646**	898	(252)	(28)
Capital expenditure					**775**	886	(111)	(13)
Normalised free cash flow[2]					**431**	648	(217)	(33)

- Adjusted[2] revenue decline of 2% was driven by declines in legacy products and managed contracts, adverse foreign exchange, a one-off revenue adjustment and prior year one-offs. This was partially offset by continued trading momentum further enhanced by inflation-linked price rises in Small and Medium Business (SMB), and growth in Security
- Adjusted[2] EBITDA decline of 16% was due to higher input costs driven by inflation, the flow through of high margin legacy declines and one-offs. This was partially offset by the ongoing benefit of cost transformation and revenue growth in SMB and Security
- Fourth quarter revenue and EBITDA was impacted by a £41m one-off revenue adjustment reflecting risk of billing inaccuracy with bespoke pricing on a small number of products
- Depreciation and amortisation[2] decline was driven primarily by the timing of asset recognition in the prior year
- Capital expenditure was down due to higher customer project spend in the prior year
- Normalised free cash flow[2] declined mainly due to lower EBITDA and the timing of working capital, partially offset by lower capital expenditure
- FTTP base increased 58% year-on-year to 158k. 5G base increased 80% year-on-year to 1.6m
- Retail order intake was £6.2bn on a 12-month rolling basis, down 1%
- In February, BT Business signed a contract with Stellantis to deliver next generation network connectivity and security solutions at over 400 sites across more than 30 countries
- Looking forward, BT Group (BT) will focus on the UK. While BT's Global business sits outside of this strategy, its prospects have revived with strong commercial opportunities in the growth of the international secure multi-cloud market and the positive response to Global Fabric, BT's Network-as-a-Service (NaaS) which will address this market. Global Fabric is designed to serve the cloud network needs of multinational customers and BT will look at ways to accelerate its rollout and achieve scale. BT expects this will drive added value for customers, create opportunities for deeper participation and build a leadership position in secure multi-cloud connectivity. As BT now intends to intensify its focus and capital allocation towards the UK, Global Fabric provides the platform for BT to explore all options to optimise its Global business, including via potential partnerships

[1] Prior period comparatives have been re-presented for the changes detailed in the 'Re-presented' heading of the Glossary on page 11. See also note 1 to the condensed consolidated financial statements on page 17 for more details, and Additional Information on page 29 for a bridge to previously published results.
[2] Financials and commentary are based on adjusted measures; see Glossary on page 11.

Openreach: Adjusted[2] revenue and adjusted[2] EBITDA growth; Record quarter for FTTP build

	Fourth quarter to 31 March				Full year to 31 March			
	2024	2023 re-presented[1]	Change		**2024**	2023 re-presented[1]	Change	
	£m	£m	£m	%	**£m**	£m	£m	%
Revenue[2]	**1,503**	1,420	83	6	**6,077**	5,675	402	7
Operating costs[2]	**579**	516	63	12	**2,250**	2,165	85	4
EBITDA[2]	**924**	904	20	2	**3,827**	3,510	317	9
Depreciation & amortisation[2]					**2,052**	1,965	87	4
Operating profit[2]					**1,775**	1,545	230	15
Capital expenditure					**2,845**	2,847	(2)	—
Normalised free cash flow[2]					**590**	219	371	169

- Adjusted[2] revenue growth of 7% was driven by CPI linked price increases, growth in FTTP broadband base and growth in the Ethernet base, partially offset by declines in the base of broadband and voice only lines. The fibre-enabled base grew; offset by declines in the copper base
- Adjusted[2] EBITDA growth of 9% was driven by revenue flow through, improved cost transformation including lower staff numbers, partially offset by pay inflation, higher energy costs and higher FTTP provision volumes. Q4 EBITDA was impacted primarily by one off costs relating to a historical commercial dispute
- Depreciation and amortisation[2] was up driven by increased network build. H2 depreciation was impacted by a one off impairment relating to the copper network
- Capital expenditure was broadly flat with lower FTTP build unit cost partially offset by higher FTTP build and provision volumes. H2 capex was higher than prior year due to materially higher fibre build volumes as we passed over 1m homes in the quarter for the first time in Q4
- Normalised free cash flow[2] increase was driven by higher adjusted[2] EBITDA and copper forward sales, partially offset by the timing of working capital
- Record FTTP build of 1.0m premises passed in the quarter at an average build rate of 78k per week
- Current FTTP footprint of over 14m with 3.9m premises passed in rural locations
- Strong FTTP demand with orders up 20% year-on-year; take up rate grew to 34% with continued strong net adds of 397k; FTTP lines now over 4.8m
- Openreach broadband ARPU grew by 10% year-on-year due to price rises and increased volumes and mix of FTTP
- Broadband line losses of 491k, a 2% decline in the broadband base, as weaker than expected growth in the broadband market in FY24 did not offset competitors losses which were at comparable levels to FY23; we expect that the broadband market will recover over the medium term but if it remains weak over the next 12 months then we can expect Openreach's broadband base to be impacted by moderately higher competitor losses
- Achieved 30/30 Ofcom Copper Quality of Service measures and 5/5 Ethernet Ofcom quality of service measures for FY24
- Openreach delivered solid performance for on time FTTP provision of 91% in Q4
- End customer satisfaction remains high with Openreach achieving an Excellent Trustpilot rating and 93% of customers survey responses scoring us between 8 to 10 in Q4

[1] Prior period comparatives have been re-presented for the changes detailed in the 'Re-presented' heading of the Glossary on page 11. See also note 1 to the condensed consolidated financial statements on page 17 for more details, and Additional Information on page 29 for a bridge to previously published results.
[2] Financials and commentary are based on adjusted measures; see Glossary on page 11.

Glossary

Adjusted	Adjusted measures (including adjusted revenue, adjusted operating costs, adjusted operating profit, and adjusted basic earnings per share) are before specific items. Adjusted results are consistent with the way that financial performance is measured by management and assist in providing an additional analysis of the reporting trading results of the group.
Adjusted EBITDA	Earnings before interest, tax, depreciation and amortisation, before specific items, share of post tax profits/losses of associates and joint ventures and net finance expense.
Free cash flow	Net cash inflow from operating activities after net capital expenditure.
Capital expenditure	Additions to property, plant and equipment and intangible assets in the period.
Normalised free cash flow	Free cash flow (net cash inflow from operating activities after net capital expenditure) after net interest paid, payment of lease liabilities, net cash flows from the sale of cash flows related to contract assets, monies received as prepayment for the sale of redundant copper, dividends received from non-current assets investments, associates and joint ventures, and net purchase or disposal of non-current asset investments, before pension deficit payments (including their cash tax benefit), payments relating to spectrum, and specific items. It excludes cash flows that are determined at a corporate level independently of ongoing trading operations such as dividends paid, share buybacks, acquisitions and disposals, repayment and raising of debt, cash flows relating to loans with joint ventures, and cash flows relating to the Building Digital UK demand deposit account which have already been accounted for within normalised free cash flow. For non-tax related items the adjustments are made on a pre-tax basis.
Net debt	Loans and other borrowings and lease liabilities (both current and non-current), less current asset investments and cash and cash equivalents, including items which have been classified as held for sale on the balance sheet. Amounts due to joint ventures, loans and borrowings recognised in relation to monies received from the sale of cash flows of contract assets and as prepayment for the forward sale of redundant copper are excluded. Currency denominated balances within net debt are translated into sterling at swapped rates where hedged. Fair value adjustments and accrued interest applied to reflect the effective interest method are removed.
Service revenue	Earned from services delivered using our fixed and mobile network connectivity, including but not limited to, broadband, calls, line rental, TV, residential sport subscriptions, mobile data connectivity, incoming & outgoing mobile calls and roaming by customers of overseas networks.
Re-presented	FY23 comparatives throughout this release have been re-presented to reflect: (i) the merger of our Global and Enterprise business units to form Business; and (ii) the change in our methodology used to allocate shared Network, Digital and support function costs across our units. Refer to the 'Prior period comparatives' section on page 3 and note 1 to the condensed consolidated financial statements on page 17 for more details, and to Additional Information on page 29 for a bridge between previously published FY23 financial information and re-presented numbers.
Pro forma	Unaudited pro forma results estimate the impact on the group as if trading in relation to BT Sport has been equity accounted in FY23, akin to the Sports JV being in place historically. Refer to the 'Prior period comparatives' section on page 3 for more information and to Additional Information on page 29 for a bridge between previously published financial information (re-presented as noted above) and pro forma numbers.
Specific items	Items that in management's judgement need to be disclosed separately by virtue of their size, nature or incidence. In the current period these relate to changes to goodwill impairment, our assessment of our provision for historic regulatory matters, restructuring charges, historical property-related provisions, divestment-related items and net interest expense on pensions. In determining whether an event or transaction is specific, management considers quantitative as well as qualitative factors such as the frequency or predictability of occurrence.

We assess the performance of the group using a variety of alternative performance measures. Reconciliations from the most directly comparable IFRS measures are in Additional Information on pages 29 to 31.

Condensed consolidated financial statements

Group income statement

Full year ended 31 March 2024	Note	Before specific items (Adjusted)	Specific items (note 5)	Total (Reported)
		£m	£m	£m
Revenue	2,3	20,835	(38)	**20,797**
Operating costs	4	(17,634)	(949)	**(18,583)**
Of which net impairment losses on trade receivables and contract assets		*(165)*	—	***(165)***
Of which impairment of goodwill	13	—	*(488)*	***(488)***
Operating profit (loss)		3,201	(987)	**2,214**
Finance expense		(1,067)	(121)	**(1,188)**
Finance income		181	—	**181**
Net finance expense		(886)	(121)	**(1,007)**
Share of post tax profit (loss) of associates and joint ventures		(21)	—	**(21)**
Profit (loss) before tax		2,294	(1,108)	**1,186**
Taxation		(476)	145	**(331)**
Profit (loss) for the period		1,818	(963)	**855**
Earnings per share				
- basic		18.5p	(9.8)p	**8.7p**
- diluted		18.2p	(9.6)p	**8.6p**

Full year ended 31 March 2023	Note	Before specific items (Adjusted)	Specific items (note 5)	Total (Reported)
		£m	£m	£m
Revenue	2,3	20,669	12	**20,681**
Operating costs	4	(17,494)	(568)	**(18,062)**
Of which net impairment losses on trade receivables and contract assets		*(138)*	—	**(138)**
Of which impairment of goodwill	13	—	—	**—**
Operating profit (loss)		3,175	(556)	**2,619**
Finance expense		(889)	(5)	**(894)**
Finance income		63	—	**63**
Net finance expense		(826)	(5)	**(831)**
Share of post tax profit (loss) of associates and joint ventures		(59)	—	**(59)**
Profit (loss) before tax		2,290	(561)	**1,729**
Taxation		(132)	308	**176**
Profit (loss) for the period		2,158	(253)	**1,905**
Earnings per share				
- basic		22.0p	(2.6)p	**19.4p**
- diluted		21.4p	(2.5)p	**18.9p**

Group statement of comprehensive income

	Full year ended 31 March	
	2024	2023
	£m	£m
Profit for the year	**855**	1,905
Other comprehensive income (loss)		
Items that will not be reclassified to the income statement		
Remeasurements of the net pension obligation	(2,444)	(2,876)
Tax on pension remeasurements	600	732
Items that have been or may be reclassified subsequently to the income statement		
Exchange differences on translation of foreign operations	(66)	87
Fair value movements on assets at fair value through other comprehensive income	—	(3)
Movements in relation to cash flow hedges:		
– net fair value gains (losses)	(642)	1,055
– recognised in income and expense	356	(713)
Share of post tax other comprehensive income in associates and joint ventures	(11)	(1)
Tax on components of other comprehensive income that have been or may be reclassified	78	(90)
Other comprehensive (loss) income for the period, net of tax	**(2,129)**	(1,809)
Total comprehensive (loss) income for the period	**(1,274)**	96

Group balance sheet

	Note	31 March 2024	31 March 2023
		£m	£m
Non-current assets			
Intangible assets		12,920	13,687
Property, plant and equipment		22,562	21,667
Right-of-use assets		3,642	3,981
Derivative financial instruments		1,020	1,397
Investments		29	29
Joint ventures and associates	10	307	359
Trade and other receivables		641	503
Preference shares in joint venture	10	451	542
Contract assets		330	369
Retirement benefit surplus		70	52
Deferred tax assets		1,048	709
		43,020	43,295
Current assets			
Inventories		409	349
Trade and other receivables		3,565	3,060
Preference shares in joint ventures		82	13
Contract assets		1,410	1,565
Assets classified as held for sale		—	21
Current tax receivable		423	427
Derivative financial instruments		50	82
Investments		2,366	3,548
Cash and cash equivalents		414	392
		8,719	9,457
Current liabilities			
Loans and other borrowings		1,395	1,772
Derivative financial instruments		94	86
Trade and other payables		6,327	6,564
Contract liabilities		906	859
Lease liabilities		766	800
Liabilities held for sale		—	4
Current tax liabilities		92	78
Provisions		238	229
		9,818	10,392
Total assets less current liabilities		**41,921**	42,360
Non-current liabilities			
Loans and other borrowings		17,131	16,749
Derivative financial instruments		445	297
Contract liabilities		175	193
Lease liabilities		4,189	4,559
Retirement benefit obligations		4,882	3,139
Other payables		637	920
Deferred tax liabilities		1,533	1,620
Provisions		411	369
		29,403	27,846
Equity			
Share capital		499	499
Share premium		1,051	1,051
Own shares		(311)	(422)
Merger reserve		998	998
Other reserves		716	957
Retained earnings		9,565	11,431
Total equity		**12,518**	14,514
		41,921	42,360

Group statement of changes in equity

	Share Capital[1]	Share Premium[2]	Own Shares	Merger Reserve[3]	Other Reserves	Retained earnings	Total Equity
	£m	£m	£m	£m	£m	£m	£m
At 1 April 2023	**499**	**1,051**	**(422)**	**998**	**957**	**11,431**	**14,514**
Profit for the period	—	—	—	—	—	855	855
Other comprehensive income (loss) before tax	—	—	—	—	(708)	(2,455)	(3,163)
Tax on other comprehensive (loss) income	—	—	—	—	78	600	678
Transferred to the income statement	—	—	—	—	356	—	356
Total comprehensive income (loss) for the period	—	—	—	—	(274)	(1,000)	(1,274)
Dividends to shareholders	—	—	—	—	—	(757)	(757)
Share-based payments	—	—	—	—	—	71	71
Tax on share-based payments	—	—	—	—	—	(12)	(12)
Net buyback of own shares	—	—	111	—	—	(137)	(26)
Transfer to realised profit[4]	—	—	—	—	33	(33)	—
Other movements	—	—	—	—	—	2	2
At 31 March 2024	**499**	**1,051**	**(311)**	**998**	**716**	**9,565**	**12,518**

At 1 April 2022	**499**	**1,051**	**(274)**	**998**	**619**	**12,391**	**15,284**
Profit for the period	—	—	—	—	—	1,905	1,905
Other comprehensive income (loss) before tax	—	—	—	—	1,141	(2,879)	(1,738)
Tax on other comprehensive (loss) income	—	—	—	—	(90)	732	642
Transferred to the income statement	—	—	—	—	(713)	—	(713)
Total comprehensive income (loss) for the period	—	—	—	—	338	(242)	96
Dividends to shareholders	—	—	—	—	—	(753)	(753)
Share-based payments	—	—	—	—	—	80	80
Tax on share-based payments	—	—	—	—	—	(9)	(9)
Net buyback of own shares	—	—	(148)	—	—	(34)	(182)
Other movements	—	—	—	—	—	(2)	(2)
At 31 March 2023	499	1,051	(422)	998	957	11,431	14,514

1 The allotted, called up, and fully paid ordinary share capital of BT Group plc at 31 March 2024 was £499m comprising 9,968,127,681 ordinary shares of 5p each (31 March 2023: £499m comprising 9,968,127,681 ordinary shares of 5p each).
2 The share premium account, comprising the premium on allotment of shares, is not available for distribution.
3 The merger reserve balance at 1 April 2022 includes £998m related to the group reorganisation that occurred in November 2001 and represented the difference between the nominal value of shares in the new parent company, BT Group plc, and the aggregate of the share capital, share premium account and capital redemption reserve of the prior parent company, British Telecommunications plc.
4 The share premium account, comprising the premium on allotment of shares, is not available for distribution.

Group cash flow statement

	Full year to 31 March	
	2024	2023
	£m	£m
Cash flow from operating activities		
Profit before taxation	1,186	1,729
Share of post tax loss (profit) of associates and joint ventures	21	59
Net finance expense	1,007	831
Operating profit	**2,214**	2,619
Other non-cash charges	76	89
(Profit) loss on disposal of businesses	(15)	157
Loss on disposal of property, plant and equipment and intangible assets	3	2
Depreciation and amortisation, including impairment charges[1]	5,398	4,818
(Increase) decrease in inventories	(60)	(47)
Decrease in programme rights	—	7
(Increase) decrease in trade and other receivables	(843)	(285)
Decrease (increase) in contract assets	157	(17)
(Decrease) increase in trade and other payables	(89)	232
Increase (decrease) in contract liabilities	39	41
(Decrease) increase in other liabilities[2]	(850)	(919)
(Decrease) increase in provisions	(18)	(109)
Cash generated from operations	**6,012**	6,588
Income taxes (paid) refunded	(59)	136
Net cash inflow from operating activities	**5,953**	6,724
Cash flow from investing activities		
Interest received	140	41
Dividends received from joint ventures, associates and investments	20	9
Proceeds on disposal of businesses	81	29
Proceeds on disposal of current financial assets[3]	12,389	11,868
Purchases of current financial assets[3]	(11,216)	(12,705)
Net (purchase) disposal of non-current asset investments	—	(5)
Proceeds on disposal of property, plant and equipment and intangible assets	2	—
Purchases of property, plant and equipment and intangible assets[4]	(4,969)	(5,307)
Prepayment for forward sale of copper[5]	105	—
Decrease (increase) in amounts owed by joint ventures	117	(265)
Settlement of minimum guarantee liability with Sports JV	(211)	(61)
Net cash outflow from investing activities	**(3,542)**	(6,396)
Cash flow from financing activities		
Equity dividends paid	(759)	(751)
Interest paid	(865)	(709)
Repayment of borrowings[6]	(1,676)	(513)
Proceeds from bank loans and bonds	2,242	2,203
Payment of lease liabilities	(748)	(727)
Cash flows from collateral (paid) received	(532)	(17)
Increase (decrease) in amounts owed to joint ventures	(1)	11
Changes in ownership interests in subsidiaries	(13)	—
Proceeds from exercise of employee share options	57	5
Repurchase of ordinary share capital	(133)	(138)
Net cash outflow from financing activities	**(2,428)**	(636)
Net decrease in cash and cash equivalents	**(17)**	(308)
Opening cash and cash equivalents	381	692
Net decrease in cash and cash equivalents	(17)	(308)
Effect of exchange rate changes	(8)	(3)
Closing cash and cash equivalents[7]	**356**	381

1 Depreciation and amortisation includes goodwill impairment charges of £488m (FY23: £nil), see note 13 for further details.
2 Includes pension deficit payments of £823m (FY23: £994m).
3 Primarily consists of investment in and redemption of amounts held in liquidity funds.
4 Property, plant and equipment, engineering stores and software additions of £4,880m (FY23: £5,056m) and capital accruals movements of £89m (FY23: £251m).
5 In FY24 we received an upfront prepayment of £105m from entering into a forward agreement to sell copper granules created from surplus copper cables which are currently recognised within property, plant and equipment. As this is expected to be the only cash flow that occurs as part of this transaction the cash receipt has been included as a separate line within cash flows from investing activities.
6 Repayment of borrowings includes the impact of hedging.
7 Net of bank overdrafts of £58m (FY23: £11m).

Notes to the condensed consolidated financial statements

1. Basis of preparation and accounting policies

Basis of preparation

These condensed consolidated financial statements (the "financial statements") comprise the financial results of BT Group plc for the years to 31 March 2024 and 2023 together with the balance sheet at 31 March 2024 and 2023. Results for the year to 31 March 2024 have been extracted from the 31 March 2024 audited consolidated financial statements which have been approved by the Board of Directors. These have not yet been delivered to the Registrar of Companies but are expected to be published on 6 June 2024.

The directors are satisfied that the group has adequate resources to continue in operation for a period of at least twelve months from the date of approval of this report, notwithstanding the net current liabilities position of £1,099m at 31 March 2024 (£935m net current liabilities at 31 March 2023). Consequently, the directors consider it appropriate to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements for the full year to 31 March 2024. When reaching this conclusion, the directors took into account:

- The group's overall financial position (including trading during the year and ability to repay term debt as it matures without recourse to refinancing); and
- Exposure to principal risks (including severe but plausible downsides).

At 31 March 2024, the group had cash and cash equivalents of £356m (net of bank overdrafts) and current asset investments of £2,366m. The group also had access to committed borrowing facilities of £2.1bn. These facilities were undrawn at period-end and are not subject to renewal until March 2027.

The financial statements have been prepared in accordance with the accounting policies as set out in the financial statements for the year to 31 March 2024 and have been prepared under the historical cost convention as modified by the revaluation of financial assets and liabilities (including derivative financial instruments) at fair value.

The financial information set out above does not constitute the company's statutory accounts for the years to 31 March 2024 and 2023 but is derived from those accounts. A reference to a year expressed as FY24 is to the financial year ended 31 March 2024. The auditor has reported on those accounts; their report (i) was unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006 in respect of the accounts for the year to 31 March 2024 or 31 March 2023. Statutory accounts for the year to 31 March 2023 were approved by the Board of Directors on 17 May 2023, published on 8 June 2023 and have been delivered to the Registrar of Companies.

Accounting policies

Allocation of central costs

From 1 April 2023 we have revised the methodology used to allocate shared Network, Digital and support function costs across our units to more closely align the recharges received by each unit to their actual consumption and establish clearer driver-focused allocation of cost, harmonise principles for pricing and profitability, and support greater unit cost ownership and management and decision making. This represents an accounting policy change affecting the segmental results reporting in note 2 'operating results – by customer facing unit'.

In line with the requirements of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors we have re-presented FY23 comparatives to enable comparability across periods.

At the same time and in line with the requirements of IFRS 8 Operating Segments, we have re-presented FY23 comparatives to reflect the merger of the Enterprise and Global CFUs into a single unit, Business, which began reporting as a single unit from 1 April 2023.

These changes affect segmental results only and have no impact on the overall reported group financial results.

The Additional Information section on page 29 presents a bridge between FY23 comparatives presented in the Results for the full year to 31 March 2023 (published on 18 May 2023) and those presented in note 2, reflecting the change in central cost allocation methodology and the creation of the Business unit. Further information can also be found in the 'Prior period comparatives' section of the release on page 3.

New and amended accounting standards effective during the year

The following new and amended standards are effective during the year, none of which had a material impact on the financial statements of the group:

IFRS 17 Insurance Contracts

BT adopted IFRS 17 with retrospective application on 1 April 2023. The standard establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts. The measurement method for insurance contracts required by IFRS 17 is a probability weighted discounted cash flow model, including a best estimate and an adjustment for non-financial risk calculated for groups of similar contracts.

IFRS 17 primarily impacts insurance entities, however, as it applies to individual contracts it is possible that non-insurers could issue contracts that are in scope of the standard such as product breakdown contracts or warranties.

We have assessed the impact of the standard on the group, and concluded that its impact is not material. Contracts in scope of the standard entered into by the group are restricted to intragroup insurance arrangements; the group does not issue external insurance contracts.

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

These amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments have not resulted in any changes to accounting policies disclosures made in these financial statements.

International Tax Reform— Pillar Two Model Rules (Amendments to IAS 12 Income Taxes)

The IASB amended the scope of IAS 12 to introduce a temporary mandatory exception from accounting for top-up tax arising from the implementation of OECD Pillar Two Model Rules. This was endorsed in the UK in July 2023 and applies to accounting periods beginning on or after 1 January 2023. The group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

Other

The following changes have not had a significant impact on our condensed consolidated financial statements:

- Definition of Accounting Estimate (Amendments to IAS 8)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

IFRS Interpretations Committee agenda decisions

The IFRS Interpretations Committee (IFRIC) periodically issues agenda decisions which explain and clarify how to apply the principles and requirements of IFRS standards. Agenda decisions are authoritative and may require the group to revise accounting policies or practice to align with the interpretations set out in the decision.

We regularly review IFRIC updates and assess the impact of agenda decisions. No agenda decisions finalised during FY24 have been assessed as having a significant impact on the group.

New and amended accounting standards that have been issued but are not yet effective

The following new or amended standards and interpretations are applicable in future periods and are not expected to have a material impact on the consolidated financial statements:

Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

The amendments will apply to the group from FY25 onwards and require new disclosures relating to supplier finance arrangements that assist in assessing their effects on liabilities, cash flows and exposure to liquidity risk.

We participate in supply chain financing arrangements which the amendments will apply to. We will include the required disclosures in the FY25 financial statements.

2. Operating results – by customer-facing unit

Full year to 31 March 2024	Consumer £m	Business £m	Openreach £m	Other £m	Total £m
Segment revenue	9,833	8,128	6,077	16	24,054
Internal revenue	(47)	(71)	(3,101)	—	(3,219)
Adjusted[1] external revenue	**9,786**	**8,057**	**2,976**	**16**	**20,835**
Adjusted EBITDA[2]	2,672	1,630	3,827	(29)	8,100
Depreciation and amortisation[1]	(1,738)	(984)	(2,052)	(125)	(4,899)
Adjusted[1] operating profit (loss)	**934**	**646**	**1,775**	**(154)**	**3,201**
Specific operating profit (loss) (note 5)					(987)
Operating profit					**2,214**

Full year to 31 March 2023 (re-presented[3])					
Segment revenue	9,737	8,258	5,675	27	23,697
Internal revenue	(57)	(81)	(2,890)	—	(3,028)
Adjusted[1] external revenue	**9,680**	**8,177**	**2,785**	**27**	**20,669**
Adjusted EBITDA[2]	2,469	1,945	3,510	4	7,928
Depreciation and amortisation[1]	(1,603)	(1,047)	(1,965)	(138)	(4,753)
Adjusted[1] operating profit (loss)	**866**	**898**	**1,545**	**(134)**	**3,175**
Specific operating profit (loss) (note 5)					(556)
Operating profit					**2,619**

1 Before specific items, see Glossary on page 11.
2 Adjusted EBITDA is defined in the Glossary on page 11. For the reconciliation of adjusted EBITDA, see Additional Information on page 29.
3 Comparatives for the full year to 31 March 2023 have been re-presented for the impact of the creation of our Business customer-facing unit and a change in the methodology used to allocate shared central costs. For more information see note 1 on page 17, and for a bridge to prior period published financial information see Additional Information on page 29.

3. Operating results - disaggregation of external revenue

Full year to 31 March 2024	Consumer £m	Business £m	Openreach £m	Other £m	Total £m
ICT and managed networks	**—**	**3,592**	**—**	**—**	**3,592**
Fixed access subscriptions	**4,333**	**2,149**	**2,900**	**—**	**9,382**
Mobile subscriptions	**3,557**	**1,187**	**—**	**—**	**4,744**
Equipment and other services	**1,896**	**1,129**	**76**	**16**	**3,117**
Total adjusted[1] revenue	**9,786**	**8,057**	**2,976**	**16**	**20,835**
Specific items (note 5)					**(38)**
Total revenue					**20,797**

Full year to 31 March 2023 (re-presented[2])					
ICT and managed networks	—	3,352	—	—	3,352
Fixed access subscriptions	4,059	1,893	2,716	—	8,668
Mobile subscriptions	3,351	1,160	—	—	4,511
Equipment and other services	2,270	1,772	69	27	4,138
Total adjusted[1] revenue	9,680	8,177	2,785	27	20,669
Specific items (note 5)					12
Total revenue					20,681

1 See Glossary on page 11.
2 Comparatives for the full year to 31 March 2023 have been re-presented for the impact of the creation of our Business customer-facing unit, formed through the merger of our Enterprise and Global units. For more information see Glossary on page 11.

4. Operating costs

	Full year to 31 March	
	2024	2023
	£m	£m
Operating costs by nature		
Wages and salaries	3,843	3,858
Social security costs	425	424
Other pension costs	582	590
Share-based payment expense	71	80
Total staff costs	**4,921**	4,952
Own work capitalised	(1,432)	(1,364)
Net staff costs	**3,489**	3,588
Net indirect labour costs	456	381
Net labour costs	**3,945**	3,969
Product costs	3,527	3,368
Sales commissions	636	589
Payments to telecommunications operators	1,227	1,354
Property and energy costs	1,338	1,242
Network operating and IT costs	930	913
TV programme rights charges	—	354
Provision and installation	515	591
Marketing and sales	367	363
Net impairment losses on trade receivables and contract assets	165	138
Other operating costs	323	103
Other operating income	(238)	(243)
Depreciation and amortisation, including impairment charges	4,899	4,753
Total operating costs before specific items	**17,634**	17,494
Specific items (note 5)	949	568
Total operating costs	**18,583**	18,062

Depreciation and amortisation, which includes impairment charges, is analysed as follows:

	Full year to 31 March	
	2024	2023
	£m	£m
Depreciation and amortisation before impairment charges		
Intangible assets	1,248	1,165
Property, plant and equipment	2,892	2,878
Right-of-use assets	652	689
Impairment charges		
Intangible assets	—	—
Property, plant and equipment	108	11
Right-of-use assets	(1)	10
Total depreciation and amortisation before specific items	**4,899**	4,753
Impairment charges classified as specific items (note 5)		
Intangible assets[1]	488	—
Property, plant and equipment	—	—
Right-of-use assets	11	65
Total operating costs	**5,398**	4,818

[1] Goodwill impairment, see note 13.

5. Specific items

Our income statement and segmental analysis separately identify trading results on an adjusted basis, being before specific items. The directors believe that presentation of the group's results in this way is relevant to an understanding of the group's financial performance as specific items are those that in management's judgement need to be disclosed by virtue of their size, nature or incidence.

This presentation is consistent with the way that financial performance is measured by management and reported to the Board and the Executive Committee and assists in providing an additional analysis of our reporting trading results. Specific items may not be comparable to similarly titled measures used by other companies.

In determining whether an event or transaction is specific, management considers quantitative as well as qualitative factors. Examples of charges or credits meeting the above definition and which have been presented as specific items in the current and/or prior years include significant business restructuring programmes such as the current group-wide cost transformation and modernisation programme, acquisitions and disposals of businesses and investments, impairment of goodwill, charges or credits relating to retrospective regulatory matters, property rationalisation programmes, historical property-related provisions, significant out of period contract settlements, net interest on our pension obligation, and the impact of remeasuring deferred tax balances. In the event that items meet the criteria, which are applied consistently from year to year, they are treated as specific items. Any releases to provisions originally booked as a specific item are also classified as specific. Conversely, when a reversal occurs in relation to a prior year item not classified as specific, the reversal is not classified as specific in the current year.

Movements relating to the sports joint venture (Sports JV) with Warner Bros. Discovery (WBD), such as fair value gains or losses on the A and C preference shares or impairment charges on the equity-accounted investment are classified as specific. Refer to note 10 for further detail.

	Full year to 31 March	
	2024	2023
	£m	£m
Specific revenue		
Retrospective regulatory matters	**38**	(12)
Specific revenue	**38**	(12)
Specific operating costs		
Restructuring charges	**388**	300
BT Sport disposal	**—**	155
Sports JV - subsequent movements	**32**	34
Other divestment-related items	**(22)**	2
Retrospective regulatory matters	**18**	12
Historical property-related provisions	**34**	—
Specific operating costs before depreciation and amortisation	**450**	503
Impairment charges due to property rationalisation	11	65
Impairment of goodwill	488	—
Specific operating costs	**949**	568
Specific operating loss	**987**	556
Finance costs associated with BT Sport disposal	**—**	(13)
Interest expense on retirement benefit obligation	**121**	18
Net specific items charge before tax	**1,108**	561
Tax charge (credit) on specific items	**(145)**	(308)
Net specific items charge after tax	**963**	253

Retrospective regulatory matters

We recognised net £56m impact in relation to historic regulatory matters, with £38m charges recognised in revenue and £18m within operating costs (FY23: net impact of £nil). These items represent movements in provisions relating to various matters.

Restructuring charges

We have incurred charges of £388m (FY23: £300m) relating to projects associated with our group-wide cost transformation and modernisation programme. Costs primarily relate to leaver costs, consultancy costs, and staff costs associated with colleagues working exclusively on programme activity. The net cash cost of restructuring activity during the year was £348m (FY23: £326m).

The programme was first announced in May 2020 and runs until the end of FY25. In response to cost inflation, during FY23 we revised the gross annualised savings target to £3.0bn (previously £2.5bn), with a cost to achieve of £1.6bn (previously £1.3bn). We have now achieved our £3bn target 12 months early at a cost to achieve of £1.5bn, £0.1bn lower than target (FY23: achieved gross annualised savings of £2.1bn and costs of £1.1bn).The cumulative cash costs incurred amount to £1.5bn (FY23: £1.1bn).

BT Sport disposal

In FY23, we completed the disposal of BT Sport operations through forming the Sports JV with WBD. We recognised a profit on disposal of £28m in specific items, made up of £155m charges recognised within operating costs net of £183m tax credits. We also recognised a £13m credit within finance costs as specific, relating to a foreign exchange hedging arrangement with the Sports JV.

Sports JV - subsequent movements

Subsequent to the BT Sport disposal, we have recorded a net fair value loss of £22m (FY23: £34m) on the A and C preference shares in the Sports JV (see note 10), and £10m additional net costs relating to the transaction.

Other divestment-related items

We recognised a £22m credit (FY23: £2m charge) comprising a net £25m gain on disposal from the completed divestments of Pelipod Limited, BT Enia S.p.A and certain city fibre networks and associated infrastructure assets in Germany; offset by £3m charges relating to ongoing divestment activity.

Historical property-related provisions

During FY24 we recognised a provision of £34m as a specific item (FY23: nil) in relation to the cost of remediating and rectifying asbestos related property issues where we have a present obligation to do this.

Impairment charges due to property rationalisation

During FY24, we recognised a £11m impairment charge as specific (FY23: £65m), in relation to an ongoing property rationalisation programme.

Impairment of goodwill

We have recognised an impairment charge of £488m (FY23: nil) in respect of goodwill in our Business cash generating unit. See note 13 for more details.

Interest expense on retirement benefit obligation

During the year we incurred £121m (FY23: £18m) of interest costs in relation to our defined benefit pension obligations.

Tax on specific items

A tax credit of £145m was recognised in relation to specific items (FY23: £308m, £183m of which relates to the BT Sport disposal).

6. Pensions

	31 March 2024	31 March 2023
	£bn	£bn
IAS 19 liabilities – BTPS	**(40.0)**	(41.6)
Assets – BTPS	**35.4**	38.7
Other schemes	**(0.2)**	(0.2)
Total IAS 19 deficit, gross of tax[1]	**(4.8)**	(3.1)
Total IAS 19 deficit, net of tax	**(3.8)**	(2.5)
Discount rate (nominal)	**4.90 %**	4.85 %
Future inflation – average increase in RPI (p.a.)	**3.25 %**	3.35 %
Future inflation – average increase in CPI (p.a.)	**2.80 %**	2.85 %

[1] Of which £(4.9)bn relates to schemes in deficit (31 March 2023: £(3.2)bn) and £0.1bn relates to schemes in surplus (31 March 2023: £0.1bn).

The IAS 19 deficit has increased to £4.8bn at 31 March 2024 from £3.1bn at 31 March 2023 mainly due to the increase in real interest rates and narrowing of credit spreads over the period, partly offset by our scheduled contributions.

The IAS 19 pension deficit is different to the triennial funding deficit which is used to determine future cash contributions. Of significance:

- Funding valuation liabilities are valued using discount rates that reference gilts and swaps and is set prudently, whereas IAS 19 liabilities are valued with reference to corporate bond yields; and
- The BTPS hedges inflation and interest rate movements with reference to the funding valuation and has been over-hedged for the IAS 19 valuation. This means when real interest rates go up, the funding deficit movement is limited but under IAS19 the assets decrease by more than the liabilities, increasing the IAS 19 deficit.

Over the year to 31 March 2024:

- Credit spreads (i.e. the difference between corporate bond yields and gilt yields) have tightened, causing the IAS 19 liabilities to increase;
- Real interest rates have increased leading to an increase in the IAS 19 deficit; and
- Deficit contributions of £0.8bn have improved the position.

The 2023 BTPS funding valuation included a future funding commitment for BT to provide additional deficit contributions of £150m - £300m p.a. should the funding deficit be more than £1bn behind plan at two consecutive semi-annual assessment dates.

At the 31 December 2023 assessment date, the funding position was within this limit.

7. Share capital

Own shares of £83m (FY23: £187m) were purchased during the year.

8. Dividends

In line with the group's dividend policy, the Board has approved a final dividend for FY24 of 5.69p per share (FY23: 5.39p per share), which will be paid on 11 September 2024, giving a full year FY24 dividend of 8.00p per share (FY23: 7.70p per share). The ex-dividend date is 8 August 2024. An interim dividend of 2.31p per share amounting to £227m was paid on 2 February 2024 (FY23: interim dividend of 2.31p per share amounting to £226m paid).

9. Contingent liabilities and legal proceedings

In the ordinary course of business, we are periodically notified of actual or threatened litigation, and regulatory and compliance matters and investigations. We have disclosed below a number of such matters including any matters where we believe a material adverse impact on the operations or financial condition of the group is possible and the likelihood of a material outflow of resources is more than remote.

Where the outflow of resources is considered probable, and a reasonable estimate can be made of the amount of that obligation, a provision is recognised for these amounts. Where an outflow is not probable but is possible, or a reasonable estimate of the obligation cannot be made, a contingent liability exists.

In respect of each of the claims below, the nature and progression of such proceedings and investigations can make it difficult to predict the impact they will have on the group. There are many reasons why we cannot make these assessments with certainty, including, among others, that they are in early stages, no damages or remedies have been specified, and/or the often slow pace of litigation.

Class action claim – landline only services

In January 2021, Justin Le Patourel, represented by law firm Mishcon de Reya applied to the Competition Appeal Tribunal to bring a proposed class action claim for damages they estimated at £608m (inclusive of compound interest) or £589m (inclusive of simple interest) alleging anti-competitive behaviour through excessive pricing by BT to customers with certain residential landline services. Ofcom considered this topic in 2017. At that time, Ofcom's final statement made no finding of excessive pricing or breach of competition law more generally but we implemented a voluntary commitment to reduce prices for customers that have a BT landline only and not to increase those prices beyond inflation (CPI). In September 2021 the Competition Appeal Tribunal certified the claim to proceed to a substantive trial on an opt-out basis (class members are automatically included in the claim unless they choose to opt-out). In July 2023 Justin Le Patourel amended his claim seeking increased damages estimated at £1,338m (inclusive of compound interest) or £1,309m (inclusive of simple interest), later revised to £1,307m (inclusive of compound interest) or £1,278m (inclusive of simple interest). A hearing took place between January and March 2024 and we are awaiting judgment. At the reporting date we are not aware of any evidence to indicate that a present obligation exists such that any amount should be provided for.

Class action claim – combined mobile and handset services

In November 2023, Justin Gutmann, represented by law firm Charles Lyndon applied to the Competition Appeal Tribunal to bring a proposed class action claim for damages estimated at £1.1bn (inclusive of simple interest) on behalf of customers who purchased combined handset and airtime contracts who are outside their minimum contract terms but who continue to pay the same price as during their minimum contract terms. The claim alleges this approach was an anti-competitive abuse of a dominant position. Similar claims have also been brought against Vodafone, Three and O2 with the total damages claimed £3.285bn (inclusive of simple interest). At the reporting date we are not aware of any evidence to indicate that a present obligation exists such that any amount should be provided for. Class actions must be certified by the Competition Appeal Tribunal at a Collective Proceedings Order (CPO) hearing before proceeding to a substantive trial. A first case management conference to determine next procedural steps is scheduled for 23 May 2024. If the class action is certified the substantive trial will not conclude during FY25. BT intends to defend itself vigorously.

Italian business

Milan Public Prosecutor prosecutions: In FY20 proceedings were initiated against BT Italia for certain potential offences, namely the charge of having adopted, from 2011 to 2016, an inadequate management and control organisation model for the purposes of Articles 5 and 25 of Legislative Decree 231/2001. BT Italia disputed this and maintained in a defence brief filed in April 2019 that: (a) BT Italia did not gain any interest or benefit from the conduct in question; and (b) in any event, it had a sufficient organisational, management and audit model that was circumvented/overridden by individuals acting in their own self-interest. The trial commenced on 26 January 2021. On 23 April 2021, the Court allowed some parties to be joined to the criminal proceedings as civil parties ('parte civile') – a procedural feature of the Italian criminal law system. These claims were directed at certain individual defendants (which include former BT/ BT Italia employees). Those parties successfully joined BT Italia as a respondent to their civil claims ('responsabile civile') on the basis that it is vicariously responsible for the individuals' wrongdoing.

The first instance phase of the trial has now concluded with the Court handing down its decision on 25 January 2024. The Court convicted certain individuals (including certain former BT Italia employees) for manipulation of BT Italia's financial statements for the financial year ending 31 March 2016 and for fraud against an Italian company, Sed

Multitel S.r.l. The Court dismissed all charges that had been brought against BT Italia but ordered that BT Italia indemnify certain individual minority shareholders in the company and Sed Multitel for their losses. The Court has not quantified the indemnification amount, such that the indemnified parties must now seek to recover these amounts from BT Italia by agreement or separate civil proceedings. The quantum of those claims, if they are pursued successfully, is not anticipated to be material.

Accounting misstatement claims: a law firm acting on behalf of a group of investors has made claims under s.90A of the Financial Services & Markets Act 2000, alleging that untrue or misleading statements were made in relation to the historical irregular accounting practices in BT's Italian business (which have been the subject of previous disclosures). No value is stated and the matter is in the early stages. As mentioned in our earlier reports, the accounting issues in Italy have previously been the subject of class actions in the US that were dismissed by the US courts.

Phones 4U

Since 2015 the administrators of Phones 4U Limited have made allegations that EE and other mobile network operators colluded to procure Phones 4U's insolvency. Legal proceedings for an unquantified amount were issued in December 2018 by the administrators. The trial on the question of liability/breach ran from May to July 2022. In November 2023 the High Court dismissed Phones 4U's claim in its entirety. Phones 4U has subsequently appealed that judgment to the Court of Appeal and a hearing is expected in May 2025. We continue to dispute these allegations vigorously.

UK Competition and Markets Authority (CMA) investigation

On 12 July 2022 the CMA opened a competition law investigation into BT and other companies involved in the purchase of freelance services for the production and broadcasting of sports content in the UK. The investigation is focused on BT Sport. In February 2023, the CMA extended its investigation to include suspected breaches of competition law in relation to the employment of staff supporting the production and broadcasting of sports content in the UK however in March 2024 the CMA confirmed this limb of its investigation would not be progressed. The CMA has said no assumption should be made at this stage that competition law has been infringed. BT is cooperating with the investigation.

10. Joint ventures and associates

	31 March 2024	31 March 2023
	£m	**£m**
Interest in joint ventures	302	354
Interest in associates	5	5
Closing balance	**307**	**359**

Share of post tax loss of associates and joint ventures included in the income statement of £21m (FY23: £59m loss) includes £41m loss (FY23: £60m) relating to our sports joint venture (Sports JV) with Warner Bros. Discovery (WBD) and £20m profit (FY23: £1m) relating to our other joint ventures and associates including Rugby Radio Station. The Sports JV is the only material equity-accounted investment held by the group, see below for further details.

Sports JV

In FY23 we formed the Sports JV (known externally as TNT Sports) with WBD, combining BT Sport and WBD's Eurosport UK business.

Key developments in the Sports JV during the year:

- BT Sport's linear channels and live content were rebranded to TNT Sports prior to the start of the 2023/24 football season with streaming customers migrated to WBD's discovery+ platform in October 2023. Eurosport UK rebranding will follow later in the year.
- Underlying trading, before adjustments made to align with the group's accounting policies (see below), was profitable with stable subscriber volumes.
- Premier League rights were extended with a four-year deal to air 52 exclusively live matches per season until 2029, and a four-year deal was agreed with the Football Association to show the FA Cup from 2025.

The group holds both ordinary equity shares and preference shares in the Sports JV entity.

Ordinary equity shares

Our retained ordinary equity interest in the Sports JV is held under the equity method of accounting, consistent with our accounting policy on associates and joint ventures.

	31 March 2024	31 March 2023
	£m	£m
Opening carrying amount	352	414
Share of total comprehensive loss for the period	(52)	(62)
Dividends received during the period	—	—
Closing carrying amount	**300**	**352**

The Sports JV had a loss after tax for the year of £82m, after adjustments made to align with the group's accounting policies, and reflects amortisation of acquired intangibles from the BT Sport and Eurosport UK business transfers and adjustments for the off-market minimum guarantee with BT. Underlying trading before these adjustments was profitable. In addition, the Sports JV had other comprehensive losses of £22m relating to fair value movements on its foreign exchange hedging arrangement with the group that have been designated as cash flow hedges.

Our share of the Sports JV's results in FY23 included amortisation from provisional fair value adjustments, which were subject to true-up within 12 months from the Sports JV formation. We have subsequently finalised these fair value adjustments and recorded a £25m credit in the current year as a true-up to the amount recorded in FY23, of which our 50% share is £13m. The difference is not material and therefore we have not retrospectively adjusted our share of total comprehensive loss in FY23.

As required by IAS 36, we have assessed the investment for impairment. There is no impairment at 31 March 2024 as the fair value less costs to sell is higher than the carrying amount of the investment. See below for sensitivities we have applied in determining the fair value less costs to sell.

Preference shares

In addition to BT's ordinary shareholding, BT held the following investments in preference shares in the Sports JV that have not been included within the equity-accounted interest above.

	31 March 2024	31 March 2023
	£m	£m
Investment in A preference shares	387	429
Investment in C preference shares	146	126
Closing balance	**533**	**555**

A net £22m movement has been recorded on the group's preference share investments relating to fair value changes only, see below for further details.

- **A preference shares** - a £42m fair value loss has been recognised through specific items (see note 5), largely driven by a reduction in forecast cash flows following the Sports JV's investment in new sports content, leading to lower cash available for distribution under BT's earn-out entitlement.
- **C preference shares** – these shares are expected to be sold to WBD at the end of BT's earn-out entitlement in consideration for any sports rights funded by BT at that point. BT's return on the shares is driven by changes in the Sports JV's sports rights portfolio which in turn is dependent on changes in the wider sports rights market and the Sports JV's financial performance and are therefore held as a financial asset at FVTPL under IFRS 9. A £20m fair value gain has been recognised through specific items (see note 5) driven by an expected growth in the Sports JV content portfolio, which will increase the payment to BT for pre-funded sports rights up to the end of BT's earn-out entitlement.

The preference shares are held at Level 3 on the fair value hierarchy, reflecting a valuation methodology that does not use inputs based on observable market data. See below for sensitivities we have applied in determining the fair value.

Sensitivities

The group's ordinary equity and preference share investments in the Sports JV, carry both upside and downside risk from changes in micro and macroeconomic factors affecting the sports content subscription market and risk appetite of investors in that market. Further, a key decision point in the next 12 months, relating to the renewal of a material customer contract, could significantly impact the value of our investments.

We have applied the following sensitivities to these risk factors:

- EBITDA decline from loss of revenue or improvement from outperformance against revised forecasts.
- Increase or decrease in the valuation multiple achieved.
- Increase or decrease in the discount rate applied.

Sensitivity	Fair value of A and C preference shares in Sports JV	Headroom on impairment test over equity-accounted investment
20% increase or decrease in EBITDA	+/- £112m	+/- £117m
10% increase or decrease in discount rate	+/- £4m	+/- £14m
10% change in valuation multiple	—	+/- £57m

None of these sensitivities generated an impairment on the group's equity-accounted investment in the Sports JV.

In valuing our investments, we have assumed an exit after the earn-out period ends on the fourth anniversary of forming the Sports JV. However, an earlier exit would not have a material impact on the amounts recorded.

11. Related party transactions

Key management personnel comprise Executive and Non-Executive Directors and members of the Executive Committee.

Associates and joint ventures related parties include the Sports JV with Warner Bros formed during FY23 (see note 10). Sales of services to the Sports JV during FY24 were £33m (FY23: £23m) and purchases from the Sports JV were £299m (FY23: £176m) excluding £211m (FY23: £61m) additional payments made to settle the minimum guarantee liability. The amount receivable from the Sports JV as at 31 March 2024 was £3m (FY23: £10m) and the amount payable to the Sports JV was £94m (FY23: £123m).

As part of the BT Sport transaction, the group has committed to providing the Sports JV with a sterling Revolving Credit Facility (RCF), up to a maximum for £300m, for short-term liquidity required by the Sports JV to fund its working capital and commitments to sports rights holders. Amounts drawn down by the Sports JV under the RCF accrue interest at a market reference rate, consistent with the group's external short-term borrowings. The outstanding balance under the RCF of £163m (FY23: £268m) is treated as a loan receivable and held at amortised cost. The capacity of the RCF is expected to reduce to £200m during FY25. There is also a loan payable to the Sports JV of £11m (FY23: £11m).

The Sports JV has a foreign exchange hedging arrangement with the group to secure Euros required to meet its commitments to certain sports rights holders; the group has external forward contracts in place to purchase the Euros at an agreed sterling rate in order to mitigate its exposure to exchange risk. The group holds a £29m (FY23: £14m) derivative liability in respect of forward contracts provided to the Sports JV.

Transactions from commercial trading arrangements with associates and joint ventures, including the Sports JV, are shown below:

	31 March 2024	31 March 2023
	£m	£m
Sales of services to associates and joint ventures	37	29
Purchases from associates and joint ventures	338	216
Amounts receivable from associates and joint ventures	5	10
Amounts payable to associates and joint ventures	95	124

Other related party transactions include a dividend received from a joint venture of £12m (FY23: £nil) and in the prior year the purchase of energy from an entity controlled by the BT Pension Scheme until FY24. FY23 total purchases were £13m and £1m was due to the other party as at 31 March 2023.

12. Principal risks and uncertainties

Risk management is integral to our business and to achieving our strategic priorities. Our risk management framework makes sure that we manage risks in a smart and structured way. It helps us reach our goals, deliver our strategy, support our business model and protect our assets - while leading the way to a bright, sustainable future. We align risk management activities with our strategic framework, business planning and performance management. This helps integrate risk thinking into key decision-making areas. It also makes sure we share information in a joined-up way for the biggest impact.

Our Group Risk Categories (GRC) have remained largely the same and overall we do not consider that there has been a material change to any of our principal risks and uncertainties. However we operate in a challenging external environment and individual risks continue to evolve. Below, we discuss some of the key changes to our risk landscape during the past twelve months.

Data and AI

AI and data use are growing fast and changing the way businesses operate. The regulatory landscape, technological advancements and public awareness are quickly evolving in step - with hard to predict outcomes. Generative AI has the potential to change the way we serve our customers and how our workplace looks. Whilst there is a lot of opportunity, it also means we need to carefully manage risks relating to procuring, developing, using and selling AI solutions.

Managing AI risks cuts across many of our GRCs. For example, we need to ensure we invest in the right AI skills and capabilities. We must also apply responsible technology principles that maintain our stakeholders' trust. The growing use of AI also means relying even more on data, which creates new challenges and risks. Given the synergies between the two, we've expanded our Data GRC to include both data and AI.

Market dynamics
The market is filled with challenges around the macroeconomic environment, competitor movements, regulatory pressures and technological advances. We're managing risks related to increasing competition in the broadband and mobile markets, while also navigating retail pricing pressures and making sure we treat all our customers fairly. We're also closely monitoring and acting on the risks of disintermediation by hyperscalers as they introduce alternative technology solutions.

The geopolitical risk landscape
Geopolitical tensions and wars across the world, like in the South China Sea or Ukraine, create risks to businesses like ours. This year the conflict in the Middle East region has amplified a wide range of potential impacts, including disruption to suppliers, higher energy costs and increased cyber security threats. Geopolitical risks can change fast and affect various parts of our organisation. We use our emerging risk hub to bring together the right people to make action plans as these risks evolve.

The principal risks and uncertainties facing the group at 31 March 2024 are set out in detail within the strategic report section of the Annual Report 2024, published on the group's website (https://www.bt.com/about/investors/financial-reporting-and-news) on 6 June 2024.

13. Goodwill impairment

The carrying amount of intangible assets held by the group at 31 March 2024 was £12.9bn (FY23: £13.7bn). £7.4bn (FY23: £8.0bn) of this balance is goodwill recognised from business combinations.

We perform an annual goodwill impairment review by comparing the carrying amount of goodwill to recoverable amount, being value in use. This test is performed at at a cash generating unit (CGU) level, with CGUs representing the smallest identifiable groups of assets that generate cash inflows that are largely independent of the cash inflows from other groups of assets. Our CGUs are deemed to be Consumer and Business.

£3.9bn (FY23: £3.9bn) of the goodwill recognised at 31 March 2024 is allocated to our Consumer CGU, and £3.6bn (FY23: £4.1bn) is allocated to our Business CGU. Of the £4.1bn attributable to the Business CGU in FY23, £2.6bn relates to the acquisition of EE in 2016 with the rest relating to historical small acquisitions.

Outcome of our annual impairment review

Our FY24 impairment testing exercise concluded that there is significant headroom in our Consumer CGU, consistent with FY23.

The carrying value of the Business CGU exceeded its value in use by £488m. We have therefore booked an impairment charge equivalent to this amount in the income statement, presented as a specific item (Note 5). No impairment was recognised in FY23.

Historical trends including the transition from legacy products indicate risk within forecasts which we have made appropriate adjustment for in line with IAS 36, so as to arrive at a risk adjusted estimate of future economic conditions which reflects long-term viability and trading risks inherent in delivering against the group's strategic pillars.

At the same time, to acknowledge this risk we have reduced terminal growth rate applied to cash flows when calculating the terminal value. We have also excluded uncommitted restructuring costs and benefits including those that relate to the group-wide restructuring programmes. The combined impact of these adjustments has led to a value in use for IAS 36 impairment testing purposes that is indicative of an impairment. Calculating the value in use has involved the application of assumptions and estimates that have had a material impact on the impairment charge recognised. Management judge that the Board-approved forecasts used to calculate value in use support the carrying amount of the Business CGU as at 31 March 2024. We consider below the impact of reasonably possible alternatives in the next 12 months.

What discount rate have we used?
The pre-tax discount rates applied to the cash flow forecasts are derived from our post-tax weighted average cost of capital. The assumptions used in the calculation of the group's weighted average cost of capital are benchmarked to externally available data. The pre-tax discount rate used in performing the value in use calculation for Consumer was 9.25% in FY24 and 9.4% in FY23. We have used a slightly higher rate of 9.27% for Business. This reflects the higher risk countries in which it operates, which in FY23 were part of the Global CGU. In FY23 we used a discount rate of 9.4% for Enterprise and 9.7% for Global, again reflecting the higher risk from countries in which it operates. The reduction in discount rates in FY24 reflects that the cash flows, rather than the discount rate, have been risk adjusted.

What growth rates have we used?
The perpetuity growth rates are determined based on the forecast market growth rates of the regions in which the CGU operates, and reflect an assessment of the long-term growth prospects of that market. The growth rates have been benchmarked against external data for the relevant markets and analysts' expectations. None of the growth rates applied exceed the expected average long-term growth rates for those markets or sectors. In FY24 we have used a perpetuity growth rate of 1.0% for Consumer and 0.7% for the Business CGU. In FY23 the perpetuity growth rate was 2.0% for Enterprise and Consumer, and 2.4% for Global.

Key assumptions applied to testing goodwill allocated to the Business CGU
Key assumptions that value in use is most sensitive to are EBITDA growth over the 5-year forecast period; the long term growth rate for the terminal period; and the weighted average cost of capital used to discount cash flows.

- Our value in use assumes risk-adjusted EBITDA compound annual growth of 0.7% over the 5-year forecast period. The growth rate is the projected adjusted EBITDA growth rate on the cash flow forecasts used in our goodwill impairment model and reflect the growth and maturity of the industry we operate in and historic trends. Compound annual growth rates are risk-adjusted to the compound annual growth rates used in our Board-approved forecasts.
- Application of the terminal growth rate of 0.7%, equivalent to compound annual growth within the terminal period, is viewed as a key assumption with c.75% of the value in use derived from terminal cash flows.
- Value in use is sensitive to the weighted average cost of capital used to discount future cash flows.

The table below shows the sensitivity of the £488m impairment recognised to reasonably possible changes in key assumptions:

	Low scenario	High scenario
EBITDA compound annual growth rate +/- 1%	(£1,260m) more impairment	£374m less impairment
Long term growth rate +/- 0.7%	(£478m) more impairment	£488m less impairment
Weighted average cost of capital +/- 1%	(£865m) more impairment	£488m less impairment

Other sensitivities applicable to the Business CGU
Applying a severe but plausible downside scenario, reflecting a plan that we are highly confident will be achieved or exceeded, based on the same risk population would result in a further impairment charge of £2,430m in addition to the £488m recognised. Management consider that it is reasonably possible to expect that actual future cash flows will outperform the risk-adjusted cash flows modelled for the purpose of testing goodwill impairment. A less conservative view of risks and opportunities in the base case of our forecast would result in headroom of approximately £2,083m rather than the impairment charge booked.

14. Post balance sheet events

On 3 April 2024, BT issued a EUR 750m hybrid bond due on 3 October 2054 under our European Medium Term Note programme with a coupon of 5.125% until the first call date of 5.5 years.

Additional Information

Notes

Our commentary focuses on the trading results on an adjusted basis, which is a non-GAAP measure, being before specific items. The directors believe that presentation of the group's results in this way is relevant to an understanding of the group's financial performance as specific items are those that in management's judgement need to be disclosed by virtue of their size, nature or incidence. This is consistent with the way that financial performance is measured by management and reported to the Board and the Executive Committee and assists in providing a meaningful analysis of the trading results of the group. In determining whether an event or transaction is specific, management considers quantitative as well as qualitative factors such as the frequency or predictability of occurrence. Reported revenue, reported operating profit, reported profit before tax, reported net finance expense and reported EPS are the equivalent unadjusted or statutory measures. Reconciliations of reported to adjusted revenue, operating costs, operating profit, profit before tax and EPS are set out in the group income statement. Reconciliations of adjusted earnings before interest, tax, depreciation and amortisation, net debt and free cash flow from the nearest measures prepared in accordance with IFRS are provided in this Additional Information.

Reconciliation of adjusted earnings before interest, tax, depreciation and amortisation

In addition to measuring financial performance of the group and customer-facing units based on adjusted operating profit, we also measure performance based on adjusted EBITDA. Adjusted EBITDA is defined as the group profit or loss before specific items, net finance expense, taxation, depreciation and amortisation and share of post tax profits or losses of associates and joint ventures.

We consider adjusted EBITDA to be a useful measure of our operating performance because it approximates the underlying operating cash flow by eliminating depreciation and amortisation. Adjusted EBITDA is not a direct measure of our liquidity, which is shown by our cash flow statement, and needs to be considered in the context of our financial commitments.

A reconciliation of reported profit for the period, the most directly comparable IFRS measure, to adjusted EBITDA, is set out below.

	Full year to 31 March	
	2024	2023
	£m	£m
Reported profit for the period	**855**	1,905
Tax	**331**	(176)
Reported profit before tax	**1,186**	1,729
Net finance expense	**1,007**	831
Depreciation and amortisation	**5,398**	4,818
Specific revenue	**38**	(12)
Specific operating costs before depreciation and amortisation	**450**	503
Share of post tax (profits) losses of associates and joint ventures	**21**	59
Adjusted[1] EBITDA	**8,100**	7,928

[1] See Glossary on page 11.

Normalised free cash flow

Normalised free cash flow is one of the group's key performance indicators by which our financial performance is measured. It is primarily a liquidity measure. However, we also believe it is an important indicator of our overall operational performance as it reflects the cash we generate from operations after capital expenditure and financing costs, both of which are significant ongoing cash outflows associated with investing in our infrastructure and financing our operations.

Normalised free cash flow is defined as free cash flow (net cash inflow from operating activities after net capital expenditure) after net interest paid, payment of lease liabilities, net cash flows from the sale of cash flows related to contract assets, monies received as prepayment for the sale of redundant copper, dividends received from non-current asset investments, associates and joint ventures, and net purchase or disposal of non-current asset investments, before pension deficit payments (including their cash tax benefit), payments relating to spectrum, and specific items. It excludes cash flows that are determined at a corporate level independently of ongoing trading operations such as dividends paid, share buybacks, acquisitions and disposals, repayment and raising of debt, cash flows relating to loans with joint ventures, and cash flows relating to the Building Digital UK demand deposit account which have already been accounted for within normalised free cash flow. For non-tax related items the adjustments are made on a pre-tax basis.

As communicated in our Q4 FY23 results release, from FY24 we have updated our normalised free cash flow metric to reflect the ongoing evolution of the business:

- We include the sale of cash flows of contract assets related to mobile handsets where the performance obligations have been substantially delivered to the customer. This is a financing cash flow in the cash flow statement as certain performance obligations in the contract need to be fulfilled before the right to consideration is unconditional. The underlying rationale for entering into these transactions is however for the purpose of working capital management as handset costs are incurred up front but recovered throughout the customer contract term. We therefore view the related cash flows as equivalent to working capital cash flows internally, and consider that they should be treated in the same way as operating cash inflows in our external normalised free cash flow metric in order to provide the most relevant information to the users of the financial statements. The corresponding operating cash inflow received from customers is excluded from normalised free cash flow if it has previously been included at the time of the sale of the contract assets.

- We include monies received as prepayment for the forward sale of future redundant copper. In the cash flow statement this will be recorded within cash flows from investing activities as a separate line item, and will be the only cash flow recognised in respect of the transaction. We therefore consider it necessary to include the inflow within normalised free cash flow to align with the treatment of cash flows from all other purchases and disposals of property, plant and equipment.

Normalised free cash flow is not a measure of the funds that are available for distribution to shareholders.

A reconciliation from cash inflow from operating activities, the most directly comparable IFRS measure, to free cash flow and normalised free cash flow, is set out below.

	Full year to 31 March	
	2024	2023
	£m	£m
Cash generated from operations[1]	**6,012**	6,588
Tax paid	**(59)**	136
Net cash inflows from operating activities	**5,953**	6,724
Net purchase of property, plant and equipment and intangible assets	**(4,967)**	(5,307)
Free cash flow	**986**	1,417
Interest received	**140**	41
Interest paid	**(865)**	(709)
Payment of lease liabilities	**(748)**	(727)
Dividends received from joint ventures, associates and investments	**20**	9
Net purchase of non-current asset investments	**—**	(5)
Add back pension deficit payments	**823**	994
Add back net cash flow from specific items	**439**	404
Cash flows relating to the BDUK demand deposit account	**75**	(96)
Net cashflows from sale of contract assets related to mobile handsets	**305**	—
Prepayment for forward sale of copper	**105**	—
Normalised free cash flow	**1,280**	1,328

[1] Includes £247m outflow (FY23: £259m inflow) related to utilisation of a supply chain financing programme; year on year cash outflow of £506m.

Net debt and net financial debt

Net debt consists of loans and other borrowings, lease liabilities (both current and non-current) less current asset investments and cash and cash equivalents, including items which have been classified as held for sale on the balance sheet. Amounts due to joint ventures and loans and borrowings recognised in relation to monies received from the sale of cash flows of contract assets and as prepayment for the forward sale of redundant copper are excluded. Currency-denominated balances within net debt are translated to sterling at swap rates where hedged. Fair value adjustments and accrued interest applied to reflect the effective interest method are removed.

Net debt is a measure of the group's net indebtedness that provides an indicator of overall balance sheet strength. It is a key indicator used by management to assess both the group's cash position and its indebtedness. The use of the term 'net debt' does not necessarily mean that the cash included in the net debt calculation is available to settle the liabilities included in this measure.

As aligned with our normalised free cash flow metric, from FY24 onwards we exclude loans and borrowings recognised in relation to:

- Asset monetisation programmes, in which monies received from the sale of cash flows of contract assets are recorded as liabilities (and the contract asset is not derecognised) until certain performance obligations in the contract are fulfilled and the right to consideration becomes unconditional. Excluding these liabilities is considered to improve the relevance of the net debt metric as it is consistent with the treatment of related cash flows in normalised free cash flow as noted above; and aligns with the underlying rationale and management's view that substantially all the risks and rewards associated with ownership of these assets have been transferred to the end buyer. These liabilities do not reflect the group's indebtedness as they will be extinguished upon the transfer of ringfenced operational cash flows from end customers which management are confident will be received.

- Monies received as prepayment for the forward sale of redundant copper, which are recognised as liabilities until there is physical delivery of the copper. Excluding these liabilities is again considered to improve the relevance of the net debt metric by aligning with the treatment of related cash flows in normalised free cash flow and the fact that balances are not representative of the group's true indebtedness given that they will be settled by the physical delivery of copper, rather than cash or any other financial asset.

Net financial debt is net debt excluding lease liabilities. It allows for the comparison to net debt measures reported before the introduction of IFRS 16 on 1 April 2019, and reflects a view that lease liabilities are operational debt in substance, rather than financing transactions.

Net debt and net financial debt are considered to be alternative performance measures as they are not defined in IFRS. A reconciliation from loans and other borrowings, lease liabilities, cash and cash equivalents, and current asset investments, the most directly comparable IFRS measures to net debt and net financial debt, is set out below.

	31 March 2024	**31 March 2023**
	£m	£m
Loans and other borrowings	**18,526**	18,521
Lease liabilities	**4,955**	5,359
Cash and cash equivalents	**(414)**	(392)
Current asset investments	**(2,366)**	(3,548)
Net lease liabilities classified as held for sale	**—**	3
	20,701	19,943
Adjustments:		
To re-translate currency denominated balances at swapped rates when hedged[1]	**(512)**	(819)
To remove fair value adjustments and accrued interest applied to reflect the effective interest method	**(275)**	(254)
Net loans with joint ventures	**(11)**	(11)
Loans related to forward sale of redundant copper	**(106)**	—
Loans related to sale of contract assets	**(318)**	—
Net debt	**19,479**	18,859
Lease liabilities	**(4,955)**	(5,359)
Lease liabilities classified as held for sale	**—**	(3)
Net financial debt	**14,524**	13,497

[1] The translation difference between spot rate and hedged rate of loans and borrowings denominated in foreign currency.

Adjustments to prior period published financial information: changes in central cost allocation methodology, the creation of Business and the Sports JV pro forma

Changes in central cost allocation methodology and the creation of Business

From 1 April 2023 we have re-presented certain FY23 comparatives to reflect changes to the methodology used to allocate certain shared costs.

Also from 1 April 2023, the Business customer-facing unit (formed from the merger of Enterprise and Global) began reporting as a single unit.

As explained in note 1 to the condensed consolidated financial statements (page 17) we have re-presented relevant FY23 comparatives to reflect both of these changes in line with IFRS accounting requirements. These adjustments are reflected in the operating review section of the release and the condensed consolidated financial statements.

The tables below presents a bridge between the previously published financial information and the comparatives presented within this release.

Year ended 31 March 2023	Reported basis	Re-presentation adjustment	Re-presented basis
	£m	£m	£m
Adjusted revenue			
Consumer	9,737	—	9,737
Business	—	8,258	8,258
Legacy Enterprise	4,962	(4,962)	—
Legacy Global	3,328	(3,328)	—
Openreach	5,675	—	5,675
Other	27	—	27
Intra-group items	(3,060)	32	(3,028)
Total Group	**20,669**	**—**	**20,669**
Adjusted EBITDA			
Consumer	2,623	(154)	2,469
Business	—	1,945	1,945
Legacy Enterprise	1,394	(1,394)	—
Legacy Global	458	(458)	—
Openreach	3,449	61	3,510
Other	4	—	4
Total Group	**7,928**	**—**	**7,928**
Adjusted depreciation & amortisation			
Consumer	1,397	206	1,603
Business	—	1,047	1,047
Legacy Enterprise	842	(842)	—
Legacy Global	317	(317)	—
Openreach	2,059	(94)	1,965
Other	138	—	138
Total Group	**4,753**	**—**	**4,753**
Capital expenditure			
Consumer	1,193	28	1,221
Business	—	886	886
Legacy Enterprise	608	(608)	—
Legacy Global	252	(252)	—
Openreach	2,796	51	2,847
Other	207	(105)	102
Total Group	**5,056**	**—**	**5,056**
Normalised free cash flow			
Consumer	1,147	(184)	963
Business	—	648	648
Legacy Enterprise	522	(522)	—
Legacy Global	63	(63)	—
Openreach	211	8	219
Other	(615)	113	(502)
Total Group	**1,328**	**—**	**1,328**

Fourth quarter to 31 March 2023	Reported basis	Re-presentation adjustment	Re-presented basis
	£m	£m	£m
Adjusted revenue			
Consumer	2,306	—	2,306
Business	—	2,115	2,115
Legacy Enterprise	1,270	(1,270)	—
Legacy Global	854	(854)	—
Openreach	1,420	—	1,420
Other	3	—	3
Intra-group items	(764)	9	(755)
Total Group	**5,089**	**—**	**5,089**
Adjusted EBITDA			
Consumer	659	(49)	610
Business	—	555	555
Legacy Enterprise	384	(384)	
Legacy Global	147	(147)	
Openreach	879	25	904
Other	(21)	—	(21)
Total Group	**2,048**	**—**	**2,048**

Sports JV pro forma basis

On 3 September 2022 BT Group and Warner Bros. Discovery announced completion of their transaction to form a 50:50 joint venture (JV) combining the assets of BT Sport and Eurosport UK. On 18 October 2022 we published unaudited pro forma financial information estimating the impact on the group as if trading in relation to BT Sport had been equity accounted for in previous periods, akin to the JV being in place historically.

Within pages 1 to 10 of this results release, when discussing the performance of BT Group and our Consumer customer-facing unit we reference pro forma information relating to FY23 prior period comparatives (i.e. the full year ended 31 March 2023). We consider analysis on a pro forma basis to be appropriate as it enables comparison of results on a like-for-like basis.

Results presented in the condensed consolidated financial statements (pages 12 to 16) do not reflect these unaudited pro forma adjustments.

The table below presents a bridge between the re-presented FY23 comparatives and the pro forma FY23 comparatives presented within this release.

Year ended 31 March 2023	Reported basis (re-presented[1])	Sports JV pro forma adjustment	Sports JV pro forma basis
	£m	£m	£m
BT Group			
Adjusted[2] revenue	20,669	(238)	20,431
Adjusted[2] EBITDA	7,928	71	7,999
Consumer			
Adjusted[2] revenue	9,737	(238)	9,499
Adjusted[2] EBITDA	2,469	71	2,540
Capital expenditure	1,221	—	1,221
Normalised free cash flow[2]	963	123	1,086

[1] Consumer prior period comparatives as previously reported have been re-presented for the changes detailed under the 'Re-presented' heading of the Glossary on page 11.
[2] See Glossary on page 11.

About BT Group

BT Group is the UK's leading provider of fixed and mobile telecommunications and related secure digital products, solutions and services. We also provide managed telecommunications, security and network and IT infrastructure services to customers across 180 countries.

BT Group consists of three customer-facing units: Consumer serves individuals and families in the UK; Business covers companies and public services in the UK and internationally; Openreach is an independently governed, wholly owned subsidiary wholesaling fixed access infrastructure services to its customers - over 700 communications providers across the UK.

British Telecommunications plc is a wholly owned subsidiary of BT Group plc and encompasses virtually all businesses and assets of the BT Group. BT Group plc is listed on the London Stock Exchange.

For more information, visit www.bt.com/about

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We will hold the fourth quarter and full year FY24 results call for analysts and investors in London at 10am today and a simultaneous webcast will be available at www.bt.com/results.

We expect to publish the BT Group plc Annual Report 2024 on 6 June 2024. The Annual General Meeting of BT Group plc will be held on 11 July 2024.

We are scheduled to release our first quarter trading statement for FY25 on 25 July 2024.

Forward-looking statements – caution advised

Certain information included in this announcement is forward looking and involves risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed or implied by forward looking statements. Forward looking statements cover all matters which are not historical facts and include, without limitation, projections relating to results of operations and financial conditions and the Company's plans and objectives for future operations. Forward looking statements can be identified by the use of forward looking terminology, including terms such as 'believes', 'estimates', 'anticipates', 'expects', 'forecasts', 'intends', 'plans', 'projects', 'goal', 'target', 'aim', 'may', 'will', 'would', 'could' or 'should' or, in each case, their negative or other variations or comparable terminology. Forward looking statements in this announcement are not guarantees of future performance. All forward looking statements in this announcement are based upon information known to the Company on the date of this announcement. Accordingly, no assurance can be given that any particular expectation will be met and readers are cautioned not to place undue reliance on forward looking statements, which speak only at their respective dates. Additionally, forward looking statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Other than in accordance with its legal or regulatory obligations (including under the UK Listing Rules and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority), the Company undertakes no obligation to publicly update or revise any forward looking statement, whether as a result of new information, future events or otherwise. Nothing in this announcement shall exclude any liability under applicable laws that cannot be excluded in accordance with such laws.