

**SUE GRAY
PERMANENT SECRETARY**

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Department of
Finance
An Roinn
Airgeadais
www.finance-ni.gov.uk

COMMERCIAL SENSITIVE

William Humphrey
Chairperson
Public Accounts Committee
NI Assembly
Parliament Buildings
Ballymiscaw
BELFAST
BT4 3XX

Our ref: SINV 109-2020

Via email – committee.publicaccounts@niassembly.gov.uk

22 October 2020

Dear William

**PUBLIC ACCOUNTS COMMITTEE EVIDENCE SESSION – PROVISION OF
NIDIRECT STRATEGIC PARTNER ACCOUNTS**

I refer to your request for copies of the NI Direct Strategic Partner annual project accounts.

The Department is under a contractual obligation to use all reasonable endeavours to ensure that any third party to whom the contractor's commercial information is disclosed are aware of the Department's obligations of confidentiality. As the project accounts are commercially sensitive documents it is requested that they are treated accordingly.

Please find attached individual PDF copies of the project accounts covering the period 2012-13 to 2019-20.

I am copying this letter and a copy of the project accounts to the Northern Ireland Audit Office.

Yours sincerely

Sue Gray

SUE GRAY

Copy Distribution List

Paul Duffy
Ian Snowden
Sharon Smyth
Stuart Stevenson
Ignatius O'Doherty
Julie Sewell

NI DIRECT STRATEGIC PARTNER PROJECT

**(BRITISH TELECOMMUNICATIONS PLC AND
DEPARTMENT OF FINANCE & PERSONNEL)**

ANNUAL PROJECT ACCOUNTS

PERIOD ENDED 31 MARCH 2020

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INDEPENDENT AUDITOR'S REPORT TO BT PLC ("THE CONTRACTOR") AND THE DEPARTMENT OF FINANCE & PERSONNEL ("THE AUTHORITY") ON THE ANNUAL PROJECT ACCOUNTS FOR NI DIRECT STRATEGIC PARTNER CONTRACT (THE "CONTRACT")

In accordance with the terms of our engagement letter dated 21 August 2020, we have audited the Project Accounts for the period ended 31 March 2020.

This report is prepared solely for the confidential use of the Authority and the Contractor to fulfil the requirements of Section 24.1.7 of the NI Direct Strategic Partner Agreement. Our audit work has been undertaken in accordance with our Terms of Engagement agreed with the Contractor and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any entity other than the Contractor and the Authority, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE CONTRACTOR AND AUDITOR

The Contractor is responsible for the preparation of the Project Accounts in accordance with the terms of its contract with the Authority and accounting principles and policies generally accepted and applied within the United Kingdom.

Our responsibility is to audit the Project Accounts to gain assurance that they have been prepared in accordance with accounting principles and policies generally accepted and applied within the United Kingdom and the terms of the agreement between the Contractor and the Authority pertaining to the preparation of the Project Accounts.

We report to you our opinion as to whether the Project Accounts are properly prepared in accordance with accounting principles and policies generally accepted and applied with the United Kingdom and the terms of the agreement between the Contractor and the Authority pertaining to the preparation of the Project Accounts.

SCOPE OF THE AUDIT

Our audit was conducted in accordance with Appendix 1B of our Engagement Letter dated 21 August 2020 and in accordance with the International Standards on Auditing (UK) (ISAs (UK)) issued by the Auditing Practices Board.

Our audit was conducted in such a manner as we considered necessary to fulfil our responsibilities and included such tests of transactions and of the existence, ownership and valuation of assets and liabilities as we considered necessary.

We obtained an understanding of the accounting systems in order to assess its adequacy as a basis for the preparation of the Project Accounts and to establish whether proper accounting records have been maintained.

We also have a professional responsibility to report if the Project Accounts do not comply in any material respect with applicable Accounting Standards, unless in our opinion the non-compliance is justified in the circumstances.

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OPINION

In our opinion the Project Accounts:

- Give a true and fair view of the Contract Profit & Loss for the period ended 31 March 2020; and
- Have been prepared in accordance with accounting principles generally accepted and applied within the United Kingdom.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the terms of our Engagement Letter require us to report to you if, in our opinion:

- Adequate accounting records have not been kept; or
- Adequate accounting systems are not in place to form a basis for the preparation of the Project Accounts; or
- The Project Accounts are not in agreement with the accounting records; or
- The Project Accounts do not comply in any material respect with applicable Accounting Standards; or
- We have not received all the information and explanations we require for our audit.

Alfred House
19 Alfred Street
Belfast
BT2 8EQ

GM^cG Belfast
Chartered Accountants
& Statutory Auditor

23/09/2020.....

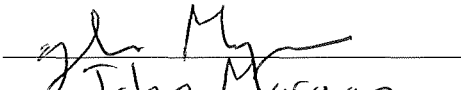
NI Direct Strategic Partner Project
Profit & Loss Account
Year ended 31 March 2020

	NOTE	£ 31 March 2020	£ 31 March 2019	£ 31 March 2018	£ 31 March 2017	£ 31 March 2016	£ 31 March 2015	£ 31 March 2014	£ 31 March 2013	£ Cumulative
Project Turnover										
Non-Recurring		5 163 131	2 411 122	5 821 175	7 861 128	7 814 404	4 668 607	4 241 036	2 364 709	40 345 313
Recurring		7 619 597	7 565 016	8 389 328	8 624 351	8 679 467	5 425 622	2 592 922	808 465	49 804 267
Total Revenue		12 782 728	10 076 138	14 210 503	16 485 479	16 493 871	10 094 229	6 833 958	3 173 174	90 150 080
Project Expenditure										
Non Recurring Costs										
Labour		298 181	316 873	358 558	1 028 760	1 217 666	1 124 618	775 838	88 960	5 209 452
Thrd Party Contractors		101 485	48 214	345 745	319 359	31 745	147 977	356 523	30 635	1 381 693
Thrd Party Costs	1	3 671 912	1 534 298	2 427 474	5 797 793	3 893 560	2 548 089	2 301 495	1,839 776	24 014 395
Onebills		683	277	1 220	3 969	3 827	(8 141)	11 908	374	14 118
Training		-	59 623	50 559	27 221	47 549	-	14 880	5 115	204 947
Other Recurring Costs		-	-	-	-	-	-	21 380	-	21,380
Non-Recurring Costs Total		4 072 271	1 959 285	3 183 553	7 177 102	5 184 347	3,812 542	3 482 034	1 964 860	30 845 594
Recurring Costs										
Labour		819 813	1 031 843	1 156 056	928 056	863 047	620 304	537 940	212 787	6 169 855
Thrd Party Contractors		301,097	1 175 007	1 071 535	682 116	309 474	16 427	82 904	11 040	3 649 601
Contact Centre Labour		851 282	808 770	561 538	639 718	606 571	832 462	840 600	274 297	5 415 237
Thrd Party Costs		4 608 150	4 300 244	5 746 892	5 183 393	6 678 886	3 089 349	1 874 611	382 086	32 056,700
Onebills		255 463	292 068	263 674	256 208	247 050	163 923	98 401	5 036	1 581 853
Training		-	40 392	40 392	40 392	40 392	39 204	52 272	17 424	270 468
Other Non - Recurring Costs		-	-	-	-	-	18 660	12 866	-	31 526
Recurring Costs Total		6 635 803	7 648 353	8 840 186	7 734 674	8 745 420	4 780 328	3 499 593	902 682	49 187 240
Overheads										
Non - Recurring - Labour		149,090	158 437	179 278	514 380	608 833	562 309	387 919	44 480	2 604 726
Recurring Labour		409,906	515 922	576 028	464 028	431 524	310 152	268 970	106 398	3 084 927
Overheads Total		558 997	674 358	757 306	978 408	1 040 357	872 461	656 689	150 878	5 689 653
Project Expenditure Total		11 467 071	10 481 897	12 781 045	15 880 384	14 980 123	9,465 332	7 638 515	3 018,421	85 722,887
Profit Before Taxation from Services		1,315,657	(405,859)	1,429,458	595,095	1,513,748	628,897	(804,557)	154,753	4,427,193

NOTES

1 Included in non-recurring thrd party costs is accrued expenditure of £914 472 for which no invoices have yet been received. The expenditure is in line with the cost models and we consider the accrual to be an accurate reflection of the unbilled costs as at 31 March 2020

These accounts were approved by BT PLC and authorised for issue on 23/9/20 and are signed on its behalf by

Signature 
Name John Morgan
Position Northern Ireland Finance Director

NI DIRECT STRATEGIC PARTNER PROJECT

**(BRITISH TELECOMMUNICATIONS PLC AND
DEPARTMENT OF FINANCE & PERSONNEL)**

ANNUAL PROJECT ACCOUNTS

PERIOD ENDED 31 MARCH 2019

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In accordance with the terms of our engagement letter dated 10 August 2020, we have audited the Project Accounts for the period ended 31 March 2019.

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We report to you our opinion as to whether the Project Accounts are properly prepared in accordance with accounting principles and policies generally accepted and applied with the United Kingdom and the terms of the agreement between the Contractor and the Authority pertaining to the preparation of the Project Accounts.

SCOPE OF THE AUDIT

Our audit was conducted in accordance with Appendix 1B of our Engagement Letter dated 10 August 2020 and in accordance with the International Standards on Auditing (UK) (ISAs (UK)) issued by the Auditing Practices Board.

Our audit was conducted in such a manner as we considered necessary to fulfil our responsibilities and included such tests of transactions and of the existence, ownership and valuation of assets and liabilities as we considered necessary.

We obtained an understanding of the accounting systems in order to assess its adequacy as a basis for the preparation of the Project Accounts and to establish whether proper accounting records have been maintained.

We also have a professional responsibility to report if the Project Accounts do not comply in any material respect with applicable Accounting Standards, unless in our opinion the non-compliance is justified in the circumstances.

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OPINION

In our opinion the Project Accounts:

- Give a true and fair view of the Contract Profit & Loss for the period ended 31 March 2019; and
- Have been prepared in accordance with accounting principles generally accepted and applied within the United Kingdom.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the terms of our Engagement Letter require us to report to you if, in our opinion:

- Adequate accounting records have not been kept; or
- Adequate accounting systems are not in place to form a basis for the preparation of the Project Accounts; or
- The Project Accounts are not in agreement with the accounting records; or
- The Project Accounts do not comply in any material respect with applicable Accounting Standards; or
- We have not received all the information and explanations we require for our audit.

Alfred House
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Belfast
BT2 8EQ

Emily Beelax

GMG Belfast
Chartered Accountants
& Statutory Auditor

.....3/09/2020.....

NI Direct Strategic Partner Project
Profit & Loss Account
Year ended 31 March 2019

	£	£	£	£	£	£	£	£
	31 March 2019	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013	Cumulative
Project Turnover								
Non-Recurring	2,411,122	5,821,175	7,861,128	7,814,404	4,668,607	4,241,036	2,364,709	35,182,182
Recurring	7,665,016	8,389,328	8,624,351	8,679,467	5,425,622	2,592,922	808,465	42,185,170
Total Revenue	<u>10,076,138</u>	<u>14,210,503</u>	<u>16,485,479</u>	<u>16,493,871</u>	<u>10,094,229</u>	<u>6,833,958</u>	<u>3,173,174</u>	<u>77,367,352</u>
Project Expenditure								
Non-Recurring Costs								
Labour	316,873	358,556	1,028,760	1,217,666	1,124,618	775,838	88,960	4,911,271
Third Party Contractors	48,214	345,745	319,359	31,745	147,977	356,523	30,635	1,280,198
Third Party Costs	1,534,298	2,427,474	5,797,793	3,893,560	2,548,089	2,301,495	1,839,776	20,342,483
Onebills	277	1,220	3,969	3,827	(8,141)	11,908	374	13,435
Training	59,623	50,559	27,221	47,549	-	14,860	5,115	204,947
Other Recurring Costs	-	-	-	-	-	21,390	-	21,390
Non-Recurring Costs Total	<u>1,959,285</u>	<u>3,163,553</u>	<u>7,177,102</u>	<u>5,194,347</u>	<u>3,812,542</u>	<u>3,482,034</u>	<u>1,964,860</u>	<u>26,773,723</u>
Recurring Costs								
Labour	1,031,843	1,156,056	928,056	863,047	620,304	537,940	212,797	5,350,042
Third Party Contractors	1,175,007	1,071,535	682,118	309,474	16,427	82,904	11,040	3,348,504
Contact Centre Labour	808,770	561,538	639,718	606,571	832,462	840,600	274,297	4,563,955
Third Party Costs	4,500,244	5,746,992	5,188,383	6,678,886	3,089,349	1,874,611	382,086	27,460,551
Onebills	292,098	263,674	256,208	247,050	163,923	98,401	5,038	1,326,391
Training	40,392	40,392	40,392	40,392	39,204	52,272	17,424	270,468
Other Non - Recurring Costs	-	-	-	-	18,660	12,866	-	31,526
Recurring Costs Total	<u>7,848,353</u>	<u>8,840,186</u>	<u>7,734,874</u>	<u>8,745,420</u>	<u>4,780,329</u>	<u>3,499,593</u>	<u>902,682</u>	<u>42,351,436</u>
Overheads								
Non - Recurring - Labour	158,437	179,278	514,380	608,833	562,309	387,919	44,460	2,455,635
Recurring Labour	515,922	578,028	464,028	431,524	310,152	268,970	106,398	2,675,021
Overheads Total	<u>674,359</u>	<u>757,306</u>	<u>978,408</u>	<u>1,040,357</u>	<u>872,461</u>	<u>656,889</u>	<u>150,878</u>	<u>5,130,656</u>
Project Expenditure Total	<u>10,481,997</u>	<u>12,781,045</u>	<u>15,890,384</u>	<u>14,980,123</u>	<u>9,465,332</u>	<u>7,638,515</u>	<u>3,018,421</u>	<u>74,255,816</u>
Profit Before Taxation from Services	<u>(405,859)</u>	<u>1,429,458</u>	<u>595,095</u>	<u>1,513,748</u>	<u>628,897</u>	<u>(804,557)</u>	<u>154,753</u>	<u>3,111,536</u>

These accounts were approved by BT PLC and authorised for issue on 2/19/20 and are signed on its behalf by:

Signature:



Name:

John Morgan

Position:

Northern Ireland Finance Director

NI DIRECT STRATEGIC PARTNER PROJECT

**(BRITISH TELECOMMUNICATIONS PLC AND
DEPARTMENT OF FINANCE & PERSONNEL)**

ANNUAL PROJECT ACCOUNTS

PERIOD ENDED 31 MARCH 2018

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In accordance with the terms of our engagement letter dated 10 June 2019, we have audited the Project Accounts for the period ended 31 March 2018.

This report is prepared solely for the confidential use of the Authority and the Contractor to fulfil the requirements of Section 24.1.7 of the NI Direct Strategic Partner Agreement. Our audit work has been undertaken in accordance with our Terms of Engagement agreed with the Contractor and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any entity other than the Contractor and the Authority, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE CONTRACTOR AND AUDITOR

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We report to you our opinion as to whether the Project Accounts are properly prepared in accordance with accounting principles and policies generally accepted and applied with the United Kingdom and the terms of the agreement between the Contractor and the Authority pertaining to the preparation of the Project Accounts.

SCOPE OF THE AUDIT

Our audit was conducted in accordance with Appendix 1B of our Engagement Letter dated 10 June 2019 and in accordance with the International Standards on Auditing (UK) (ISAs (UK)) issued by the Auditing Practices Board.

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OPINION

In our opinion the Project Accounts:

- Give a true and fair view of the Contract Profit & Loss for the period ended 31 March 2018; and
- Have been prepared in accordance with accounting principles generally accepted and applied within the United Kingdom.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the terms of our Engagement Letter require us to report to you if, in our opinion:

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GM&G Belfast
Chartered Accountants
& Statutory Auditor

.....26/8/2020.....

NI Direct Strategic Partner Project
Profit & Loss Account
Year ended 31 March 2018

	£	£	£	£	£	£	£
	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013	Cumulative
Project Turnover							
Non-Recurring	5,821,175	7,861,128	7,814,404	4,668,607	4,241,036	2,364,709	32,771,060
Recurring	8,389,328	8,624,351	8,679,467	5,425,622	2,592,922	808,465	34,520,155
Total Revenue	14,210,503	16,485,479	16,493,871	10,094,229	6,833,958	3,173,174	67,291,214
Project Expenditure							
Non-Recurring Costs							
Labour	358,556	1,028,760	1,217,666	1,124,618	775,838	88,960	4,594,397
Third Party Contractors	345,745	319,359	31,745	147,977	356,523	30,635	1,231,883
Third Party Costs	2,427,474	5,797,793	3,893,560	2,548,089	2,301,495	1,839,776	18,808,166
Onebills	1,220	3,969	3,827	(8,141)	11,908	374	13,158
Training	50,559	27,221	47,549	-	14,880	5,115	145,324
Other Recurring Costs	-	-	-	-	21,390	-	21,390
Non-Recurring Costs Total	3,183,553	7,177,102	5,194,347	3,812,542	3,482,034	1,964,860	24,814,438
Recurring Costs							
Labour	1,156,056	928,056	863,047	620,304	537,940	212,797	4,318,199
Third Party Contractors	1,071,535	682,118	309,474	16,427	82,904	11,040	2,173,497
Contact Centre Labour	561,538	639,718	606,571	832,462	840,600	274,297	3,755,186
Third Party Costs	5,746,992	5,188,383	6,678,886	3,089,349	1,874,611	382,086	22,960,307
Onebills	263,674	256,208	247,050	163,923	98,401	5,038	1,034,293
Training	40,392	40,392	40,392	38,204	52,272	17,424	230,076
Other Non - Recurring Costs	-	-	-	18,660	12,866	-	31,526
Recurring Costs Total	8,840,186	7,734,874	8,745,420	4,780,329	3,499,593	902,682	34,503,083
Overheads							
Non - Recurring - Labour	179,278	514,380	608,833	562,309	387,919	44,480	2,297,199
Recurring Labour	578,028	464,028	431,524	310,152	268,970	106,398	2,159,099
Overheads Total	757,306	978,408	1,040,357	872,461	656,889	150,878	4,456,298
Project Expenditure Total	12,781,045	15,890,384	14,980,123	9,465,332	7,638,515	3,018,421	63,773,819
Profit Before Taxation from Services	1,429,458	595,095	1,513,748	628,897	(804,557)	154,753	3,517,395

25/8/20

These accounts were approved by BT PLC and authorised for issue on, and are signed on its behalf by:

Signature:

John Morgan

Name:

John Morgan

Position:

BT Northern Ireland Finance Director

**NI DIRECT STRATEGIC PARTNER PROJECT
(BRITISH TELECOMMUNICATIONS PLC AND
DEPARTMENT OF FINANCE & PERSONNEL)**

ANNUAL PROJECT ACCOUNTS

PERIOD ENDED 31 MARCH 2017

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OPINION

In our opinion the Project Accounts:

- Give a true and fair view of the Contract Profit & Loss for the period ended 31 March 2017; and
- Have been prepared in accordance with accounting principles generally accepted and applied within the United Kingdom.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the terms of our Engagement Letter require us to report to you if, in our opinion:

- Adequate accounting records have not been kept; or
- Adequate accounting systems are not in place to form a basis for the preparation of the Project Accounts; or
- The Project Accounts are not in agreement with the accounting records; or
- The Project Accounts do not comply in any material respect with applicable Accounting Standards; or
- We have not received all the information and explanations we require for our audit.

Alfred House
19 Alfred Street
Belfast
BT2 8EQ

GmG Belfast

GM^oG Belfast
Chartered Accountants
& Statutory Auditor

9th June 2020

	£	£	£	£	£	£
	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013	Cumulative
Project Turnover						
Non-Recurring	7,861,128	7,814,404	4,668,607	4,241,036	2,364,709	26,949,884
Recurring	8,624,351	8,679,467	5,425,622	2,592,922	808,465	26,130,827
Total Revenue	16,485,479	16,493,871	10,094,229	6,833,958	3,173,174	53,080,711
Project Expenditure						
Non-Recurring Costs						
Labour	1,028,760	1,217,666	1,124,618	775,838	88,960	4,235,842
Third Party Contractors	319,359	31,745	147,977	356,523	30,635	886,238
Third Party Costs	5,797,793	3,893,560	2,548,089	2,301,495	1,839,776	16,380,712
Onebills	3,969	3,827	(8,141)	11,908	374	11,938
Training	27,221	47,549	-	14,880	5,115	94,765
Other Recurring Costs	-	-	-	21,390	-	21,390
Non-Recurring Costs Total	7,177,102	5,194,347	3,812,542	3,482,034	1,964,860	21,630,885
Recurring Costs						
Labour	928,056	863,047	620,304	537,940	212,797	3,162,143
Third Party Contractors	682,118	309,474	16,427	82,904	11,040	1,101,962
Contact Centre Labour	639,718	606,571	832,462	840,600	274,297	3,193,648
Third Party Costs	5,188,383	6,678,886	3,089,349	1,874,611	382,086	17,213,315
Onebills	256,208	247,050	163,923	98,401	5,038	770,619
Training	40,392	40,392	39,204	52,272	17,424	189,684
Other Non - Recurring Costs	-	-	18,660	12,866	-	31,526
Recurring Costs Total	7,734,874	8,745,420	4,780,329	3,499,593	902,682	25,662,897
Overheads						
Non - Recurring - Labour	514,380	608,833	562,309	387,919	44,480	2,117,921
Recurring Labour	464,028	431,524	310,152	268,970	106,398	1,581,072
Overheads Total	978,408	1,040,357	872,461	656,889	150,878	3,698,992
Project Expenditure Total	15,890,384	14,980,123	9,465,332	7,638,515	3,018,421	50,992,775
Profit Before Taxation from Services	595,095	1,513,748	628,897	(804,557)	154,753	2,087,937

These accounts were approved by BT PLC and authorised for issue on 9/6/20, and are signed on its behalf by

Signature

John Morgan

Name

John Morgan

Position

Northern Ireland Finance Director

NI DIRECT STRATEGIC PARTNER PROJECT

**(BRITISH TELECOMMUNICATIONS PLC AND
DEPARTMENT OF FINANCE & PERSONNEL)**

ANNUAL PROJECT ACCOUNTS

PERIOD ENDED 31 MARCH 2016

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INDEPENDENT AUDITOR'S REPORT TO BT PLC ("THE CONTRACTOR") AND THE DEPARTMENT OF FINANCE & PERSONNEL ("THE AUTHORITY") ON THE ANNUAL PROJECT ACCOUNTS FOR NI DIRECT STRATEGIC PARTNER CONTRACT (THE "CONTRACT")

In accordance with the terms of our engagement letter dated 10 June 2019, we have audited the Project Accounts for the period ended 31 March 2016.

This report is prepared solely for the confidential use of the Authority and the Contractor to fulfil the requirements of Section 24.1.7 of the NI Direct Strategic Partner Agreement. Our audit work has been undertaken in accordance with our Terms of Engagement agreed with the Contractor and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any entity other than the Contractor and the Authority, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE CONTRACTOR AND AUDITOR

The Contractor is responsible for the preparation of the Project Accounts in accordance with the terms of its contract with the Authority and accounting principles and policies generally accepted and applied within the United Kingdom.

Our responsibility is to audit the Project Accounts to gain assurance that they have been prepared in accordance with accounting principles and policies generally accepted and applied within the United Kingdom and the terms of the agreement between the Contractor and the Authority pertaining to the preparation of the Project Accounts.

We report to you our opinion as to whether the Project Accounts are properly prepared in accordance with accounting principles and policies generally accepted and applied with the United Kingdom and the terms of the agreement between the Contractor and the Authority pertaining to the preparation of the Project Accounts.

SCOPE OF THE AUDIT

Our audit was conducted in accordance with Appendix 1B of our Engagement Letter dated 10 June 2019 and in accordance with the International Standards on Auditing (UK) (ISAs (UK)) issued by the Auditing Practices Board.

Our audit was conducted in such a manner as we considered necessary to fulfil our responsibilities and included such tests of transactions and of the existence, ownership and valuation of assets and liabilities as we considered necessary.

We obtained an understanding of the accounting systems in order to assess its adequacy as a basis for the preparation of the Project Accounts and to establish whether proper accounting records have been maintained.

We also have a professional responsibility to report if the Project Accounts do not comply in any material respect with applicable Accounting Standards, unless in our opinion the non-compliance is justified in the circumstances.

OPINION

In our opinion the Project Accounts:

- Give a true and fair view of the Contract Profit & Loss for the period ended 31 March 2016
- Have been prepared in accordance with accounting principles generally accepted and applied within the United Kingdom.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the terms of our Engagement Letter require us to report to you if, in our opinion:

- Adequate accounting records have not been kept; or
- Adequate accounting systems are not in place to form a basis for the preparation of the Project Accounts;
- The Project Accounts are not in agreement with the accounting records; or
- The Project Accounts do not comply in any material respect with applicable Accounting Standards; or
- We have not received all the information and explanations we require for our audit.

GM^cG

Alfred House
19 Alfred Street
Belfast
BT2 8EQ

GM^cG Belfast
Chartered Accountants
& Statutory Auditor

23 April 2020
.....

	£	£	£	£	£
	31 March 2016	31 March 2015	31 March 2014	31 March 2013	Cumulative
Turnover					
Non-Recurring	7,814,404	4,666,607	4,241,036	2,364,709	19,088,757
Recurring	8,679,467	5,425,622	2,592,922	808,485	17,508,476
Total Revenue	16,493,871	10,094,229	6,833,958	3,173,174	36,595,232
Expenditure					
Non-Recurring Costs					
Labour	1,217,666	1,124,618	775,838	88,960	3,207,082
Third Party Contractors	31,745	147,977	356,523	30,635	566,879
Third Party Costs	3,893,560	2,546,089	2,301,495	1,839,778	10,582,919
Onebills	3,827	-8,141	11,908	374	7,969
Training	47,549		14,880	5,115	67,544
Other Recurring Costs			21,390		21,390
Non-Recurring Costs Total	5,194,347	3,812,542	3,482,034	1,964,860	14,453,783
Recurring Costs					
Labour	863,047	620,304	537,940	212,767	2,234,087
Third Party Contractors	309,474	16,427	82,904	11,040	419,845
Contact Centre Labour	606,571	832,462	840,600	274,297	2,553,930
Third Party Costs	6,678,866	3,089,349	1,874,611	382,086	12,024,932
Onebills	247,050	163,923	98,401	5,038	514,411
Training	40,392	39,204	52,272	17,424	149,292
Other Non - Recurring Costs		18,660	12,866		31,526
Recurring Costs Total	8,745,420	4,780,329	3,499,593	602,662	17,928,023
Overheads					
Non - Recurring - Labour	608,833	562,309	387,919	44,480	1,603,541
Recurring Labour	431,524	310,152	268,970	106,398	1,117,044
Overheads Total	1,040,357	872,461	656,889	150,878	2,720,584
Project Expenditure Total	14,980,123	9,465,332	7,638,515	3,018,421	35,102,391
Store Taxation from Services	1,513,748	628,897	(804,557)	154,753	1,492,842

These accounts were approved by BT PLC and authorised for issue on 20/4/20... and are signed on its behalf by.

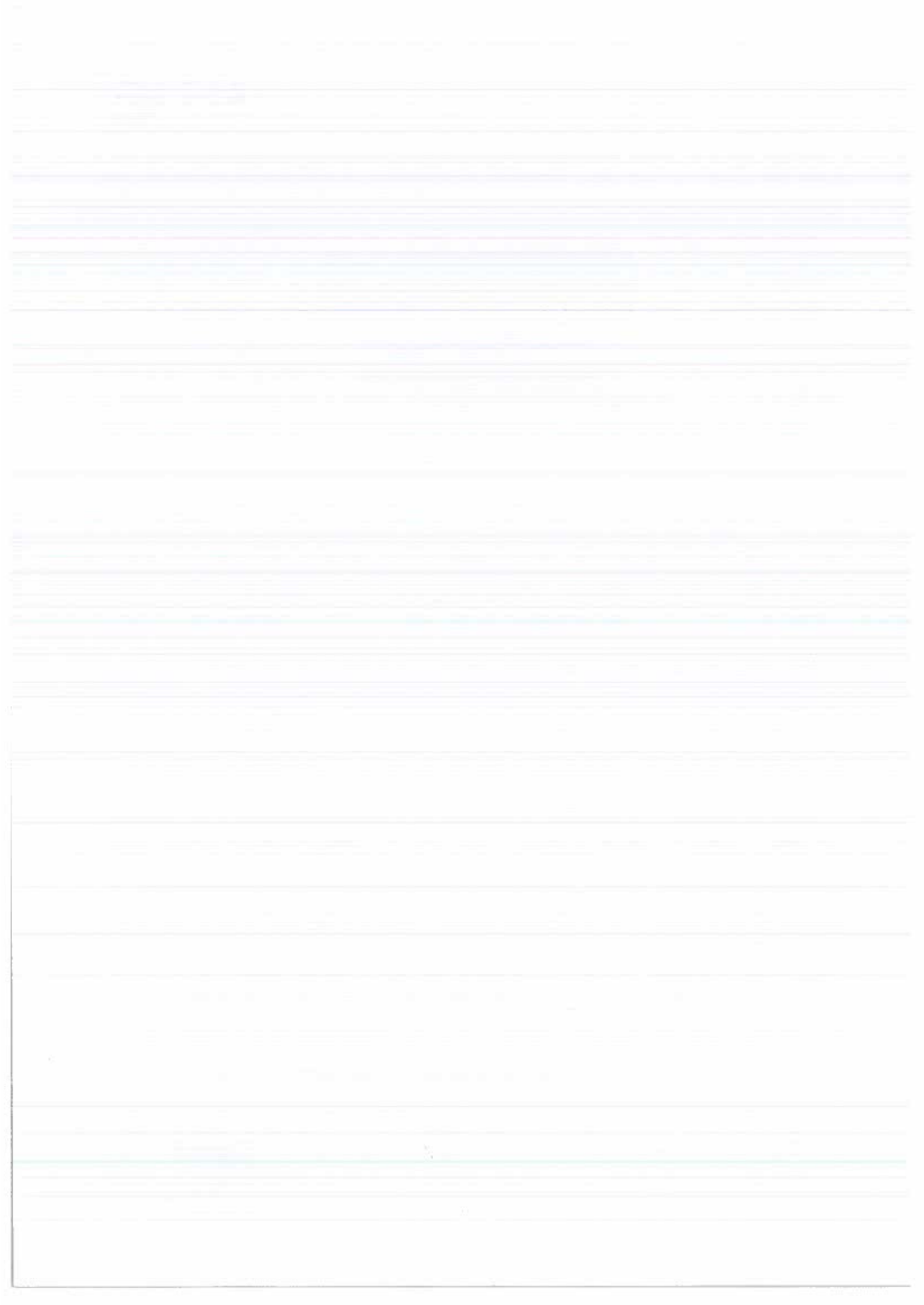
Signature. John Morgan
Name John Morgan
Position Northern Ireland Finance Director



**NI DIRECT STRATEGIC PARTNER PROJECT
(BRITISH TELECOMMUNICATIONS PLC AND
DEPARTMENT OF FINANCE & PERSONNEL)**

ANNUAL PROJECT ACCOUNTS

PERIOD ENDED 31 MARCH 2015



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INDEPENDENT AUDITOR'S REPORT TO BT PLC ("THE CONTRACTOR") AND THE DEPARTMENT OF FINANCE & PERSONNEL ("THE AUTHORITY") ON THE ANNUAL PROJECT ACCOUNTS FOR NI DIRECT STRATEGIC PARTNER CONTRACT (THE "CONTRACT")

In accordance with the terms of our engagement letter dated 1 March 2017, we have audited the Project Accounts for the period ended 31 March 2015.

This report is prepared solely for the confidential use of the Authority and the Contractor to fulfil the requirements of Section 24.1.7 of the NI Direct Strategic Partner Agreement. Our audit work has been undertaken in accordance with our Terms of Engagement agreed with the Contractor and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any entity other than the Contractor and the Authority, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE CONTRACTOR AND AUDITOR

The Contractor is responsible for the preparation of the Project Accounts in accordance with the terms of its contract with the Authority and accounting principles and policies generally accepted and applied within the United Kingdom.

Our responsibility is to audit the Project Accounts to gain assurance that they have been prepared in accordance with accounting principles and policies generally accepted and applied within the United Kingdom and the terms of the agreement between the Contractor and the Authority pertaining to the preparation of the Project Accounts.

We report to you our opinion as to whether the Project Accounts are properly prepared in accordance with accounting principles and policies generally accepted and applied with the United Kingdom and the terms of the agreement between the Contractor and the Authority pertaining to the preparation of the Project Accounts.

SCOPE OF THE AUDIT

Our audit was conducted in accordance with Schedule 1 of our Engagement Letter dated 1 March 2017 and in accordance with the International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board.

Our audit was conducted in such a manner as we considered necessary to fulfil our responsibilities and included such tests of transactions and of the existence, ownership and valuation of assets and liabilities as we considered necessary.

We obtained an understanding of the accounting systems in order to assess its adequacy as a basis for the preparation of the Project Accounts and to establish whether proper accounting records have been maintained.

We also have a professional responsibility to report if the Project Accounts do not comply in any material respect with applicable Accounting Standards, unless in our opinion the non-compliance is justified in the circumstances.

-1-



OPINION

In our opinion the Project Accounts:

- Give a true and fair view of the Contract Profit & Loss for the period ended 31 March 2015;
- Have been prepared in accordance with accounting principles generally accepted and applied within the United Kingdom.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the terms of our Engagement Letter require us to report to you if, in our opinion:

- Adequate accounting records have not been kept; or
- Adequate accounting systems are not in place to form a basis for the preparation of the Project Accounts;
- The Project Accounts are not in agreement with the accounting records; or
- The Project Accounts do not comply in any material respect with applicable Accounting Standards; or
- We have not received all the information and explanations we require for our audit.

Alfred House
19 Alfred Street
Belfast
BT2 8EQ


Yancy Belfast

GM^cG Belfast
Chartered Accountants
& Statutory Auditor

25 April 2017

	£ 31 March 2015	£ 31 March 2014	£ 31 March 2013	£ Cumulative
Project Turnover				
Non-Recurring	4,668,607	4,241,036	2,364,709	11,274,353
Recurring	5,425,622	2,592,922	808,465	8,827,008
Total Revenue	10,094,229	6,833,958	3,173,174	20,101,361
Project Expenditure				
Non-Recurring Costs				
Labour	1,124,618	775,838	88,960	1,989,416
Third Party Contractors	147,977	356,523	30,635	535,135
Third Party Costs	2,548,089	2,301,495	1,839,776	6,689,359
Onebills	-8,141	11,908	374	4,142
Training		14,880	5,115	19,995
Other Recurring Costs		21,390		21,390
Non-Recurring Costs Total	3,812,542	3,482,034	1,964,860	9,259,436
Recurring Costs				
Labour	620,304	537,940	212,797	1,371,040
Third Party Contractors	16,427	82,904	11,040	110,371
Contact Centre Labour	832,462	840,600	274,297	1,947,359
Third Party Costs	3,089,349	1,874,611	382,086	5,346,046
Onebills	163,923	98,401	5,038	267,362
Training	39,204	52,272	17,424	108,900
Other Non - Recurring Costs	18,660	12,866		31,526
Recurring Costs Total	4,780,329	3,499,593	902,682	9,182,604
Overheads				
Non - Recurring - Labour	562,309	387,919	44,480	994,708
Recurring Labour	310,152	268,970	106,398	685,520
Overheads Total	872,461	656,889	150,878	1,680,228
Project Expenditure Total	9,465,332	7,638,515	3,018,421	20,122,268
Profit Before Taxation from Services	628,897	(804,557)	154,753	(20,907)

These accounts were approved by BT PLC and authorised for issue on 25/4/17 and are signed on its behalf by:

Signature: 
Name: John Morgan
Position: Local Govt & Northern Ireland Finance Director

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Main body of handwritten text, consisting of several lines of cursive script. The text is very faint and difficult to decipher.

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**NI DIRECT STRATEGIC PARTNER PROJECT
(BRITISH TELECOMMUNICATIONS PLC AND
DEPARTMENT OF FINANCE & PERSONNEL)**

ANNUAL PROJECT ACCOUNTS

PERIOD ENDED 31 MARCH 2014

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INDEPENDENT AUDITOR'S REPORT TO BT PLC ("THE CONTRACTOR") AND THE DEPARTMENT OF FINANCE & PERSONNEL ("THE AUTHORITY") ON THE ANNUAL PROJECT ACCOUNTS FOR NI DIRECT STRATEGIC PARTNER CONTRACT (THE "CONTRACT")

In accordance with the terms of our engagement letter dated 1 March 2017, we have audited the Project Accounts for the period ended 31 March 2014.

This report is prepared solely for the confidential use of the Authority and the Contractor to fulfil the requirements of Section 24.1.7 of the NI Direct Strategic Partner Agreement. Our audit work has been undertaken in accordance with our Terms of Engagement agreed with the Contractor and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any entity other than the Contractor and the Authority, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE CONTRACTOR AND AUDITOR

The Contractor is responsible for the preparation of the Project Accounts in accordance with the terms of its contract with the Authority and accounting principles and policies generally accepted and applied within the United Kingdom.

Our responsibility is to audit the Project Accounts to gain assurance that they have been prepared in accordance with accounting principles and policies generally accepted and applied within the United Kingdom and the terms of the agreement between the Contractor and the Authority pertaining to the preparation of the Project Accounts.

We report to you our opinion as to whether the Project Accounts are properly prepared in accordance with accounting principles and policies generally accepted and applied with the United Kingdom and the terms of the agreement between the Contractor and the Authority pertaining to the preparation of the Project Accounts.

SCOPE OF THE AUDIT

Our audit was conducted in accordance with Schedule 1 of our Engagement Letter dated 1 March 2017 and in accordance with the International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board.

Our audit was conducted in such a manner as we considered necessary to fulfil our responsibilities and included such tests of transactions and of the existence, ownership and valuation of assets and liabilities as we considered necessary.

We obtained an understanding of the accounting systems in order to assess its adequacy as a basis for the preparation of the Project Accounts and to establish whether proper accounting records have been maintained.

We also have a professional responsibility to report if the Project Accounts do not comply in any material respect with applicable Accounting Standards, unless in our opinion the non-compliance is justified in the circumstances.

- 1 -



OPINION

In our opinion the Project Accounts:

- Give a true and fair view of the Contract Profit & Loss for the period ended 31 March 2014;
- Have been prepared in accordance with accounting principles generally accepted and applied within the United Kingdom.


MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the terms of our Engagement Letter require us to report to you if, in our opinion:

- Adequate accounting records have not been kept; or
- Adequate accounting systems are not in place to form a basis for the preparation of the Project Accounts;
- The Project Accounts are not in agreement with the accounting records; or
- The Project Accounts do not comply in any material respect with applicable Accounting Standards; or
- We have not received all the information and explanations we require for our audit.

Alfred House
19 Alfred Street
Belfast
BT2 8EQ

31 March 2017


GM°G Belfast
Chartered Accountants
& Statutory Auditor



	£'000 31 March 2014	£'000 31 March 2013	£'000 Cumulative
Project Turnover			
Non-Recurring	4,241,036	2,364,709	6,605,745
Recurring	<u>2,592,922</u>	<u>808,465</u>	<u>3,401,387</u>
Total Revenue	<u>6,833,958</u>	<u>3,173,174</u>	<u>10,007,132</u>
Project Expenditure			
Non-Recurring Costs			
Labour	775,838	88,960	864,798
Third Party Contractors	356,523	30,835	387,158
Third Party Costs	2,301,495	1,839,776	4,141,270
Onebills	11,908	374	12,283
Training	14,880	5,115	19,995
Other Recurring Costs	<u>21,390</u>		<u>21,390</u>
Non-Recurring Costs Total	<u>3,482,034</u>	<u>1,964,860</u>	<u>5,446,894</u>
Recurring Costs			
Labour	537,940	212,797	750,737
Third Party Contractors	82,904	11,040	93,944
Contact Centre Labour	840,600	274,297	1,114,897
Third Party Costs	1,874,611	382,086	2,256,697
Onebills	98,401	5,038	103,439
Training	52,272	17,424	69,696
Other Non - Recurring Costs	<u>12,866</u>		<u>12,866</u>
Recurring Costs Total	<u>3,499,593</u>	<u>902,682</u>	<u>4,402,275</u>
Overheads			
Non - Recurring - Labour	387,919	44,480	432,399
Recurring Labour	<u>268,970</u>	<u>106,398</u>	<u>375,368</u>
Overheads Total	<u>656,889</u>	<u>150,878</u>	<u>807,767</u>
Project Expenditure Total	<u>7,638,515</u>	<u>3,018,421</u>	<u>10,656,936</u>
Profit Before Taxation from Services	<u>(804,557)</u>	<u>154,753</u>	<u>(649,804)</u>

These accounts were approved by BT PLC and authorised for issue on 3/4/17, and are

signed on its behalf by:

Signature:

John Morgan

Name:

John Morgan

Position:

Local Account & Northern Ireland Comm Director

**NI DIRECT STRATEGIC PARTNER PROJECT
(BRITISH TELECOMMUNICATIONS PLC AND
DEPARTMENT OF FINANCE & PERSONNEL)**

ANNUAL PROJECT ACCOUNTS

PERIOD ENDED 31 MARCH 2013

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INDEPENDENT AUDITOR'S REPORT TO BT PLC ("THE CONTRACTOR") AND THE DEPARTMENT OF FINANCE & PERSONNEL ("THE AUTHORITY") ON THE ANNUAL PROJECT ACCOUNTS FOR NI DIRECT STRATEGIC PARTNER CONTRACT (THE "CONTRACT")

In accordance with the terms of our engagement letter dated 1 March 2017, we have audited the Project Accounts for the period ended 31 March 2013.

This report is prepared solely for the confidential use of the Authority and the Contractor to fulfil the requirements of Section 24.1.7 of the NI Direct Strategic Partner Agreement. Our audit work has been undertaken in accordance with our Terms of Engagement agreed with the Contractor and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any entity other than the Contractor and the Authority, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE CONTRACTOR AND AUDITOR

The Contractor is responsible for the preparation of the Project Accounts in accordance with the terms of its contract with the Authority and accounting principles and policies generally accepted and applied within the United Kingdom.

Our responsibility is to audit the Project Accounts to gain assurance that they have been prepared in accordance with accounting principles and policies generally accepted and applied within the United Kingdom and the terms of the agreement between the Contractor and the Authority pertaining to the preparation of the Project Accounts.

We report to you our opinion as to whether the Project Accounts are properly prepared in accordance with accounting principles and policies generally accepted and applied with the United Kingdom and the terms of the agreement between the Contractor and the Authority pertaining to the preparation of the Project Accounts.

SCOPE OF THE AUDIT

Our audit was conducted in accordance with Schedule 1 of our Engagement Letter dated 1 March 2017 and in accordance with the International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board.

Our audit was conducted in such a manner as we considered necessary to fulfil our responsibilities and included such tests of transactions and of the existence, ownership and valuation of assets and liabilities as we considered necessary.

We obtained an understanding of the accounting systems in order to assess its adequacy as a basis for the preparation of the Project Accounts and to establish whether proper accounting records have been maintained.

We also have a professional responsibility to report if the Project Accounts do not comply in any material respect with applicable Accounting Standards, unless in our opinion the non-compliance is justified in the circumstances.

-1-



OPINION

In our opinion the Project Accounts:

- Give a true and fair view of the Contract Profit & Loss for the period ended 31 March 2013;
- Have been prepared in accordance with accounting principles generally accepted and applied within the United Kingdom.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the terms of our Engagement Letter require us to report to you if, in our opinion:

- Adequate accounting records have not been kept; or
- Adequate accounting systems are not in place to form a basis for the preparation of the Project Accounts;
- The Project Accounts are not in agreement with the accounting records; or
- The Project Accounts do not comply in any material respect with applicable Accounting Standards; or
- We have not received all the information and explanations we require for our audit.

Alfred House
19 Alfred Street
Belfast
BT2 8EQ

31 March 2017

GM^cG Belfast
Chartered Accountants
& Statutory Auditor

	£'000 31 March 2013	£'000 Cumulative
Project Turnover		
Non-Recurring	2,364,709	2,364,709
Recurring	808,465	808,465
Total Revenue	<u>3,173,174</u>	<u>3,173,174</u>
Project Expenditure		
Non-Recurring Costs		
Labour	88,960	88,960
Third Party Contractors	30,635	30,635
Third Party Costs	1,839,776	1,839,776
Onebills	374	374
Training	5,115	5,115
Other Recurring Costs	-	-
Non-Recurring Costs Total	<u>1,964,860</u>	<u>1,964,860</u>
Recurring Costs		
Labour	212,797	212,797
Third Party Contractors	11,040	11,040
Contact Centre Labour	274,297	274,297
Third Party Costs	382,086	382,086
Onebills	5,038	5,038
Training	17,424	17,424
Other Non - Recurring Costs	-	-
Recurring Costs Total	<u>902,682</u>	<u>902,682</u>
Overheads		
Non - Recurring - Labour	44,480	44,480
Recurring Labour	106,398	106,398
Overheads Total	<u>150,878</u>	<u>150,878</u>
Project Expenditure Total	<u>3,018,421</u>	<u>3,018,421</u>
Profit Before Taxation from Services	<u>154,753</u>	<u>154,753</u>

These accounts were approved by BT PLC and authorised for issue on 31/3/17, and are signed on its behalf by:

Signature:



Name:

John Morgan

Position:

Local Government & Northern Ireland Finance Director

