

Regulatory Financial Statements

For the Financial Year ended 31 March 2024



Ofcom Statement on BT's Regulatory Financial Statements 2024

Ofcom statement

Introduction

In March 2021 we published our decisions on the regulation of fixed telecoms and voice markets for the period April 2021 to March 2026. These decisions included regulatory financial reporting requirements on BT. This year's regulatory financial statements (RFS) cover the third year of this 5-year market review period.

BT is required to publish any statement we make commenting on the data in the RFS. We believe it is helpful to draw users' attention to the following aspects of the 2024 RFS.

Impact of inflation on BT's returns

In previous statements, we noted that returns reported in BT's 2022 and 2023 RFS appeared relatively high as they had been affected by the impact of inflation on reported asset values. Due to reductions in inflation, total returns in the 2024 RFS are lower than they were in 2023.

As the RFS are prepared on a current cost accounting basis, BT must revalue its assets each year, based on an estimate of the cost to replace them. For some assets, we set out how this should be done; for example, BT is required to revalue duct, copper, and pole assets by reference to RPI at the year end. The estimated cost of replacing these assets and the reported mean capital employed will therefore increase each year in line with inflation. This increase, or "holding gain," is recognised in the income statement for the year and has the effect of reducing reported net costs and increasing reported returns.

The use of RPI on 31 March 2023 (when annual inflation was around 13.5%) and 31 March 2022 (when annual inflation was around 9%) resulted in significant increases in the reported value of duct, copper and pole assets and contributed to the increase in reported returns in both years. The values of these assets in this year's RFS are based on RPI as of 31 March 2024, of around 4.3%. While this increases the reported value of these assets, the holding gain is significantly smaller than last year, resulting in lower returns for Openreach overall and for SMP markets that make the greatest use of these assets, in particular WLA Area 2 and WLA Area 3.

Future regulation of fixed telecoms and voice markets

We have started the market reviews into the regulation of fixed telecoms and voice markets from March 2026 and intend to publish a consultation by March 2025 on our proposals. The financial information within this year's RFS (in particular the 2023 restated results) will help to inform some of our analysis.

Contents

Regulatory Financial Statements

Section 1: Introduction to the Regulatory Financial Statements.....	1
Section 2: Basis of Preparation	6
Section 3: Statement of Responsibility	9
Section 4: Audit Report	11
Section 5: Summary of Market Performance	16
Section 6: Review of Physical Infrastructure Market	27
Section 7: Review of Wholesale Local Access Markets.....	34
Section 8: Review of Leased Line Access Markets	51
Section 9: Review of Inter-Exchange Connectivity Markets.....	70
Section 10: Review of Shared Ancillaries	87
Section 11: Review of Wholesale Call Termination (WCT) Market.....	92
Section 12: Review of Time Division Multiplex (TDM) Interconnection.....	94
Section 13: Review of Internet Protocol (IP) Interconnection	96
Appendix 1: Network Adjustments Restated on MCE Basis	98
Appendix 2: Reconciliation Report	100
Appendix 3: Attribution Diagrams.....	108
Glossary and Footnotes List	110

Section 1: Introduction to the Regulatory Financial Statements

Section 1 – Introduction to the Regulatory Financial Statements

1.1 Regulatory Financial Reporting Obligations

The ultimate holding company of British Telecommunications plc ('the Company') is BT Group plc. The terms 'the Group', 'the Company', 'BT', 'we', 'us' or 'our' refer collectively to BT Group plc and its subsidiary undertakings. The form and content of our Regulatory Financial Statements (RFS) are based on the reporting obligations set by Office of Communications (Ofcom). We refer to these obligations as the Final Statements (see Section 2.4 'Final Statements set out by Ofcom').

1.1.1 Openreach Reporting

In line with Sections 20.3 to 20.6 of the Commitments, we are required to disclose the financial results of Openreach (OR) separately and to reconcile the financial results to the Openreach segmental information shown in BT Group plc's Annual Report. We have included this information in Section 5 of these statements.

1.1.2 Markets with Significant Market Power (SMP Markets)

We are directed, under Ofcom's 'Promoting competition and investment in fibre networks: Wholesale Fixed Telecoms Market Review 2021-26' (WFTMR), to report on the following markets and services where we are considered to have Significant Market Power (SMP), in the FY24 RFS:

- Physical Infrastructure (PI)
- Wholesale Local Access Area 2 (WLA Area 2)
- Wholesale Local Access Area 3 (WLA Area 3)
- Leased Line Access Area 2 (LLA Area 2)
- Leased Line Access Area 3 (LLA Area 3)
- Leased Line Access High Network Reach (LLA HNR)
- Inter-exchange Connectivity – BT only exchanges (IEC - BT only)
- Inter-exchange Connectivity – BT+1 exchanges (IEC - BT+1)
- Shared Ancillaries

We are also directed, under Ofcom's 'Wholesale Voice Markets Review 2021-26' (WVMR), to report summary information on the following markets and services:

- Wholesale Call Termination (WCT)
- Time Division Multiplex (TDM) Interconnection
- Internet Protocol (IP) Interconnection

1.2 Regulatory Market Review Cycle

1.2.1 Overview of Market Review Cycle

Ofcom periodically reviews the communications markets, in accordance with the Communications Act 2003, as amended.

The process involves three analytical stages:

- **Market Definition** – Ofcom identifies and defines each relevant market, in terms of its products and geographic scope.
- **Market Power Analysis** – Ofcom assesses whether BT or any other Communication Provider (CP) has a position of SMP in any of these relevant markets.
- **SMP Remedies** – Ofcom consults on market definitions, SMP designation and proposed regulatory remedies on BT or any other CP, to address competition concerns that arise from the identification of SMP.

This is followed by consultations with stakeholders, after which Ofcom concludes and potentially imposes SMP remedies for the next period. BT and other stakeholders then have two months to appeal Ofcom's decision.

Prior to the expiry of the market review, where the remedies are in place, the market review cycle will start again. The review cycle spans five years, with the most recent reviews (WFTMR and WVMR) effective from 1 April 2021 to 31 March 2026.

1.2.2 Wholesale Fixed Telecoms Market Review (WFTMR)

Ofcom published the final WFTMR statement in March 2021, which covers the period from 1 April 2021 to 31 March 2026.

Ofcom's statement set out a clear and long-term framework to promote network investment by all parties. It also ensured that consumers continue to have access to affordable broadband as new networks and services become available. The regulatory framework has five-year market review periods and looks across all wholesale fixed telecoms markets.

1.2.3 Wholesale Voice Market Review (WVMR)

Similarly, in March 2021, Ofcom published the final statement for the WVMR. This statement set out the regulation of the wholesale markets that underpin landline and mobile telephone calls in the UK for the period from 1 April 2021 to 31 March 2026.

Section 1 – Introduction to the Regulatory Financial Statements

1.3 Summary of Market Updates and Financial Performance

1.3.1 SMP Markets

Ofcom market regulations through WFTMR and WVMR became effective from 1 April 2021. SMP markets reported in the FY24 RFS are consistent with those reported in FY23.

Overall Market Update

We are continuing with our vision to provide full fibre connections to 25m premises across the UK by December 2026 – a target we are well over halfway towards completing. From rural villages to city centres, we’ve now passed more than 13.8 million homes and businesses – equivalent to over 40% of UK premises.

A combination of UK Government tax policy and Ofcom’s Wholesale Fixed Telecoms Market Review (WFTMR) have driven investment and fierce competition across our industry. An alt-net community – with access to our ducts and poles – has added to an already strong retail market. This is leading to better outcomes and giving customers an even wider choice of offers, products and services.

Meanwhile, technology change keeps getting faster and there’ll be increasing challenges to reach more rural, isolated communities. Our focus will be on upgrading as many customers as possible, including playing our part in the Government’s Project Gigabit programme.

We attach the highest priority to delivering the best level of service for our customers and have seen improvements to our customer satisfaction scores over the past year. We have a clear focus: delivering great service, building full fibre at pace across the UK and upgrading customers to our best available network.

To support future-proofed networks, Openreach has been working with industry to move UK landlines from the legacy Public Switched Telephone Network (PSTN) to a new digital network by the end of January 2027. We’ve continued our work this year to support CPs and the industry to withdraw analogue services.

Impact of CCA Adjustments on Market Performance

The RFS are prepared on a Current Cost Accounting (CCA) basis, which differs from the Historical Cost Accounting (HCA) basis used in the Annual Report. The different basis in the RFS reflects the principle that Ofcom’s regulation should incentivise efficient investment in new technologies. The Annual Report outlines the costs we as a company actually incurred. Using CCA, we revalue certain assets each year to their current values. Gains or losses on revaluation (“holding (gains)/losses”) are taken to the income statement together with differences in annual depreciation charges arising from variances between the CCA and HCA values (“supplementary depreciation”).

Retail Price Index (RPI) increase during the year was 4.30% compared with 13.51% for FY23. This led to a material change in the holding gain primarily on copper, duct and pole assets which are indexed on the basis of RPI. As the holding gain is recognised as reduction in costs, the lower holding gain has resulted in increased costs and reduced return for FY24 compared to FY23.

CCA impacts market Return on Capital Employed (ROCE) in two aspects:

- Revaluation gains on underlying assets and related depreciation recognised directly in each market, impacting both returns as well as Mean Capital Employed (MCE) balances; and
- Reduction of costs recharged from the Physical Infrastructure market to the downstream markets and services.

Overall Financial Performance

For Openreach markets, ROCE decreased by 5.1 percentage points from 13.4% in FY23 to 8.3% in FY24. This primarily reflects the impact of inflation reductions driving a lower Current Cost Accounting (CCA) holding gain in FY24, which increases costs and decreases return.

Openreach total revenue increased by £410m from £5,672m to £6,082m. This is mainly driven by annual price rises and increased volumes in higher speed fibre-enabled products and services as customers switch towards faster speeds, offset partially by decreased volumes in legacy copper products and services and an increase in take-up of Equinix discounts.

Openreach total costs increased by £1,244m from £3,250m to £4,494m. Nearly 75% of this increase, £912m, is driven by reduced CCA holding gains on copper, duct and pole assets due to a reduction in inflation. We are also seeing higher net labour costs due to pay inflation, increases in cumulo (business rates) charges and electricity costs, and higher restructuring costs within Openreach.

Openreach total MCE increased by £1,120m from £18,119m to £19,239m. The increase in MCE is mainly driven by continued upfront investment in the fibre network ahead of demand, partly offset by a reduction in the amount of Cash and Cash Equivalents recognised in the RFS.

1.3.2 PI Market

The PI Market remains a key SMP market and covers the physical infrastructure available to Communication Providers (CPs), which facilitates the provision of network access and services to be provided to the end customer. The infrastructure is predominantly comprised of duct, poles and footway boxes, which are used to carry cables used by a variety of different services within different downstream markets, such as WLA, LLA and IEC.

PI Market Update

The scope of the PI market covers the supply of wholesale access to telecoms physical infrastructure for deploying a telecoms network in the United Kingdom excluding the Hull Area. We are required to publish revenue, volume, average price and cost information for PI rentals, split between internal and external customers, at the level they are regulated (i.e. each duct, footway box and pole charge). We are also required to separately report external purchases of PI rentals and those rentals provided as inputs to downstream Openreach services.

As the cost information on each individual duct and pole service is not separately recorded, an apportionment methodology is used to allocate costs to individual services. We attribute all relevant duct and pole assets to the PI market. We are required to provide an explanation should we attribute any such costs outside of this market.

Costs associated with network adjustments undertaken by Openreach or CPs to make Openreach physical infrastructure accessible and ready for use by other telecommunications providers, up to a financial limit, are required to be included in the reported cost base of PI rental services. Network adjustments above this financial limit are to be expensed in the market and disclosed against a separate service. Ancillaries required specifically for PI also need separate disclosure.

Demand for our poles and duct products continues to increase. According to Ofcom, “as of the end of September 2023, 169 providers had registered with Openreach as customers of PIA, and nearly 90% had already built network using PIA or have placed orders to do so. Providers have ordered c.160,000km of duct (48,000km of which has been delivered) and approximately 1.2 million poles (373,000 of which have been delivered) to deploy networks)”¹

PI Market Performance Summary

ROCE was consistent year on year at 7.0%. Currently only about 3% of PI revenue is external. Internal revenue is a notional “recharge” to downstream markets at cost plus an allowable return (7.0% of MCE). This treatment of PI costs results, by design, in a ROCE of 7.0%, consistent with Ofcom’s determined WACC of 7.0% used in cost modelling for WFTMR.

¹ [Connected Nations 2023: UK Report 2023 \(Ofcom.org.uk\)](#) page 28, published 19 December 2023

Section 1 – Introduction to the Regulatory Financial Statements

Revenue increased by £725m from £(12)m to £713m. PI revenue is mostly internal and represents an input cost to downstream markets e.g. WLA, LLA, and Openreach non-SMP. As the PI return is set at 7.0% of capital, increase in cost due to significant reduction to CCA holding gains has led to a corresponding increase in computed internal revenue. Higher internal revenue means an increase to costs recharged to downstream markets, reducing ROCE for these downstream markets.

Costs increased by £666m from £(454)m to £212m. This increase is mainly attributed to a reduction in CCA adjustment holding gains as these are recognised against costs.

MCE increased by £853m from £6,297m to £7,150m. Increase in MCE is driven by an increase to the duct and poles asset base due to continued investment in the fibre network, and by CCA indexation for the year based on 4.3% RPI.

1.3.3 WLA Markets

The WLA markets remain the biggest SMP markets by assets under WFTMR for the 2021-2026 period and describe the copper and fibre fixed lines connecting end-users to access nodes in BT exchanges. CPs use these lines to connect end-users to their voice or broadband nodes located in BT exchanges to provide telephone and internet services (including superfast and ultrafast broadband) to a wide range of customers.

WLA is split into two markets based on geographic areas and competition:

- WLA - Area 2: areas where there is some material and sustainable commercial deployment by rival networks to Openreach or where this could be economic during the review period; and
- WLA - Area 3: areas where there is unlikely to be material and sustainable commercial deployment by rival networks to Openreach during the review period.

WLA Markets Update

The WLA markets cover the supply of wholesale local access at a fixed location in Area 2 and Area 3. We are required to publish revenue, volume, average price, and cost information for the specified Metallic Path Facilities (MPF), Single Order Generic Ethernet Access (SOGEA), Fibre to the Cabinet (FTTC), and Fibre to the Premises (FTTP) services and WLA specific ancillaries, split between internal and external customers in each of Area 2 and Area 3. We are also required to publish a note for WLA Area 3 summarising the number of non-subsidised homes passed with FTTP.

WLA Markets Performance Summary

ROCE decreased by 7.5 percentage points from 11.4% to 3.9%. Increases in revenue are masked by increases in costs, which are primarily due to the CCA holding gain reduction.

Revenue increased by £481m from £2,950m to £3,431m. This is mainly due to the continued volume improvement to higher speed FTTP and SOGEA services as customers switch towards faster speeds and price increases across most services, partially offset by volume decreases in FTTC and MPF services and increased take-up of Equinix discounts.

Costs increased by £999m from £2,128m to £3,127m. Nearly 60% of the increase is attributable to the holding gain CCA reduction, both through an increased attribution of cost from the PI market and direct holding gain reduction in the WLA asset base. In addition, net labour costs have increased due to pay rises, increased allocations to this market as the fibre rollout continues, and increased depreciation on fibre assets in line with the build programme.

MCE increased by £571m from £7,220m to £7,791m. The increase in MCE is driven by an increased asset base as a result of continued fibre roll out, and higher SOGEA volumes. Increases are partially offset by a reduction in the amount of Cash and Cash Equivalents recognised in the RFS.

1.3.4 LLA Markets

Under WFTMR, the Business Connectivity market is divided into Leased Lines Access (LLA) and Interexchange Connectivity (IEC) Markets. LLA markets include the provision of leased lines access services which provide connections from BT exchanges to end-user business sites. LLA is split into three regulated markets based on geographic areas and competition:

- LLA - Area 2: areas where there is, or there is likely to be potential for, material and sustainable competition during the review period.
- LLA - Area 3: areas where there is not, and there is unlikely to be potential for, material and sustainable competition during the review period; and
- LLA - High Network Reach (HNR): areas which includes other postcode sectors where there are two or more rival networks to Openreach in the provision of leased lines during the review period.

The above markets are based on the specified postcode sectors as set out in the Final Statements (see Section 2.4).

LLA Markets Update

The LLA markets cover the supply of leased line access in the Area 2, Area 3 and HNR Area. We are required to publish revenue, volume and average price for the specified ethernet, optical, excess construction charges, time related charges and other ancillary services, split between internal and external customers in each of the LLA Area 2, LLA Area 3 and LLA HNR Area markets. We are also required to publish cost and ROCE information for these services in LLA Area 2 and LLA Area 3 markets. Additionally, we are required to publish revenue, volume, average price, cost and ROCE information for the specified dark fibre services, split between internal and external customers for the LLA Area 3 market.

LLA Markets Performance Summary

ROCE increased by 0.8 percentage points from 15.9% to 16.7%. The ROCE movement is due to revenue increase resulting from price rises and increased demand for higher bandwidth products, partially offset by higher costs mainly due to increased downstream costs from the PI market due to the CCA holding gain reduction, and an increase to MCE due to new fibre assets as part of the infrastructure build.

Revenue increased by £108m from £783m to £891m. This is mainly due to an average of 8% price increases on Ethernet Services products and increased volume of higher bandwidth services rentals, particularly 1Gbs products.

Costs increased by £84m from £533m to £617m. Increase in cost is mainly attributed to increased PI downstream costs, and increased depreciation charges in line with the ongoing fibre build.

MCE increased by £62m from £1,574m to £1,636m. This is primarily driven by continued investment in distribution and spine fibre.

1.3.5 IEC Markets

IEC markets include the provision of dedicated circuits used for interexchange services that provide backhaul connections between BT exchanges. IEC is split into two regulated markets based on geographic areas and competition:

- IEC - BT only exchanges: areas where only BT operate; and
- IEC - BT+ 1: areas where only BT and no more than one other CP currently operate.

The above markets are based on the specified postcode sectors as set out in the Final Statements (see Section 2.4).

Section 1 – Introduction to the Regulatory Financial Statements

IEC Markets Update

The IEC regulated markets cover the supply of interexchange connectivity in BT Only exchanges and BT+1 exchanges. We are required to publish revenue, volume, average price, cost and ROCE information for the specified ethernet, optical, excess construction charges, time related charges and other ancillary services, split between internal and external customers in each of the IEC BT Only and IEC BT+1 markets. Additionally, we are required to publish revenue, volume, average price, cost and ROCE information for the specified dark fibre services, split between internal and external customers for IEC BT only market.

IEC Markets Performance Summary

ROCE decreased by 1.1 percentage points from 91.4% to 90.3%. This is principally due to increased downstream costs allocated from the PI market as a result of the CCA reduction in holding gains.

Revenue has increased by £8m from £202m to £210m. Within this we have seen a switch from Optical services revenues to Ethernet Access Direct (EAD), due to a reduction in Optical Services connections following completion of a number of backhaul projects in FY23, and increased take-up of EAD services.

Costs increased by £15m from £74m to £89m, as a result of increased cost allocations from the PI market due to the CCA reduction in holding gains compared to FY23.

MCE decreased by £6m from £140m to £134m, which relates to the reduction in the amount of Cash and Cash Equivalents recognised in the RFS.

1.3.6 Shared Ancillaries

Ancillary means an associated facility or service which support the provision of access to the electronic communications network. The ancillaries shared across SMP markets are reported together to provide transparency on revenues and costs without requiring complex allocations. Shared ancillaries include cablelink, accommodation and electricity charges.

Shared Ancillaries Market Update

We are required to publish revenue and cost information for the shared ancillaries, split between internal and external customers, at the level that they are regulated. We are also required to include shared ancillaries required for IP Interconnection.

Shared Ancillaries Market Performance Summary

ROCE decreased by 12 percentage points from 28% to 16%. Revenue decreased by £2m from £144m to £142m and costs increased by £17m from £98m to £115m. Increases in costs are mainly driven by a small increase in IT overhead allocations, higher electricity wholesale prices and one-off costs relating to our Better Workplace programme. MCE increased by £5m from £164m to £169m, mainly driven by investments in our Better Workplace programme.

1.3.7 WCT Market

The WCT market reports wholesale charges for calls to BT fixed lines, for carrying the call to the BT terminating line from the nearest point in the network at which other CPs could interconnect.

WCT Market Update

Under WVMR (for the 2021-2026 period), most of the Narrowband Markets that related to wholesale call origination were deregulated as CPs move to more modern methods of supplying landlines. However, Ofcom has determined that BT still hold SMP for the wholesale call termination (WCT) to the UK geographic numbers. The WCT market covers the wholesale call termination services that are provided by BT to another communications provider, for the termination of voice calls to geographic numbers in the area served by BT.

We are not required to publish market level information on WCT, however, we are required to publish service level revenue, volume, and price information.

WCT Market Performance Summary

Revenue remained fairly stable at £5m, with price increases being offset by decreased volumes of calls terminating on UK geographic numbers.

1.3.8 Interconnection

Interconnection means the services provided in association with the provision of wholesale call termination services to enable interconnection by means of Interconnect Circuits or at an IP Point of Connection.

Interconnection Market Update

Under WVMR, SMP conditions were also set for the interconnection services that BT provide for the purpose of giving access to wholesale call termination. Interconnection includes fixed line telephone services on both the legacy Time Division Multiplex (TDM) network as well as the contemporary internet protocol (IP) network.

Although we are not required to publish market level information on interconnection, we are required to publish service level revenue, volume, and price information. Cost information for interconnection is prepared separately from the cost allocation system and submitted privately to Ofcom.

Interconnection Market Performance Summary

Interconnection reporting includes revenue, volume and price information as well as cost estimates for the year.

TDM interconnection revenue decreased to £2m. Volumes are on a declining trajectory as the industry transitions to internet-based telephony.

Section 2: Basis of Preparation

Section 2 – Basis of Preparation

2.1 Regulatory Accounting Framework

British Telecommunications plc has, by agreement with BT Group plc, prepared the RFS in accordance with the Regulatory Accounting Principles (RAP) (as described in Section 2.2 below) and Accounting Methodology Document (AMD) (as described in Section 2.3 below), by disaggregating balances recorded in the general ledgers and other accounting records of the Group.

The RAP and AMD set out the framework under which the RFS are prepared.

The Directors of BT plc have considered the going concern assessment made by BT Group plc as approved on 15 May 2024 in the Group financial statements. Due to the timing between those Group accounts being authorised for issue and the date of approval of these financial statements, the directors of BT plc have performed enquiries with the directors of BT Group plc as to whether there have been any significant changes in performance or circumstances that are relevant to the Group's ability to continue as a going concern during the going concern assessment period. Accordingly, the RFS are prepared on a going concern basis.

In accordance with Section 435(1) of the Companies Act 2006, these RFS are not our statutory accounts.

The Group financial statements consolidate the financial statements of BT Group plc and its subsidiaries and include its share of the results of associates and joint ventures using the equity method of accounting.

Our Annual Report details the basis of preparation and explains the accounting policies adopted by the Group. Our Annual Report 2024, on which the independent external auditors issued an unqualified report, did not contain a statement under Section 498(2) or 498(3) of the Companies Act 2006 and has been delivered to the Registrar of Companies.

2.2 Regulatory Accounting Principles (RAP)

The RAP are the principles we apply or use in the preparation of the RFS. For example, we must attribute revenues, costs, assets and liabilities in accordance with the activities which cause the revenues to be earned, or costs to be incurred, or assets to be acquired, or liabilities to be incurred respectively.

Ofcom set out its conclusions in the Regulatory Financial Reporting Final Statement it issued on 20 May 2014 that, in preparing the RFS, BT shall comply with the RAP, including the requirement for consistency with regulatory decisions.

This requirement is reiterated in the RAP amended by Ofcom's SMP conditions imposed following market reviews, most recently within the 'Promoting competition and investment in fibre networks: Wholesale Fixed Telecoms Market Review 2021-26' Final Statement dated 18 March 2021: Volume 7, Schedule 1, Condition 11.7.

Ofcom requires us to ensure that the Regulatory Auditor should state in their opinion if the RFS have been properly prepared in accordance with, among others, the RAP and if the Regulatory Auditor is unable to give an opinion on any required matters, the reasons for this must be reported in the RFS. KPMG have informed us that they are unable to give an opinion on the matter of compliance with principle 4 (Objectivity), Principle 5 (Causality) and Principle 6 (Compliance with the statutory accounting standards) and have explained their reasons in the Audit Report in Section 4.

2.3 Documentation and Application of the Regulatory Accounting Framework

In adhering to the RAP, we prepare and annually update our methodology documentation, the AMD. This document covers:

- **Attribution Methods** - we explain how we attribute revenues, transfer charges, costs, assets and liabilities to activities, and the assumptions we have used in applying financial and operational data to determine these attribution methods.
- **Transfer Charge System Methodology** - we explain our approach to transfer charges within our regulatory costing system (CostPerform).
- **No Undue Discrimination** - we demonstrate an equivalent treatment for internal and external CPs. For each reported market, we disclose the average price of services sold to external CPs and the average price sold to internal CPs.
- **Accounting Policies** - the way we apply the requirements of the Companies Act 2006 and our accounting policies, in line with the RAP. The AMD details the accounting policies adopted in preparing the underlying financial information.
- **Current Cost Accounting (CCA)** - we prepare the RFS under the Financial Capital Maintenance (FCM) convention in accordance with the principles set out in the handbook "Accounting for the Effects of Changing Prices", published in 1986 by the Accounting Standards Committee. Under the FCM convention, we include changes in asset values in the RFS income statement as unrealised holding gains or losses. The CCA section also includes the Regulatory Asset Valuation (RAV) where Ofcom has directed an alternative methodology for valuing parts of the local access network.
- **Usage Factors** - we use usage factors in our costing methodology to reflect the different usage of network components by services.

In addition to the AMD, we publish a Wholesale Catalogue which separately identifies and describes services which are internally, externally, or both internally and externally supplied, and those which are used in the course of supplying other wholesale services.

The product and geographic markets defined by Ofcom's Final Statements do not correspond to how the Group is organised for management and accounting purposes. The RFS are therefore produced by overlaying the requirements of the regulatory reporting framework on the management and accounting structure of the Group.

We reconcile the RFS to our statutory accounts (in Section 5 of these RFS) and we explain any differences.

Due to the complex nature of the RFS, figures in this report are individually rounded to the nearest relevant unit (e.g. £m or £0.1m). Totals and sub-totals are calculated based on these rounded figures and percentages are based on unrounded figures. Where required by the Final Statements, rounding differences are shown on each individual schedule. Where rounding differences are not shown, minor summation inconsistencies may arise between schedules.

2.4 Final Statements set out by Ofcom

Below are the Final Statements setting out the legal conditions and directions relevant to the RFS, with which we have complied for the year ended 31 March 2024:

- Promoting competition and investment in fibre networks: Wholesale Fixed Telecoms Market Review 2021-26; and
- Wholesale Voice Markets Review 2021-26

2.5 Changes to BT's Financial Reporting Obligations

The changes resultant of the WFTMR and WVMR, as set out in Section 1.2, have been implemented from 1 April 2021 and continue to be reflected in the current year's RFS.

Section 2 – Basis of Preparation

2.6 Comparability of Current and Prior Year Results

The FY24 results are prepared in accordance with the AMD issued on 31 July 2024.

The restated comparatives for the year ended 31 March 2023 reflect:

- methodology changes, as listed in the FY24 Change Control Notification, which are summarised in section 2.2 of Appendix 2; and
- all known errors above Ofcom's defined materiality threshold, as described in section 2.3 of Appendix 2.

The impact of these changes is shown in sections 2.4.1 to 2.4.3 of Appendix 2.

2.7 Comparability of RFS with BT Annual Report

The structure for reporting of costs in the RFS was directed in the WFTMR, this means costs are not reported in the same format as the operating cost note (note 6) to the 2024 BT Annual Report.

The RFS reporting of operating costs will differ to that in note 6 to the 2024 BT Annual Report because:

- we are directed by Ofcom to expense certain installation costs which are recognised as assets by the Group.
- we include short term financing costs within Other Operating Costs in the RFS, while in the 2024 BT Annual Report financing costs are reported separately; and
- revenue recognised as internal in the RFS is eliminated in other operating costs.

Furthermore, in the RFS we report revenue, cost and MCE against the Ofcom directed market structure (most recently directed in the WFTMR and WVMR). Our approach to allocating costs in the RFS may mean we present credit balances (or income) for products, services and markets which are reported as a cost in the 2024 BT Annual report. Where this is the case (e.g. for Other Operating Costs), these balances relate to labour recoveries and should be viewed alongside other Net Labour balances.

2.8 Key Changes to Accounting Policies during the Year

There have been no material changes to accounting standards which have impacted the FY24 RFS.

During the year we have implemented a number of methodology changes, as detailed in the reconciliation report, which is included as Appendix 2 to this document.

Section 3: Statement of Responsibility

Section 3 – Statement of Responsibility

British Telecommunications plc (the “Company”) is required to prepare the RFS in accordance with the Final Statements as described in Section 2.4 ‘Final Statements set out by Ofcom’.

The RFS include comparative information for the year ended 31 March 2023 originally published on 31 July 2023 (the “FY23 RFS”). The FY23 RFS were subsequently subject to certain restatements and re-presentations detailed in section 2.6. The Reconciliation Report (Appendix 2) provides additional detail on the impact of these methodology changes and errors identified subsequent to publishing the FY23 RFS.

The directors confirm to the best of their knowledge that the RFS for the year ended 31 March 2024 (the “FY24 RFS”) have been prepared in accordance with the requirements of the Final Statements, the AMD and Wholesale Catalogue issued on 31 July 2024 and in accordance with the RAP.

The directors confirm to the best of their knowledge that the comparative information for the year ended 31 March 2023 included in the RFS have been prepared in accordance with the requirements of the Final Statements and the AMD issued on 31 July 2023 subject to certain restatements and re-presentations as detailed in Appendix 2.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Openreach

The Company is also required in accordance with the Commitments to separately report the financial results of Openreach within the RFS as explained in Section 1.1.

The Commitments require the Company to report the financial results of Openreach, including the following:

- Openreach financial information such as headline revenue, operating costs disaggregated by major cost category, depreciation, revenues broken down into the broad product groups that Openreach Business Unit provides and further split between internal and external sales, and separately identified payments to other parts of BT for products that form inputs to Openreach Business Unit products (e.g., electronics); and
- Reconciliation of Openreach’s revenue, operating profit and return or profit before tax (and other such items as agreed between the Company and Ofcom) with financial information about Openreach shown in BT’s Annual Report.

The Openreach Financial Statements can be found in Section 5 and include comparative information for the year ended 31 March 2023. These comparatives were subject to certain restatements and representations detailed in Appendix 2.

The form, content and basis of preparation of the financial results of Openreach follow those used in the preparation of the RFS as described above, except where differences are agreed with Ofcom.

The directors confirm to the best of their knowledge that the Openreach Financial Statements for the year ended 31 March 2024, have been prepared in accordance with the AMD and Wholesale Catalogue issued on 31 July 2024, and comply with the financial reporting requirements of the Commitments, issued on 15 September 2023.

The directors confirm to the best of their knowledge that the comparative information for the Openreach Financial Statements for the year ended 31 March 2023 included in the RFS, have been prepared in accordance with the requirements of the Final Statements and the AMD issued on 31 July 2023 subject to certain restatements and re-presentations as detailed in Appendix 2, and comply with the requirements of the financial reporting requirements of the Commitments, issued on 15 September 2023.

Approved by the Board of Directors and signed on its behalf by:

Simon Lowth
Director, British Telecommunications plc
30 July 2024

Section 4: Audit Report

Section 4 – Report of Independent Auditors

Independent auditor’s report to the Directors of British Telecommunications plc (“BT” or “the Company”) and Ofcom (“the Regulator”)

Opinion

We have audited the Market Financial Statements and the Reconciliation Report set out in Appendix 2 (together referred to as the “2024 Financial Statements”) of BT Group plc (the “Group”) contained within the Regulatory Financial Statements 2024.

The Market Financial Statements comprises the: Summary of Market Performance, the Review of Physical Infrastructure Market, the Review of Wholesale Local Access Markets, the Review of Leased Line Access Markets, the Review of Inter-Exchange Connectivity Markets, the Review of Shared Ancillaries, the Review of Wholesale Call Termination (WCT) Market, the Review of Time Division Multiplex (TDM) Interconnection, Review of Internet Protocol (IP) Interconnection as set out in sections 5 to 13, and Appendices for Network Adjustments Restated on MCE Basis and Attribution Diagrams as set out in Appendix 1 and Appendix 3 respectively, and the accounting policies in the Basis of Preparation in Section 2.

The “Market Summary Statements”, within the Market Financial Statements, comprise the statements of financial performance for each market for the year ended 31 March 2024 shown within the Performance Summary by Market on pages 17 to 18, including those listed below on which we express an opinion (the “PPIA Markets”):

- Physical Infrastructure (“PI”);
- Wholesale Local Access (“WLA”) Area 2;
- WLA Area 3;
- Leased lines access (“LLA”) Area 2;
- LLA Area 3;
- LLA High Network Reach (“HNR”);
- Interexchange connectivity (“IEC”) BT only;
- IEC BT + 1; and
- Shared Ancillaries.

For the avoidance of doubt, we do not express separate audit opinions in respect of:

- Wholesale Call Termination (“WCT”); and
- TDM and IP Interconnection.

The “Openreach Information”, within the Market Financial Statements, comprises the total figures for Openreach within the Performance Summary by Market in Section 5.1, Attribution of Operating Costs in Section 5.2, and Attribution of MCE in Section 5.3, together with the reconciliation statements headed “Openreach” in section 5.4 on pages 23 to 25 and the notes on pages 24 to 25 where they relate to these tables and Openreach.

The Market Financial Statements include comparative information for the year ended 31 March 2023, first published on 31 July 2023, which has been restated and re-presented (the “Restated Financial Statements”).

In our opinion:

- a) the Market Financial Statements, as a whole, and the Market Summary Statements for each of the PPIA Markets for the year ended 31 March 2024 have been properly prepared, in all material respects, in accordance with the procedures defined in the Accounting Methodology Document (“AMD”) and the Wholesale Catalogue dated 31 July 2024 and Regulatory Accounting Principles 1, 2, 3 and 7 in the Final Statements issued by Ofcom listed in Section 2.4 on page 7 (the “Final Statements”), and comply with the disclosure requirements of the Final Statements;
- b) the Openreach Information for the year ended 31 March 2024 has been properly prepared, in all material respects, in accordance with the procedures defined in the AMD and the Wholesale Catalogue dated 31 July 2024 and complies with the disclosure requirements of the Commitments of British Telecommunications plc and Openreach Limited to Ofcom made on 15 September 2023 (the “Commitments”);
- c) the Restated Financial Statements, as a whole, have been properly prepared, in all material respects, in accordance with the procedures defined in the AMD and the Wholesale Catalogue dated 31 July 2023 as amended, where applicable, in accordance with note 2.6 “Comparability of Current and Prior Year Results” on page 8 and Regulatory Accounting Principles 1, 2, 3 and 7 in the Final Statements, and comply with the disclosure requirements of the Final Statements; and
- d) for the Reconciliation Report:
 - (i) all Material Changes, as defined in the Final Statements, were included in the Change Control Notification published on 28 March 2024;
 - (ii) the description of each of the Material Changes provided by BT in the Change Control Notification is accurate in all material respects;
 - (iii) BT included each and every Material Change in the Reconciliation Report;
 - (iv) the impact of all changes presented in the Market Financial Statements has been, in all material respects, correctly calculated in accordance with the Final Statements; v) the description of each of the Material Errors, as defined in the Final Statements, provided by BT in the Reconciliation Report is, in all material respects, accurate; and
 - (v) the corrected figures for the year ended 31 March 2023 set out in the Reconciliation Report are properly prepared, in all material respects, in accordance with the AMD for the year ended 31 March 2023 had the AMD not included these Material Errors.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”), including ISA (UK) 800 (except as stated in the section on Auditor’s responsibilities of our report), the terms of our engagement letter dated 29 April 2024 and having regard to the guidance contained in ICAEW Technical Release 02/16AAF (Revised) Reporting to Regulators on Regulatory Accounts. Our responsibilities under ISAs (UK) are further described in the Auditor’s responsibilities section of our report. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applicable to listed public interest entities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – special purpose basis of preparation

We draw attention to the fact that the 2024 Financial Statements have been prepared in accordance with a special purpose framework, as set out in Section 2.1, including Ofcom’s Regulatory Accounting Principles in the Final Statements (the “Regulatory Accounting Principles”). In particular, we note:

- As regards Principle 4 (Objectivity) of Ofcom’s Regulatory Accounting Principles, where BT has used assumptions in applying financial and operational data, the manner in which these assumptions have been determined are defined within the AMD.
- As regards Principle 5 (Causality) of Ofcom’s Regulatory Accounting Principles, BT has performed the attributions in accordance with the AMD.

Section 4 – Report of Independent Auditors

- As regards Principle 6 (Compliance with statutory accounting standards) of Ofcom’s Regulatory Accounting Principles, whilst the Regulatory Financial Statements 2024 have been prepared using data from the 2024 Statutory Financial Statements of the Group, as stated below they have not been prepared in accordance with UK-adopted international accounting standards and changes have been necessary to reflect the procedures and rules set out in the Final Statements.

The 2024 Financial Statements have been prepared in accordance with a special purpose basis of preparation to assist the Company in complying with the requirements of the Final Statements issued by Ofcom. The nature, form and content of the 2024 Financial Statements are determined by Ofcom. It is not appropriate for us to assess whether the nature of the information being reported upon is suitable or appropriate for Ofcom’s purposes. Accordingly, we make no such assessment.

The 2024 Financial Statements are separate from the 2024 Statutory Financial Statements of the Group and have not been prepared in accordance with UK-adopted international accounting standards. Financial information other than that prepared in accordance with UK-adopted international accounting standards does not necessarily represent a true and fair view of the financial performance or financial position of the Group as shown in 2024 Statutory Financial Statements prepared in accordance with the Companies Act 2006.

As a result, the 2024 Financial Statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Going concern

The directors of British Telecommunications plc (“the Directors”) have prepared the 2024 Financial Statements on the going concern basis as they have concluded that the Group’s financial position means that it is realistic that the Group will not be liquidated or cease operations. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the 2024 Financial Statements (“the going concern period”).

Our procedures in relation to going concern included examining the Group’s financial position and going concern disclosures included in the Group’s 2024 Statutory Financial Statements as authorised on 15 May 2024, and considering events in the period since the authorisation of those financial statements which could impact the Group’s financial position and forecasts. We performed subsequent event inquiries, together with review of the Group’s forecast for the going concern period, and assessed whether the Directors had appropriately taken any subsequent events into account in their assessment.

Our conclusions based on this work:

- we consider that the Directors’ use of the going concern basis of accounting in the preparation of the 2024 Financial Statements is appropriate;
- we have not identified, and concur with the Directors’ assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may have cast significant doubt on the Group’s ability to continue as a going concern for the going concern period; and
- we found the going concern disclosure in Section 2.1 to be acceptable.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors, the audit committee and inspection of policy documentation as to the Group’s high-level policies and procedures to prevent and detect fraud, and the Group’s channel for “whistleblowing”, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Executive Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets, recent revisions to guidance and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that Group may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because non-long-term contract revenues are not judgemental and consist of a high number of low value transactions, and long-term contracts are generally low in complexity with most having a revenue recognition profile aligned to billing.

We did not identify any additional fraud risks.

We performed procedures including identifying journal entries posted in the general ledgers, used for the preparation of the 2024 Statutory Financial Statements, based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management, those posted and approved by the same user and those posted to unusual or seldom used accounts.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the 2024 Financial Statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and from inspection of the Group’s regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity’s procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of noncompliance throughout the audit.

The potential effect of these laws and regulations on the 2024 Financial Statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the 2024 Financial Statements including the financial reporting aspects of the Ofcom regulations, and we assessed the extent of compliance with these regulations as part of our procedures on the related 2024 Financial Statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the 2024 Financial Statements, for instance through the imposition of fines or litigation or the loss of the Group’s licence to operate. We identified the following areas as those most likely to have such an effect: anti-bribery, regulations affecting telecommunication providers, and regulated nature of the Group’s activities (including Ofcom regulation). Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Section 4 – Report of Independent Auditors

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the 2024 Financial Statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the 2024 Financial Statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The other information comprises all information in the Regulatory Financial Statements 2024 other than the 2024 Financial Statements and our auditor's report thereon. The Directors are responsible for the other information. Our opinion on the 2024 Financial Statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether based on our 2024 Financial Statements audit work, the information therein is materially misstated or inconsistent with the 2024 Financial Statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Directors' Responsibilities

As explained more fully in the Directors' Statement of Responsibility set out on pages 9 and 10 the Directors of British Telecommunications plc (the "Company") are responsible for the preparation of the 2024 Financial Statements, including the Market Financial Statements and the Reconciliation Report, the Market Summary Statements, and the Restated Financial Statements in accordance with the Final Statements, as set out in Section 2.4 of this document, the Company's AMD and the Wholesale Catalogue dated 31 July 2024.

The Directors are also responsible for the preparation of the Openreach Information in accordance with the Commitments, the Final Statements, as set out in Section 2.4 of this document, and the Company's AMD and the Wholesale Catalogue dated 31 July 2024.

The Directors are also responsible for the preparation of the Restated Financial Statements and Reconciliation Report under the current cost convention in accordance with: the Final Statements, as set out in Section 2.4 of this document, the Company's AMD and the Wholesale Catalogue dated 31 July 2024 in respect of information for the year ended 31 March 2024; and in accordance with the Final Statements, as set out in Section 2.4 of this document, the Company's AMD and the Wholesale Catalogue dated 31 July 2023, as amended, where applicable, in accordance with note 2.6 "Comparability of Current and Prior Year Results" on page 8 in respect of information for the year ended 31 March 2023.

In relation to the Reconciliation Report, the Directors are responsible for:

- (i) Including in the Change Control Notification published on 28 March 2024 all Material Changes, as defined in the Final Statements;
- (ii) Accurately describing each of the Material Changes in the Change Control Notification and in the Reconciliation Report;
- (iii) Including each and every Material Change in the Reconciliation Report;
- (iv) Correctly calculating the impact of all changes presented in the Market Financial Statements in accordance with the Final Statements;
- (v) Properly preparing the Reconciliation Report in accordance with the AMD for the year ended 31 March 2023 had the Accounting Methodology Document not included these Material Errors.

As explained in the "Basis of Preparation" in Section 2, the Company has prepared the 2024 Financial Statements by disaggregating balances recorded in the general ledgers and other accounting records of the Group maintained in accordance with the Companies Act 2006 and used, in accordance with that Act, for the preparation of the Statutory Financial Statements for the years ended 31 March 2024 and 31 March 2023.

The Directors are also responsible for determining that the basis of preparation is acceptable in the circumstances and also for such internal control as they determine is necessary to enable the preparation of the 2024 Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the 2024 Financial Statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing as applicable matters related to going concern, and using the going concern basis of accounting unless the Directors assess that the Group's financial position means that there is no realistic alternative to either liquidating the Group or to ceasing operations.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the following are free from material misstatement, whether due to fraud or error, and whether:

- a) the Market Financial Statements as a whole, and the Market Summary Statements for each of the PPIA Markets for the year ended 31 March 2024 have been properly prepared, in all material respects, in accordance with the procedures defined in the AMD and the Wholesale Catalogue dated 31 July 2024 and Regulatory Accounting Principles 1, 2, 3 and 7 in the Final Statements, and comply with the disclosure requirements of the Final Statements;
- b) the Openreach Information for the year ended 31 March 2024 has been properly prepared, in all material respects, in accordance with the procedures defined in the AMD and the Wholesale Catalogue dated 31 July 2024 and complies with the disclosure requirements of the Commitments of British Telecommunications plc and Openreach Limited to Ofcom made on 15 September 2023;
- c) the Restated Financial Statements as a whole have been properly prepared, in all material respects, in accordance with the procedures defined in the AMD and the Wholesale Catalogue dated 31 July 2023 as amended, where applicable, in accordance with note 2.6 "Comparability of Current and Prior Year Results" on page 8 and Regulatory Accounting Principles 1, 2, 3, and 7 in the Final Statements, and comply with the disclosure requirements of the Final Statements; and
- d) for the Reconciliation Report:
 - (i) all Material Changes, as defined in the Final Statements, were included in the Change Control Notification published on 28 March 2024;
 - (ii) the description of each of the Material Changes provided by BT in the Change Control Notification is accurate in all material respects;
 - (iii) BT included each and every Material Change in the Reconciliation Report;
 - (iv) the impact of all changes presented in the Market Financial Statements has been, in all material respects, correctly calculated in accordance with the Final Statements;
 - (v) the description of each of the Material Errors, as defined in Final Statements, provided by BT in the Reconciliation Report is, in all material respects, accurate; and
 - (vi) the corrected figures for the year ended 31 March 2023 set out in the Reconciliation Report are properly prepared, in all material respects, in accordance with the AMD for the year ended 31 March 2023 had the AMD not included these Material Errors.

In relation to a) and c) above, our responsibilities are to give an opinion in respect of the Regulatory Accounting Principles 1, 2, 3, and 7 and the disclosure requirements of the Final Statements as the other requirements of the Final Statements in relation to Regulatory Accounting Principles 4 and 5 are not sufficiently detailed to a level of detail that would allow an audit to be performed, and Regulatory Accounting Principle 6 is not relevant as the 2024 Financial Statements are prepared in accordance with a special basis of preparation, as required by Ofcom, and are not prepared in accordance with UK-adopted international accounting standards. See the "Basis of Preparation" on pages 6 to 8 for further detail.

Section 4 – Report of Independent Auditors

Our objective is also to issue our opinion in an auditor’s report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 2024 Financial Statements.

A further description of our responsibilities is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities, except as set out as follows:

- We have not assessed whether the accounting policies are appropriate to the circumstances of the Group where these are laid down in the Final Statements as set out by Ofcom. Where the Final Statements do not give specific guidance on the accounting policies to be followed, our audit includes an assessment of whether the accounting policies adopted in respect of the transactions and balances required to be included in the 2024 Financial Statements are consistent with those used in the preparation of the 2024 Statutory Financial Statements of the Group.
- The nature, form and content of the 2024 Financial Statements are determined by Ofcom. It is not appropriate for us to assess whether the nature of the information being reported upon is suitable or appropriate for Ofcom’s purposes. Accordingly, we make no such assessment.

We audited the statutory financial statements of BT Group plc (the “Statutory Financial Statements”) for the year ended 31 March 2024 (“the 2024 Statutory Financial Statements”) on which we expressed an unmodified audit opinion on 15 May 2024. Our audit report on the 2024 Statutory Financial Statements describes the scope of our 2024 Statutory Financial Statements audit. In conducting our subsequent audit of the 2024 Financial Statements, and in providing the opinions above, we have not performed any additional tests of the transactions and balances which are recorded in the general ledgers and other accounting records beyond those already performed for the purpose of the audit of the 2024 Statutory Financial Statements.

The purpose of our audit work and to whom we owe our responsibilities

This report is made, on terms that have been agreed, solely to British Telecommunications plc and Ofcom in order to meet the requirements of the Final Statements issued by Ofcom. Our audit work has been undertaken so that we might state to British Telecommunications plc and Ofcom those matters that we have agreed to state to them in our report, in order (a) to assist British Telecommunications plc to meet its obligation as specified in the Final Statements issued by Ofcom to procure a report and (b) to facilitate the carrying out by the Ofcom of its regulatory functions, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than British Telecommunications plc and Ofcom, for our audit work, for this report or for the opinions we have formed.

Our opinion on the 2024 Financial Statements is separate from our opinions on the Statutory Financial Statements of BT Group plc for the year ended 31 March 2024 on which we reported on 15 May 2024, and for the year ended 31 March 2023 on which we reported on 17 May 2023, which are prepared for different purposes. Our audit reports in relation to the Statutory Financial Statements of BT Group plc (our “Statutory audits”) were made solely to the members of BT Group plc, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our Statutory audit work was undertaken so that we might state to the members of BT Group plc those matters we are required to state to them in a statutory audit report and for no other purpose. In these circumstances, to the fullest extent permitted by law, we do not accept or assume responsibility for any other purpose or to any other person to whom our Statutory Audits reports is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Engagement partner

The engagement partner on the audit resulting in this independent auditor’s report is John Edwards.

KPMG LLP
Chartered Accountants
15 Canada Square
London E14 5GL
30 July 2024

Section 5: Summary of Market Performance

Section 5 – Summary of Market Performance

5.1 Performance Summary by Market For the year ended 31 March 2024

		Openreach											Rest of BT	BT Group				
		Physical Infrastructure	WLA Area 2	WLA Area 3	LLA Area 2	LLA Area 3	LLA High network reach	IEC BT only exchanges	IEC BT +1 exchanges	Shared ancillaries	Total SMP	Non-SMP	Eliminations	Total	Total	Eliminations	Rounding	Total
PI revenues																		
External purchases	£m	33								33			-	33			33	
Internal purchases	£m	19							19			-	19		(19)	-		
Inputs to downstream services	£m	661							661			(661)	-		-	-		
Total PI revenues	£m	713							713			(661)	52		(19)	33		
Other revenues																		
External revenue	£m		1,349	658	267	155	21	47	18	142	2,657	443	-	3,100	17,665	-	(1)	20,764
Internal revenue	£m		841	583	274	151	23	88	57	-	2,017	913	-	2,930	415	(3,344)	(1)	-
Total other revenue	£m		2,190	1,241	541	306	44	135	75	142	4,674	1,356	-	6,030	18,080	(3,344)	(2)	20,764
Total revenue	£m	713	2,190	1,241	541	306	44	135	75	142	5,387	1,356	(661)	6,082	18,080	(3,363)	(2)	20,797
Attribution of PI costs	£m	-	244	133	32	23	2	9	2	-	445	214	(661)	(2)	19	(19)	2	-
Operating costs	£m	123	1,134	590	168	85	15	25	18	85	2,243	360	-	2,603	13,915	(3,379)	-	13,139
Depreciation	£m	212	588	334	172	83	15	18	14	28	1,464	384	-	1,848	2,917	(23)	(1)	4,741
Specific items	£m	12	63	34	14	7	1	2	1	2	136	30	-	166	784	(2)	1	949
Total HCA operating costs	£m	347	2,029	1,091	386	198	33	54	35	115	4,288	988	(661)	4,615	17,635	(3,423)	2	18,829
CCA adjustments	£m	(135)	4	3	-	-	-	-	-	-	(128)	7	-	(121)	-	-	(3)	(124)
Total CCA operating costs	£m	212	2,033	1,094	386	198	33	54	35	115	4,160	995	(661)	4,494	17,635	(3,423)	(1)	18,705
CCA return	£m	501	157	147	155	108	11	81	40	27	1,227	361	-	1,588	445	60	(1)	2,092
Mean capital employed	£m	7,150	4,885	2,906	1,042	503	91	73	61	169	16,880	2,359	-	19,239	21,940	(108)	(1)	41,070
Return on mean capital employed	%	7.0%	3.2%	5.1%	14.8%	21.4%	12.9%	111.4%	62.8%	16.2%	7.3%	15.3%	-	8.3%	2.0%	-	-	5.1%

Notes:

1) Rest of BT includes the following total revenue for wholesale call termination ("WCT") (section 11), the interconnect circuits listed in the Annex to Condition 3C ("TDM interconnection") (section 12) and interconnection provided at IP Points of Connection ("IP interconnection") (section 13)

	WCT	£m	Total revenue
			5
TDM interconnection		£m	2
IP interconnection		£m	-

2) Main link services are reported in the LLA and IEC markets. The Main Link volume attributed to each market is calculated based on the Main Link associated with the circuits attributed to that market. The Main Link volume is calculated on the basis of the serving exchanges associated with the A end and B end of each circuit within each market.

The geographical market location of a given Main Link circuit may not match the geographical market location of the circuit which it serves. This is because the serving exchanges for the Main Link may be in different postcodes to the A end and B ends of the circuit associated with it. The geographical location of the A and B ends of the circuit the Main Link supports takes precedence, to ensure that the volume of Main Link reported in each market is reflective of the circuits that the Main Link supports.

3) Specifics Reconciliation to the annual report

		Openreach											Rest of BT	BT Group				
		Physical Infrastructure	WLA Area 2	WLA Area 3	LLA Area 2	LLA Area 3	LLA High network reach	IEC BT only exchanges	IEC BT +1 exchanges	Shared ancillaries	Total SMP	Non-SMP	Eliminations	Total	Total	Eliminations	Rounding	Total
Restructuring charges	£m	13	61	34	14	7	1	2	1	1	134	24	-	158	234	(2)	(2)	388
Historical property-related provisions	£m	-	2	1	-	-	-	-	-	1	4	5	-	9	24	-	1	34
Sports JV - subsequent movements	£m	-	-	-	-	-	-	-	-	-	-	-	-	32	-	-	-	32
Retrospective regulatory matters	£m	-	1	-	-	-	-	-	-	-	1	-	-	1	16	-	1	18
Other divestment-related items	£m	(1)	(2)	(1)	-	-	-	-	-	-	(4)	(1)	-	(5)	(17)	-	-	(22)
Impairment charges due to property rationalisation	£m	-	1	-	-	-	-	-	-	-	1	2	-	3	7	-	1	11
Impairment of goodwill	£m	-	-	-	-	-	-	-	-	-	-	-	-	488	-	-	-	488
Specific items	£m	12	63	34	14	7	1	2	1	2	136	30	-	166	784	(2)	1	949

Section 5 – Summary of Market Performance

5.1 Performance Summary by Market Restated for the year ended 31 March 2023

		Openreach											Rest of BT	BT Group				
		Physical Infrastructure	WLA Area 2	WLA Area 3	LLA Area 2	LLA Area 3	LLA High network reach	IEC BT only exchanges	IEC BT +1 exchanges	Shared ancillaries	Total SMP	Non-SMP	Eliminations	Total	Total	Eliminations	Rounding	Total
PI revenues																		
External purchases	£m	13											13					13
Internal purchases	£m	(2)										(2)						-
Inputs to downstream services	£m	(23)										(23)						-
Total PI revenues	£m	(12)										(12)						13
Other revenues																		
External revenue	£m		1,236	583	234	132	19	48	25	144		2,421	540		2,961	17,707		20,668
Internal revenue	£m		664	467	245	132	21	79	50			1,658	1,042		2,700	383	(3,083)	-
Total other revenue	£m		1,900	1,050	479	264	40	127	75	144		4,079	1,582		5,661	18,090	(3,083)	20,668
Total revenue	£m	(12)	1,900	1,050	479	264	40	127	75	144		4,067	1,582	23	5,672	18,090	(3,081)	20,681
Attribution of PI costs	£m	-	(5)	(3)	(4)	(2)	-	(1)	-	-		(15)	(8)	23	-	(2)	2	-
Operating costs	£m	79	950	486	157	79	14	23	16	72		1,876	506	-	2,382	13,776	(3,119)	(3)
Depreciation	£m	196	518	299	176	84	16	20	14	24		1,347	449	-	1,796	2,802	(25)	-
Specific items	£m	5	32	18	8	4	1	1	1	2		72	33	-	105	453	(2)	(1)
Total HCA operating costs	£m	280	1,495	800	337	165	31	43	31	98		3,280	980	23	4,283	17,029	(3,144)	(4)
CCA adjustments	£m	(734)	(111)	(56)	-	-	-	-	-	-		(901)	(132)	-	(1,033)	(3)	3	(1)
Total CCA operating costs	£m	(454)	1,384	744	337	165	31	43	31	98		2,379	848	23	3,250	17,026	(3,141)	(5)
CCA return	£m	442	516	306	142	99	9	84	44	46		1,688	734	-	2,422	1,064	60	5
Mean capital employed	£m	6,297	4,488	2,732	1,004	480	90	79	61	164		15,395	2,724	-	18,119	21,721	(123)	-
Return on mean capital employed	%	7.0%	11.5%	11.2%	14.1%	21.0%	11.5%	108.5%	71.6%	27.7%		11.0%	26.9%	-	13.4%	4.9%	-	8.9%

Notes:

1) Rest of BT includes the following total revenue for wholesale call termination ("WCT") (section 11), the interconnect circuits listed in the Annex to Condition 3C ("TDM interconnection") (section 12) and interconnection provided at IP Points of Connection ("IP interconnection") (section 13)

	WCT	£m	Total revenue
			5
TDM interconnection		£m	4
IP interconnection		£m	-

2) Main link services are reported in the LLA and IEC markets. The Main Link volume attributed to each market is calculated based on the Main Link associated with the circuits attributed to that market. The Main Link volume is calculated on the basis of the serving exchanges associated with the A end and B end of each circuit within each market.

The geographical market location of a given Main Link circuit may not match the geographical market location of the circuit which it serves. This is because the serving exchanges for the Main Link may be in different postcodes to the A end and B ends of the circuit associated with it. The geographical location of the A and B ends of the circuit the Main Link supports takes precedence, to ensure that the volume of Main Link reported in each market is reflective of the circuits that the Main Link supports.

3) Specifics Reconciliation to the annual report

		Openreach											Rest of BT	BT Group				
		Physical Infrastructure	WLA Area 2	WLA Area 3	LLA Area 2	LLA Area 3	LLA High network reach	IEC BT only exchanges	IEC BT +1 exchanges	Shared ancillaries	Total SMP	Non-SMP	Eliminations	Total	Total	Eliminations	Rounding	Total
Restructuring charges	£m	5	30	17	8	4	1	1	1	1		68	23	-	91	211	(2)	-
BT Sport disposal	£m	-	-	-	-	-	-	-	-	-		-	-	-	-	155	-	-
Sports JV - subsequent movements	£m	-	-	-	-	-	-	-	-	-		-	-	-	34	-	-	34
Retrospective regulatory matters	£m	-	-	-	-	-	-	-	-	-		-	-	-	12	-	-	12
Other divestment-related items	£m	-	-	-	-	-	-	-	-	-		-	-	-	2	-	-	2
Impairment charges due to property rationalisation	£m	-	4	2	1	-	-	-	-	1		8	11	-	19	45	-	1
Finance expense relating to BT Sport disposal	£m	-	(2)	(1)	(1)	-	-	-	-	-		(4)	(1)	-	(5)	(6)	-	(2)
Specific items	£m	5	32	18	8	4	1	1	1	2		72	33	-	105	453	(2)	(1)

Section 5 – Summary of Market Performance

5.3 Attribution of MCE

For the year ended 31 March 2024

		Openreach											Total	Rest of BT		BT Group		Total		
		Physical Infrastructure	WLA Area 2	WLA Area 3	LLA Area 2	LLA Area 3	LLA High network reach	IEC BT only exchanges	IEC BT +1 exchanges	Shared ancillaries	Total SMP	Non-SMP		Eliminations	Total	Eliminations	Rounding			
Non-current assets																				
Duct	£m	6,861	250	157	-	-	-	-	-	-	7,268	260	-	7,528	-	-	(1)	-	7,527	
Poles	£m	332	-	-	-	-	-	-	-	-	332	-	-	332	-	-	-	-	332	
Copper	£m	14	1,367	724	-	-	-	-	-	-	2,105	1,458	-	3,563	28	(25)	-	-	3,566	
Fibre	£m	64	3,108	1,944	898	447	79	13	3	9	6,565	286	-	6,851	33	(21)	-	-	6,863	
Electronics	£m	-	238	150	133	57	10	50	41	-	679	67	-	746	572	(13)	-	-	1,305	
Software	£m	30	97	53	17	8	1	3	3	9	221	51	-	272	2,474	(4)	-	-	2,742	
Land and buildings	£m	2	13	7	3	1	-	1	1	3	31	36	-	67	324	(3)	2	-	390	
Right of use assets	£m	26	226	119	29	14	3	4	4	10	435	116	-	551	1,574	(10)	1	-	2,116	
Other assets	£m	33	173	103	23	10	2	16	17	126	503	294	-	797	16,624	(34)	-	-	17,387	
Less funded assets (BDUK, etc.)	£m	(232)	(357)	(226)	-	-	-	-	-	-	(815)	-	-	(815)	-	-	-	-	(815)	
Total non-current assets	£m	7,130	5,115	3,031	1,103	537	95	87	69	157	17,324	2,568	-	19,892	21,629	(110)	2	-	41,413	
Current assets	£m	132	536	307	133	66	11	17	12	34	1,248	263	-	1,511	7,143	(13)	-	-	8,641	
Current liabilities	£m	(110)	(744)	(422)	(189)	(99)	(16)	(31)	(19)	(22)	(1,652)	(385)	-	(2,037)	(6,338)	15	-	-	(8,360)	
Provisions	£m	(3)	(22)	(12)	(4)	(2)	-	-	-	(1)	(44)	(86)	-	(130)	(495)	1	-	-	(624)	
Rounding	£m	1	-	2	(1)	1	1	-	(1)	1	4	(1)	-	3	1	(1)	(3)	-	-	
Total MCE	£m	7,150	4,885	2,906	1,042	503	91	73	61	169	16,880	2,359	-	19,239	21,940	(108)	(1)	-	41,070	

Notes:
1) Duct assets reported outside Physical Infrastructure markets relate to cabinet connectivity duct used in WLA and Openreach Non-SMP products and services.

Section 5 – Summary of Market Performance

5.3 Attribution of MCE

Restated for the year ended 31 March 2023

		Openreach										Total	Rest of BT		BT Group		Total		
		Physical Infrastructure	WLA Area 2	WLA Area 3	LLA Area 2	LLA Area 3	LLA High network reach	IEC BT only exchanges	IEC BT +1 exchanges	Shared ancillaries	Total SMP		Non-SMP	Eliminations	Total	Eliminations		Rounding	
Non-current assets																			
Duct	£m	6,138	264	161	-	-	-	-	-	-	6,563	255	-	6,818	-	-	-	-	6,818
Poles	£m	237	-	-	-	-	-	-	-	-	237	-	-	237	-	-	-	-	237
Copper	£m	12	1,284	642	-	-	-	-	-	-	1,938	1,731	-	3,669	34	(24)	(1)	-	3,678
Fibre	£m	49	2,548	1,700	784	389	71	13	4	6	5,564	290	-	5,854	43	(30)	-	-	5,867
Electronics	£m	-	205	138	134	57	11	50	40	-	635	69	-	704	665	(14)	1	-	1,356
Software	£m	(2)	80	44	17	8	1	3	2	7	160	50	-	210	2,315	(4)	1	-	2,522
Land and buildings	£m	1	11	6	3	1	-	1	1	3	27	37	-	64	351	(3)	-	-	412
Right of use assets	£m	20	193	107	32	16	3	5	4	11	391	161	-	552	1,711	(12)	(1)	-	2,250
Other assets	£m	(17)	234	137	30	12	3	15	16	120	550	291	-	841	16,839	(32)	-	-	17,648
Less funded assets (BDUK, etc.)	£m	(201)	(319)	(204)	-	-	-	-	-	-	(724)	-	-	(724)	-	-	(1)	-	(725)
Total non-current assets	£m	6,237	4,500	2,731	1,000	483	89	87	67	147	15,341	2,884	-	18,225	21,958	(119)	(1)	-	40,063
Current assets	£m	115	658	383	184	90	16	21	15	40	1,522	419	-	1,941	6,726	(21)	(1)	-	8,645
Current liabilities	£m	(52)	(653)	(375)	(176)	(90)	(15)	(28)	(20)	(21)	(1,430)	(473)	-	(1,903)	(6,471)	16	(2)	-	(8,360)
Provisions	£m	(2)	(17)	(9)	(3)	(2)	-	-	-	(1)	(34)	(104)	-	(138)	(492)	1	(1)	-	(630)
Rounding	£m	(1)	-	2	(1)	(1)	-	(1)	(1)	(1)	(4)	(2)	-	(6)	-	-	5	-	(1)
Total MCE	£m	6,297	4,488	2,732	1,004	480	90	79	61	164	15,395	2,724	-	18,119	21,721	(123)	-	-	39,717

Notes:
1) Duct assets reported outside Physical Infrastructure markets relate to cabinet connectivity duct used in WLA and Openreach Non-SMP products and services.

Section 5 – Summary of Market Performance

5.4 Reconciliation Statement: Income Statement

Openreach Statements

In accordance with Section 20.5 and 20.6 of the Commitments, the RFS must separately present the financial results of Openreach and include a reconciliation of Openreach's revenue, operating profit (and other items agreed between us and Ofcom) with Openreach's financial information as shown in our Annual Report.

The form, content and basis of preparation of the financial results of Openreach follow, to the fullest extent possible, those used in the preparation of the RFS. The reconciliation of this statement to the Openreach segmental financial information as shown in our Annual Report is shown in the Income Statement below.

Section 5 – Summary of Market Performance

5.4 Reconciliation Statement: Income Statement For the year ended 31 March 2024

	Openreach			BT Group PLC		
	Revenue £m	Operating cost £m	Return or operating profit £m	Revenue £m	Operating cost £m	Return or operating profit £m
As in the annual report	6,077	4,302	1,775	20,835	17,634	3,201
Adjustments						
Specific items	(16)	112	(128)	(38)	949	(987)
Use of technology assets	-	-	-	-	-	-
Other trading differences	21	52	(31)	-	-	-
Net short term interest	-	6	(6)	-	85	(85)
Share of post tax loss of associates and joint ventures	-	-	-	-	21	(21)
Installation costs treated as operating expenses	-	142	(142)	-	141	(141)
CCA adjustments	-	(121)	121	-	(124)	124
Rounding	-	1	(1)	-	(1)	1
As in the RFS	6,082	4,494	1,588	20,797	18,705	2,092

Notes:

1) Description of reconciliation adjustments

Adjustment	Description
Specific items	The Group's income statement and segmental analysis separately identifies trading results on an adjusted basis, being before specific items. Presentation of the Group's results in this way is relevant to understanding 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. Examples of charges or credits that may be 'specific items' include acquisitions and disposals of businesses and investments, retrospective regulatory matters, historical insurance or litigation claims, business restructuring programmes, asset impairment charges and property rationalisation programmes.
Use of technology assets	Within the Openreach segmental financial information reported in our Annual Report, the results include a charge for an appropriate return on capital where assets are owned by Technology Units (e.g. for line cards, electronics and network features) but are used by Openreach. The Openreach regulatory statements do not include this charge, as the basis for attribution of costs and assets to products in the regulatory accounts is actual costs and assets.
Other trading differences	The Openreach segmental financial information reported in our Annual Report reflects the internal charges between our business units rather than the allocation of actual costs and capital employed as shown in the RFS. The other trading differences reflect the total of these differences across the year.
Net short term interest	These are included within our return but not included as adjusted operating profit within our Annual Report.
Share of post tax loss of associates and joint ventures	These are included within our return but not included as adjusted operating profit within our Annual Report.
Installation costs treated as operating expenses	As directed by Ofcom, we make an adjustment in the RFS (relative to IFRS and BT's accounting policies) to treat installation and planning costs related to GEA Customer Site installation, Tie Cables, GEA Cable Links, Abortive Visits, Co-mingling services, Excess Construction Charges and Expedite services as operating expenditure in the RFS in line with connection revenues received (rather than capital expenditure), and the opening capital employed associated with these activities is also removed.
CCA adjustments	Our consolidated financial statements are prepared on the historical cost basis, except for certain financial and equity instruments that have been measured at fair value. Our RFS have been prepared on a CCA basis, in accordance with the annually updated AMD. As such, a reconciliation entry has been made to include the aggregated CCA adjustments within the Openreach regulatory statement.

2) Breakdown of other trading differences

	£m
Wages and Salaries	234
Social Security Costs	26
Other Pension Costs	36
Share-based payment expense	(10)
Own work capitalised	(97)
Net Indirect Labour Costs	30
Product Costs	(2)
Sales Commissions	-
Depreciation	(49)
Property and energy costs	615
Network operating and IT costs	108
Provisioning and installation	(2)
Marketing and sales	2
Other operating costs	(839)
Other trading differences	52

3) Explanation of 'Other trading differences' adjustments for cost categories representing 10% or more

- As the internal recharges are booked on different cost categories (i.e. other operating costs) to the underlying costs, which were recorded according to the nature of the cost, a line by line explanation is less meaningful using the cost categories in Note 1. We have included a high level explanation of the key differences of other trading differences below.
- There are costs and other operating income which were directly booked in Openreach and are allocated to Rest of BT markets (e.g. Share based payments). These reduce the Operating cost before depreciation in the RFS.
 - Whilst the business units perform internal recharges throughout the year, within the RFS we reverse this impact (removing these costs from Openreach) and allocate actual underlying costs into the Operating cost before depreciation within Openreach based on our agreed methodologies. These are used to allocate costs such as vehicle fuel costs relating to Openreach's fleet or Business rates paid for the use of public land for our assets. The difference between these approaches forms part of the 'Other trading differences'.
 - There are depreciation and amortisation costs of Openreach assets which are allocated to Rest of BT markets, which reduces the Depreciation in the RFS and some Technology Property plant and equipment related depreciation and amortisation are allocated to Openreach markets, which increases the Depreciation in the RFS.

Section 5 – Summary of Market Performance

5.4 Reconciliation Statement: Income Statement Restated for the year ended 31 March 2023

	Openreach			BT Group PLC		
	Revenue £m	Operating cost £m	Return or operating profit £m	Revenue £m	Operating cost £m	Return or operating profit £m
As in the annual report	5,675	4,130	1,545	20,669	17,494	3,175
Adjustments						
Specific items	(1)	63	(64)	12	555	(543)
Use of technology assets	-	(39)	39	-	-	-
Other trading differences	(2)	50	(52)	-	-	-
Net short term interest	-	(15)	15	-	(39)	39
Share of post tax loss of associates and joint ventures	-	-	-	-	59	(59)
Installation costs treated as operating expenses	-	95	(95)	-	95	(95)
CCA adjustments	-	(1,034)	1,034	-	(1,034)	1,034
Rounding	-	-	-	-	-	-
As in the RFS	5,672	3,250	2,422	20,681	17,130	3,551

Notes:

1) The Annual Report has restated some prior year comparatives based on changes to group recharges that have gone through in FY24 (BT Group plc Annual Report 2024 p.220, note 32 to the consolidated financial statements). These have impacted the prior year Operating Cost and Profit figures for Openreach, which have been restated accordingly in this reconciliation.

2) Description of reconciliation adjustments

Adjustment	Description
Specific items	The Group's income statement and segmental analysis separately identifies trading results on an adjusted basis, being before specific items. Presentation of the Group's results in this way is relevant to understanding 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. Examples of charges or credits that may be 'specific items' include acquisitions and disposals of businesses and investments, retrospective regulatory matters, historical insurance or litigation claims, business restructuring programmes, asset impairment charges and property rationalisation programmes.
Use of technology assets	Within the Openreach segmental financial information reported in our Annual Report, the results include a charge for an appropriate return on capital where assets are owned by Technology Units (e.g. for line cards, electronics and network features) but are used by Openreach. The Openreach regulatory statements do not include this charge, as the basis for attribution of costs and assets to products in the regulatory accounts is actual costs and assets.
Other trading differences	The Openreach segmental financial information reported in our Annual Report reflects the internal charges between our business units rather than the allocation of actual costs and capital employed as shown in the RFS. The other trading differences reflect the total of these differences across the year.
Net short term interest	These are included within our return but not included as adjusted operating profit within our Annual Report.
Share of post tax loss of associates and joint ventures	These are included within our return but not included as adjusted operating profit within our Annual Report.
Installation costs treated as operating expenses	As directed by Ofcom, we make an adjustment in the RFS (relative to IFRS and BT's accounting policies) to treat installation and planning costs related to GEA Customer Site installation, Tie Cables, GEA Cable Links, Abortive Visits, Co-mingling services, Excess Construction Charges and Expedite services as operating expenditure in the RFS in line with connection revenues received (rather than capital expenditure), and the opening capital employed associated with these activities is also removed.
CCA adjustments	Our consolidated financial statements are prepared on the historical cost basis, except for certain financial and equity instruments that have been measured at fair value. Our RFS have been prepared on a CCA basis, in accordance with the annually updated AMD. As such, a reconciliation entry has been made to include the aggregated CCA adjustments within the Openreach regulatory statement.

3) Breakdown of other trading differences

	£m
Wages and Salaries	150
Social Security Costs	14
Other Pension Costs	20
Share-based payment expense	(13)
Own work capitalised	(48)
Net Indirect Labour Costs	80
Product Costs	5
Sales Commissions	-
Depreciation	9
Property and energy costs	401
Network operating and IT costs	-
Provisioning and installation	1
Marketing and sales	1
Other operating costs	(571)
Rounding	1
Other trading differences	50

4) Explanation of 'Other trading differences' adjustments for cost categories representing 10% or more

As the internal recharges are booked on different cost categories (i.e. other operating costs) to the underlying costs, which were recorded according to the nature of the cost, a line by line explanation is less meaningful using the cost categories in Note 1. We have included a high level explanation of the key differences of other trading differences below.

- There are costs and other operating income which were directly booked in Openreach and are allocated to Rest of BT markets (e.g. Share based payments). These reduce the Operating cost before depreciation in the RFS.
- Whilst the business units perform internal recharges throughout the year, within the RFS we reverse this impact (removing these costs from Openreach) and allocate actual underlying costs into the Operating cost before depreciation within Openreach based on our agreed methodologies. These are used to allocate costs such as vehicle fuel costs relating to Openreach's fleet or Business rates paid for the use of public land for our assets. The difference between these approaches forms part of the 'Other trading differences'.
- There are depreciation and amortisation costs of Openreach assets which are allocated to Rest of BT markets, which reduces the Depreciation in the RFS and some Technology Property plant and equipment related depreciation and amortisation are allocated to Openreach markets, which increases the Depreciation in the RFS.

Section 5 – Summary of Market Performance

5.5 Reconciliation Statement: MCE

5.5 Reconciliation Statement: MCE - BT Group For the year ended 31 March

	FY24 £m	FY23 £m		FY24 £m	FY23 £m
MCE - BT Group plc					
Total assets less current liabilities, as in the annual report	41,921	42,360	Openreach		
Adjustments			Physical Infrastructure	7,150	6,297
Corporate taxes	(331)	(349)	WLA Area 2	4,885	4,488
Deferred taxes	(1,048)	(709)	WLA Area 3	2,906	2,732
Derivative financial instruments	(976)	(1,393)	LLA Area 2	1,042	1,004
Loans due within one year	996	1,075	LLA Area 3	503	480
Provisions	(411)	(369)	LLA High network reach	91	90
Retirement benefit surplus	(70)	(52)	IEC BT only exchanges	73	79
Capital costs treated as operating expenses	(1,631)	(1,483)	IEC BT + 1 exchanges	61	61
IFRS 16	(1,228)	(1,508)	Shared ancillaries	169	164
Closing HCA capital employed at 31 March	37,222	37,572	Total Openreach SMP	16,880	15,395
			Openreach non-SMP	2,359	2,724
CCA adjustments	3,734	3,625	Rest of BT non-SMP	21,940	21,721
Rounding	-	6	Eliminations	(108)	(123)
Closing CCA capital employed at 31 March	40,956	41,203	Rounding	(1)	-
Opening CCA capital employed at 1 April	41,183	38,231	Total CCA MCE in the RFS	41,070	39,717
Total CCA MCE in the RFS	41,070	39,717			

Notes:

1) Description of reconciliation adjustments

Adjustment	Description
Corporate taxes	Corporate taxes include Current Tax Receivables and Current Tax Liabilities as disclosed in 2024 BT Annual report. Tax balances are excluded from our calculation of MCE.
Deferred taxes	Deferred tax includes Deferred Tax Assets as disclosed in 2024 BT Annual report. Deferred tax is excluded from our calculation of MCE.
Derivative financial instruments	Derivative financial instruments includes Derivative financial instrument Assets as disclosed in 2024 BT Annual report. Derivative financial instruments are excluded from our calculation of MCE.
Loans due within one year	Loans due within one year includes Listed bonds < 1yr Principal and listed bonds < 1yr interest accrual as disclosed in 2024 BT Annual report. Loans due within one year are excluded from our calculation of MCE.
Provisions	Provisions includes for provisions for liabilities and charges > 1yr as disclosed in 2024 BT Annual report. Provisions are included in our calculation of MCE.
Retirement benefit surplus	Retirement benefit surplus includes Retirement benefit surplus as disclosed in 2024 BT Annual report. Retirement benefit surplus are excluded from our calculation of MCE.
Capital costs treated as operating expenses	See details in 5.4 Reconciliation Statement: Income statement
IFRS 16	We have included a portion of the lease liability over one year for property leases in our asset base to avoid a significant increase in our asset base, which would reduce comparability between the ROCE reported in the RFS and Ofcom's approach to setting prices.

Section 6: Review of Physical Infrastructure Market

Section 6 - Review of Physical Infrastructure Market

6.1.1. Physical Infrastructure Summary For the year ended 31 March 2024

	Internal Revenue	External Revenue	Total Revenue	Internal Volume	External Volume	Measure	Internal average price	External average price	Internal Opex	External Opex	Internal MCE	External MCE	Internal ROCE	External ROCE
	£m	£m	£m				£	£	£m	£m	£m	£m	%	%
Inputs to downstream services														
Lead-in duct	59.4	-	59.4	9,334,757	-	lead-ins	6.36	-	11.6	-	699.5	-	6.8%	-
Spine duct - 1 bore	216.2	-	216.2	770,367	-	km	0.28	-	42.7	-	2,616.6	-	6.6%	-
Spine duct - 2 bore	55.6	-	55.6	360,018	-	km	0.15	-	10.5	-	661.9	-	6.8%	-
Spine duct - 3+ bore	71.5	-	71.5	581,368	-	km	0.12	-	12.2	-	864.5	-	6.9%	-
Facility hosting (per manhole entry)	71.0	-	71.0	6,888,817	-	entries	10.30	-	13.5	-	831.7	-	6.9%	-
Facility hosting (per joint box entry)	83.5	-	83.5	55,402,773	-	entries	1.51	-	15.0	-	1,024.4	-	6.7%	-
Poles - multi-end-user attachment	34.5	-	34.5	2,765,703	-	attachments	12.48	-	25.7	-	114.8	-	7.7%	-
Poles - single-end-user attachment	68.0	-	68.0	20,303,457	-	attachments	3.35	-	51.3	-	229.5	-	7.3%	-
Pole top equipment	7.6	-	7.6	2,513,940	-	attachments	3.03	-	5.7	-	25.6	-	7.4%	-
Cable up a pole	3.1	-	3.1	1,201,364	-	attachments	2.60	-	2.3	-	10.5	-	7.5%	-
Total Inputs to downstream services	670.4	-	670.4						190.5	-	7,079.0	-	6.8%	-
PI rentals														
Lead-in duct	-	2.0	2.0	-	177,107	lead-ins	-	11.09	-	0.5	-	3.7	-	39.7%
Spine duct - 1 bore	-	10.0	10.0	-	28,682	km	-	0.35	-	2.7	-	29.7	-	24.6%
Spine duct - 2 bore	-	2.2	2.2	-	8,960	km	-	0.24	-	0.6	-	5.1	-	31.3%
Spine duct - 3+ bore	-	2.0	2.0	-	12,314	km	-	0.16	-	0.5	-	3.8	-	38.5%
Facility hosting (per manhole entry)	-	1.7	1.7	-	161,063	entries	-	10.63	-	0.5	-	6.6	-	18.4%
Facility hosting (per joint box entry)	-	5.4	5.4	-	2,135,032	entries	-	2.51	-	1.4	-	11.7	-	34.2%
Poles - multi-end-user attachment	-	1.6	1.6	-	250,679	attachments	-	6.29	-	1.9	-	6.2	-	(5.9)%
Poles - single-end-user attachment	-	1.0	1.0	-	411,869	attachments	-	2.46	-	1.3	-	4.2	-	(7.4)%
Pole top equipment	-	0.4	0.4	-	232,253	attachments	-	1.85	-	0.4	-	1.4	-	(1.4)%
Cable up a pole	-	0.2	0.2	-	171,677	attachments	-	1.23	-	0.2	-	0.6	-	(0.4)%
Total PI rentals	-	26.5	26.5						-	10.0	-	73.0	-	22.4%
Ancillary charges (excl. network adjustments)	-	6.1	6.1	(ux)	(ux)	(ux)	(sx)	(sx)	-	2.0	-	(4.2)	-	(99.3)%
Network adjustments above financial limit	9.1	-	9.1	(ux)	(ux)	(ux)	(sx)	(sx)	8.9	-	2.6	-	7.0%	-
Rounding	0.4	-	0.4						-	0.1	(0.1)	0.1		
Total Physical Infrastructure	679.9	32.6	712.5						199.4	12.1	7,081.5	68.9	6.8%	29.7%

Notes:

1) Network adjustments above and below the financial limit added this year

	Internal Opex	External Opex	Additions to Internal MCE	Additions to External MCE
	£m	£m	£m	£m
Gross network adjustments	-	-	36.0	21.5
Less network adjustments above the financial limit	-	-	(8.9)	-
Network adjustments below the limit	-	-	27.1	21.5
- of which, included in downstream services	-	-	26.5	21.0
- of which included in PI rentals	-	-	0.6	0.5

2) Lead-in duct

BT must identify and report the volume (by length in metres and number of new connections) and capital cost of lead-in duct. The above table details the volume by number of new connections and capital cost, the volume in kilometres is as follows:

	Volume
	99,970

3) Poles

BT must identify and report the volumes and capital cost of poles separately from other asset and infrastructure costs. The above table details the capital cost of Poles, the volume is as follows:

	No. of poles
	4,142,633

4) Spine Duct volumes

Spine Duct volumes are presented in km, but prices are calculated per metre to align with the price list

Section 6 - Review of Physical Infrastructure Market

6.1.1. Physical Infrastructure Summary Restated for the year ended 31 March 2023

	Internal Revenue	External Revenue	Total Revenue	Internal Volume	External Volume	Measure	Internal average price	External average price	Internal Opex	External Opex	Internal MCE	External MCE	Internal ROCE	External ROCE
	£m	£m	£m				£	£	£m	£m	£m	£m	%	%
Inputs to downstream services														
Lead-in duct	(10.9)	-	(10.9)	8,989,988	-	lead-ins	(1.21)	-	(52.1)	-	601.3	-	6.8%	-
Spine duct - 1 bore	(43.9)	-	(43.9)	755,891	-	km	(0.06)	-	(199.9)	-	2,304.0	-	6.8%	-
Spine duct - 2 bore	(10.6)	-	(10.6)	357,418	-	km	(0.03)	-	(50.7)	-	582.3	-	6.9%	-
Spine duct - 3+ bore	(15.6)	-	(15.6)	579,431	-	km	(0.03)	-	(72.6)	-	824.5	-	6.9%	-
Facility hosting (per manhole entry)	(13.1)	-	(13.1)	6,891,558	-	entries	(1.91)	-	(64.4)	-	743.6	-	6.9%	-
Facility hosting (per joint box entry)	(18.8)	-	(18.8)	56,549,375	-	entries	(0.33)	-	(82.4)	-	935.6	-	6.8%	-
Poles - multi-end-user attachment	23.7	-	23.7	2,747,288	-	attachments	8.63	-	17.7	-	85.4	-	7.1%	-
Poles - single-end-user attachment	47.1	-	47.1	20,092,913	-	attachments	2.34	-	35.2	-	170.0	-	7.0%	-
Pole top equipment	5.4	-	5.4	2,224,584	-	attachments	2.42	-	4.0	-	19.5	-	6.9%	-
Cable up a pole	2.3	-	2.3	1,194,077	-	attachments	1.90	-	1.7	-	8.3	-	6.8%	-
Total Inputs to downstream services	(34.4)	-	(34.4)						(463.5)	-	6,274.5	-	6.8%	-
PI rentals														
Lead-in duct	-	0.9	0.9	-	95,144	lead-ins	-	9.94	-	-	-	1.0	-	101.3%
Spine duct - 1 bore	-	3.2	3.2	-	10,377	km	-	0.31	-	(0.7)	-	10.3	-	38.3%
Spine duct - 2 bore	-	0.7	0.7	-	3,489	km	-	0.20	-	(0.1)	-	1.8	-	45.0%
Spine duct - 3+ bore	-	0.7	0.7	-	5,172	km	-	0.14	-	(0.2)	-	2.5	-	36.9%
Facility hosting (per manhole entry)	-	0.7	0.7	-	78,569	entries	-	9.43	-	(0.2)	-	2.5	-	36.7%
Facility hosting (per joint box entry)	-	1.9	1.9	-	857,673	entries	-	2.24	-	(0.2)	-	2.9	-	72.7%
Poles - multi-end-user attachment	-	0.6	0.6	-	98,932	attachments	-	5.65	-	0.5	-	1.4	-	3.2%
Poles - single-end-user attachment	-	0.3	0.3	-	121,909	attachments	-	2.21	-	0.2	-	0.5	-	11.1%
Pole top equipment	-	0.1	0.1	-	80,287	attachments	-	1.66	-	0.1	-	0.2	-	13.2%
Cable up a pole	-	0.1	0.1	-	57,858	attachments	-	1.10	-	-	-	0.1	-	21.0%
Total PI rentals	-	9.2	9.2						-	(0.6)	-	23.2	-	42.4%
Ancillary charges (excl. network adjustments)	-	3.5	3.5	(ux)	(ux)	(ux)	(sx)	(sx)	-	1.2	-	(4.6)	-	(50.4)%
Network adjustments above financial limit	9.5	-	9.5	(ux)	(ux)	(ux)	(sx)	(sx)	9.2	-	3.5	-	7.0%	-
Rounding	(0.1)	0.1	-						0.1	0.1	-	-	-	-
Total Physical Infrastructure	(25.0)	12.8	(12.2)						(454.2)	0.7	6,278.0	18.6	6.8%	65.3%

Notes:

1) Network adjustments above and below the financial limit added this year

	Internal Opex	External Opex	Additions to Internal MCE	Additions to External MCE
	£m	£m	£m	£m
Gross network adjustments	-	-	37.1	14.6
Less network adjustments above the financial limit	-	-	(9.2)	-
Network adjustments below the limit	-	-	27.9	14.6
- of which, included in downstream services	-	-	27.8	14.6
- of which included in PI rentals	-	-	0.1	-

2) Lead-in duct

BT must identify and report the volume (by length in metres and number of new connections) and capital cost of lead-in duct. The above table details the volume by number of new connections and capital cost, the volume in kilometres is as follows:

km
95,485

3) Poles

BT must identify and report the volumes and capital cost of poles separately from other asset and infrastructure costs. The above table details the capital cost of Poles, the volume is as follows:

No. of poles
4,117,508

4) Spine Duct volumes

Spine Duct volumes are presented in km, but prices are calculated per metre to align with the price list

Section 6 - Review of Physical Infrastructure Market

6.1.3. Physical Infrastructure Analysis of Service MCE

For the year ended 31 March 2024

		Lead-in duct		Spine duct - 1 bore		Spine duct - 2 bore		Spine duct - 3+ bore		Facility hosting (per manhole entry)		Facility hosting (per joint box entry)		Poles - multi-end-user attachment		Poles - single-end-user attachment		Pole top equipment		Cable up a pole		Ancillary charges (excl. network adjustments)		Network adjustments above financial limit		Rounding		Total			
		Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext		
Non-current assets																															
Duct	£m	707.7	5.1	2,648.4	37.1	670.1	6.6	876.8	5.3	841.7	7.9	1,038.4	15.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.2)	-	6,782.9	77.6
Poles	£m	-	-	-	-	-	-	-	-	-	-	-	-	96.6	5.9	193.1	4.2	21.5	1.3	8.8	0.6	-	-	-	-	-	-	(0.1)	0.1	319.9	12.1
Copper	£m	1.6	-	5.9	0.1	1.4	-	1.4	-	1.9	-	1.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.2)	0.1	13.8	0.2	
Fibre	£m	1.6	-	5.6	0.1	1.3	-	1.3	-	1.8	-	1.7	-	14.7	1.2	29.4	0.6	3.3	0.3	1.3	0.2	-	-	-	-	-	(0.2)	-	61.8	2.4	
Electronics	£m	-	-	0.1	-	-	-	-	-	-	-	-	-	-	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.2	-
Software	£m	2.6	-	9.7	0.2	2.4	-	3.1	-	3.1	-	3.7	0.1	1.3	0.1	2.5	0.1	0.3	-	0.1	-	-	-	-	0.4	-	(0.2)	0.1	29.0	0.6	
Land and buildings	£m	0.2	-	0.6	-	0.1	-	0.2	-	0.2	-	0.2	-	0.1	-	0.3	-	-	-	-	-	-	-	-	-	-	(0.1)	0.1	1.8	0.1	
Right of use assets	£m	1.9	-	7.0	0.2	1.8	-	2.3	-	2.2	-	2.8	0.1	2.1	0.2	4.3	0.1	0.5	-	0.2	-	-	0.1	-	-	-	(0.2)	0.3	24.9	1.0	
Other assets	£m	3.2	-	11.8	0.2	3.0	-	3.7	-	3.7	-	4.5	0.1	0.7	-	1.4	-	0.2	-	0.1	-	-	-	-	0.7	-	(0.1)	0.2	32.9	0.5	
Less funded assets (BDUK, etc.)	£m	(23.2)	(0.2)	(86.9)	(1.2)	(22.0)	(0.2)	(29.2)	(0.2)	(27.6)	(1.3)	(34.4)	(0.5)	(1.7)	(0.1)	(3.4)	(0.1)	(0.4)	-	(0.2)	-	-	-	-	-	-	0.1	-	(228.9)	(2.8)	
Total non-current assets	£m	695.6	4.9	2,602.2	36.7	658.1	6.4	859.6	5.1	827.0	7.6	1,018.7	15.4	113.8	7.3	227.7	4.9	25.4	1.6	10.3	0.8	-	0.1	1.1	-	(1.2)	0.9	7,038.3	91.7		
Current assets	£m	10.6	0.2	39.4	1.2	10.0	0.2	13.1	0.2	12.6	0.2	15.4	0.6	7.5	0.5	15.0	0.3	1.7	0.1	0.7	0.1	-	0.5	1.9	-	0.2	0.2	128.1	4.3		
Current liabilities	£m	(6.4)	(1.6)	(24.1)	(8.1)	(6.1)	(1.7)	(7.9)	(1.6)	(7.6)	(1.4)	(9.4)	(4.3)	(6.4)	(1.6)	(12.8)	(1.1)	(1.4)	(0.4)	(0.6)	(0.2)	-	(4.9)	(0.5)	-	0.1	-	(83.1)	(26.9)		
Provisions	£m	(0.2)	-	(0.9)	-	(0.2)	-	(0.3)	-	(0.3)	-	(0.3)	-	(0.3)	-	(0.5)	-	(0.1)	-	-	-	-	-	-	-	-	(0.1)	(3.1)	(0.1)		
Rounding	£m	(0.1)	0.2	-	(0.1)	0.1	0.2	-	0.1	-	0.2	-	-	0.2	-	0.1	0.1	-	0.1	0.1	(0.1)	-	0.1	0.1	-	0.8	(0.9)	1.3	(0.1)		
Total MCE	£m	699.5	3.7	2,616.6	29.7	661.9	5.1	864.5	3.8	831.7	6.6	1,024.4	11.7	114.8	6.2	229.5	4.2	25.6	1.4	10.5	0.6	-	(4.2)	2.6	-	(0.1)	0.1	7,081.5	68.9		

Section 6 - Review of Physical Infrastructure Market

6.1.3. Physical Infrastructure Analysis of Service MCE

Restated for the year ended 31 March 2023

	Lead-in duct		Spine duct - 1 bore		Spine duct - 2 bore		Spine duct - 3+ bore		Facility hosting (per manhole entry)		Facility hosting (per joint box entry)		Poles - multi-end-user attachment		Poles - single-end-user attachment		Pole top equipment		Cable up a pole		Ancillary charges (excl. network adjustments)		Network adjustments above financial limit		Rounding		Total				
	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext			
Non-current assets																															
Duct	£m	612.4	2.3	2,346.8	14.8	593.4	2.8	841.0	3.5	757.3	3.6	954.4	5.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	(0.1)	6,105.4	32.4
Poles	£m	-	-	-	-	-	-	-	-	-	-	-	-	70.6	1.7	140.5	0.7	16.1	0.3	6.8	0.1	-	-	-	-	-	-	-	0.1	234.0	2.9
Copper	£m	1.3	-	4.9	-	1.2	-	1.3	-	1.6	-	1.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	11.8	0.1
Fibre	£m	1.3	-	4.7	-	1.1	-	1.3	-	1.5	-	1.4	-	11.1	0.4	22.1	0.1	2.5	0.1	1.1	-	-	-	-	-	-	-	-	0.1	48.1	0.7
Electronics	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Software	£m	(0.5)	-	(2.0)	-	(0.5)	-	(0.8)	-	(0.7)	-	(0.9)	-	0.9	-	1.8	-	0.2	-	0.1	-	-	-	0.4	-	-	-	-	(2.0)	-	-
Land and buildings	£m	-	-	0.1	-	-	-	-	-	-	-	0.1	-	0.1	-	0.3	-	-	-	-	-	-	-	-	-	0.2	-	-	0.8	-	-
Right of use assets	£m	1.0	-	4.0	0.1	1.0	-	1.4	-	1.3	-	1.6	-	2.9	0.1	5.7	-	0.7	-	0.3	-	-	0.1	0.1	-	(0.1)	0.2	19.9	0.5	-	-
Other assets	£m	(1.9)	-	(7.2)	(0.1)	(1.8)	-	(2.7)	-	(2.3)	-	(3.0)	-	0.3	-	0.7	-	0.1	-	-	-	-	0.9	-	0.1	0.2	(16.8)	0.1	-	-	-
Less funded assets (BDUK, etc.)	£m	(19.5)	(0.1)	(74.9)	(0.5)	(19.0)	(0.1)	(27.1)	(0.1)	(24.1)	(0.1)	(30.8)	(0.2)	(1.5)	-	(3.0)	-	(0.3)	-	(0.1)	-	-	-	-	-	0.1	-	(200.2)	(1.1)	-	-
Total non-current assets	£m	594.1	2.2	2,276.4	14.3	575.4	2.7	814.4	3.4	734.6	3.5	924.3	5.3	84.4	2.2	168.1	0.8	19.3	0.4	8.2	0.1	-	0.1	1.4	-	0.4	0.6	6,201.0	35.6		
Current assets	£m	8.1	0.1	30.8	0.5	7.8	0.1	11.0	0.1	10.0	0.1	12.5	0.2	9.0	0.2	17.9	0.1	2.0	-	0.9	-	-	0.4	2.8	-	(0.1)	0.1	112.7	1.9	-	-
Current liabilities	£m	(0.8)	(1.3)	(2.9)	(4.6)	(0.7)	(1.0)	(1.0)	(1.0)	(0.9)	(1.0)	(1.1)	(2.7)	(7.7)	(1.0)	(15.4)	(0.5)	(1.8)	(0.2)	(0.7)	(0.1)	-	(5.1)	(0.7)	-	(0.1)	-	(33.8)	(18.5)	-	-
Provisions	£m	(0.1)	-	(0.4)	-	(0.1)	-	(0.1)	-	(0.1)	-	(0.2)	-	(0.3)	-	(0.6)	-	(0.1)	-	-	-	-	-	-	-	-	-	(2.0)	-	-	-
Rounding	£m	-	-	0.1	0.1	(0.1)	-	0.2	-	-	(0.1)	0.1	0.1	-	-	-	0.1	0.1	-	(0.1)	0.1	-	-	-	-	(0.2)	(0.7)	0.1	(0.4)	-	-
Total MCE	£m	601.3	1.0	2,304.0	10.3	582.3	1.8	824.5	2.5	743.6	2.5	935.6	2.9	85.4	1.4	170.0	0.5	19.5	0.2	8.3	0.1	-	(4.6)	3.5	-	-	-	6,278.0	18.6		

Section 7: Review of Wholesale Local Access Markets

Section 7 – Review of Wholesale Local Access Markets

7.1.1 Wholesale Local Access – Area 2 Summary For the year ended 31 March 2024

	Internal Revenue	External Revenue	Total Revenue	Internal Volume	External Volume	Measure	Internal average price	External average price	Internal Opex	External Opex	Internal MCE	External MCE	Internal ROCE	External ROCE
	£m	£m	£m				£	£	£m	£m	£m	£m	%	%
MPF rentals (SML1) (charge controlled)	-	425.8	425.8	65	4,277,558	lines	99.53	99.53	-	321.8	-	716.0	13.8%	14.5%
MPF other rentals	3.0	28.0	31.0	28,516	267,370	lines	104.96	104.76	2.2	21.4	4.8	44.8	15.6%	14.7%
FTTC 40/10 rentals (charge controlled)	38.3	95.6	133.9	547,245	1,367,609	lines	69.90	69.91	22.8	56.5	57.0	142.3	27.0%	27.5%
FTTC other rentals	151.2	263.6	414.8	1,684,946	3,077,560	lines	89.71	85.65	70.8	127.6	176.6	321.7	45.5%	42.3%
FTTP 40/10 rentals (charge controlled)	7.0	5.8	12.8	36,461	29,924	lines	193.04	193.04	8.6	7.0	40.6	33.3	(3.8)%	(3.7)%
FTTP 40/10 rentals (non-charge controlled)	3.0	3.4	6.4	15,399	17,656	lines	193.04	193.04	3.6	4.1	17.1	19.6	(3.8)%	(3.7)%
FTTP other rentals	254.1	204.9	459.0	1,231,222	1,031,996	lines	206.40	198.53	290.1	241.7	1,370.4	1,148.4	(2.6)%	(3.2)%
SOGEA 40/10 rental (charge controlled)	54.2	44.5	98.7	320,165	262,417	lines	169.44	169.44	36.0	29.2	84.8	69.4	21.5%	21.9%
SOGEA other rentals	200.5	152.4	352.9	1,098,017	836,594	lines	182.62	182.12	123.9	93.4	291.0	221.5	26.3%	26.6%
NGA Visit Assure	11.5	9.4	20.9	75,690	61,727	amendments	151.54	151.54	10.1	8.3	0.1	0.1	1,040.2%	1,040.2%
Special Faults Investigation	2.7	1.4	4.1	(ux)	(ux)	(ux)	(sx)	(sx)	2.5	1.4	0.1	-	194.3%	2.1%
WLA Time Related Charges	6.7	9.2	15.9	(ux)	(ux)	(ux)	(sx)	(sx)	5.7	8.5	1.4	2.1	72.4%	34.3%
Hard Ceases	2.4	2.1	4.5	186,002	124,340	ceases	13.06	17.01	2.0	1.4	(1.0)	(0.8)	(47.2)%	(89.2)%
GEA Cancel/Amend/Modify – CRD	6.0	4.6	10.6	285,216	700,777	amendments	20.91	6.51	5.7	13.3	0.1	2.8	202.6%	(312.6)%
Tie cables	9.4	2.6	12.0	(ux)	(ux)	(ux)	(sx)	(sx)	2.3	1.1	14.1	6.4	50.4%	22.2%
Ancillaries (£0 cap)	-	-	-	(ux)	(ux)	(ux)	(sx)	(sx)	-	-	-	-	-	-
Other ancillaries – CPI-0% ¹	5.9	9.6	15.5	(ux)	(ux)	(ux)	(sx)	(sx)	17.8	27.6	3.8	5.2	(316.9)%	(347.0)%
GEA 40/10 (FTTC) PCP Only Install Connections	1.1	2.5	3.6	20,958	45,498	conns	54.59	54.59	1.6	3.0	0.5	1.0	(88.8)%	(52.4)%
GEA Other (FTTC) PCP Only Install Connections	1.4	7.1	8.5	26,425	130,678	conns	54.59	54.59	2.0	8.7	0.7	2.9	(88.8)%	(52.4)%
MPF New Provides	-	11.8	11.8	1	337,967	conns	201.87	35.01	-	7.1	-	0.4	563.9%	1,126.8%
Other ancillaries	14.2	8.5	22.7	(ux)	(ux)	(ux)	(sx)	(sx)	4.4	5.2	-	1.7	(121,058.9)%	201.0%
Other WLA services	99.0	82.8	181.8	(ux)	(ux)	(ux)	(sx)	(sx)	261.9	224.3	77.5	70.9	(210.1)%	(199.8)%
IFRS 15 deferred revenue	(1.3)	(6.7)	(8.0)	(ux)	(ux)	(ux)	(sx)	(sx)	(0.2)	(0.2)	(25.4)	(32.3)	4.6%	20.2%
IFRS15 SLG	(29.6)	(19.8)	(49.4)	(ux)	(ux)	(ux)	(sx)	(sx)	(32.1)	(21.5)	(3.6)	(2.4)	(69.6)%	(69.6)%
Rounding	0.1	(0.4)	(0.3)						0.2	(0.1)	(0.8)	-	-	-
Total WLA – Area 2	840.8	1,348.7	2,189.5						841.9	1,190.8	2,109.8	2,775.0	(0.1)%	5.7%

Notes:

¹Ancillary (CPI-0%) services where individual service total revenue is less than £5m can be aggregated and reported together.

Section 7 – Review of Wholesale Local Access Markets

7.1.1 Wholesale Local Access – Area 2 Summary Restated for the year ended 31 March 2023

	Internal Revenue	External Revenue	Total Revenue	Internal Volume	External Volume	Measure	Internal average price	External average price	Internal Opex	External Opex	Internal MCE	External MCE	Internal ROCE	External ROCE
	£m	£m	£m				£	£	£m	£m	£m	£m	%	%
MPF rentals (SML1) (charge controlled)	-	449.1	449.1	178	5,010,498	lines	89.59	89.64	-	213.4	-	806.6	28.7%	29.2%
MPF other rentals	4.4	31.8	36.2	46,379	336,060	lines	94.68	94.68	2.2	16.6	7.5	54.4	28.7%	28.0%
FTTC 40/10 rentals (charge controlled)	44.3	109.7	154.0	703,804	1,735,744	lines	62.93	63.20	14.0	33.6	74.0	182.2	41.0%	41.8%
FTTC other rentals	184.4	285.6	470.0	2,271,720	3,637,214	lines	81.16	78.52	45.7	70.8	240.1	383.4	57.7%	56.0%
FTTP 40/10 rentals (charge controlled)	5.5	2.3	7.8	31,410	13,036	lines	173.77	173.78	8.1	3.3	47.4	19.7	(5.5)%	(5.4)%
FTTP 40/10 rentals (non-charge controlled)	2.1	1.5	3.6	12,168	8,386	lines	173.77	173.78	3.1	2.1	18.4	12.7	(5.5)%	(5.4)%
FTTP other rentals	170.4	112.5	282.9	812,038	566,950	lines	209.81	198.42	209.1	145.0	1,225.6	855.4	(3.2)%	(3.8)%
SOGEA 40/10 rental (charge controlled)	34.5	24.2	58.7	226,087	158,842	lines	152.51	152.51	12.9	8.9	58.4	41.0	37.0%	37.5%
SOGEA other rentals	119.5	89.9	209.4	726,211	545,442	lines	164.58	164.90	41.5	30.5	187.7	140.7	41.5%	42.2%
NGA Visit Assure	12.3	11.4	23.7	90,497	83,414	amendments	136.40	136.40	15.1	13.9	1.0	0.9	(274.7)%	(274.7)%
Special Faults Investigation	3.8	1.8	5.6	(ux)	(ux)	(ux)	(sx)	(sx)	6.2	3.0	0.4	0.2	(569.2)%	(569.2)%
WLA Time Related Charges	5.0	10.0	15.0	(ux)	(ux)	(ux)	(sx)	(sx)	5.4	10.7	1.4	2.7	(30.1)%	(23.3)%
Hard Ceases	1.2	3.6	4.8	90,885	240,608	ceases	13.35	15.05	1.4	3.8	(0.1)	(0.2)	381.8%	70.1%
GEA Cancel/Amend/Modify – CRD	3.4	4.3	7.7	242,580	729,191	amendments	13.93	5.86	5.1	15.1	1.8	6.4	(96.4)%	(167.5)%
Tie cables	7.9	2.7	10.6	(ux)	(ux)	(ux)	(sx)	(sx)	0.8	-	16.6	-	42.5%	(8,740.1)%
Ancillaries (£0 cap)	-	-	-	(ux)	(ux)	(ux)	(sx)	(sx)	-	-	-	-	-	-
Other ancillaries – CPI-0% ¹	6.2	9.5	15.7	(ux)	(ux)	(ux)	(sx)	(sx)	22.4	27.2	9.6	8.2	(169.9)%	(217.0)%
GEA 40/10 (FTTC) PCP Only Install Connections	3.0	4.4	7.4	61,499	90,062	conns	49.14	49.14	5.6	7.0	1.9	2.4	(133.4)%	(106.7)%
GEA Other (FTTC) PCP Only Install Connections	4.2	13.2	17.4	86,485	268,932	conns	49.14	49.14	7.9	20.9	2.7	7.2	(133.4)%	(106.7)%
MPF New Provides	-	16.1	16.1	5	499,847	conns	23.75	32.23	-	16.2	-	2.7	(198.5)%	(3.7)%
Other ancillaries	13.5	11.0	24.5	(ux)	(ux)	(ux)	(sx)	(sx)	7.7	12.0	1.0	6.1	567.5%	(15.7)%
Other WLA services	77.8	65.9	143.7	(ux)	(ux)	(ux)	(sx)	(sx)	214.9	165.6	68.3	53.8	(200.9)%	(185.2)%
IFRS 15 deferred revenue	(6.1)	0.3	(5.8)	(ux)	(ux)	(ux)	(sx)	(sx)	(0.2)	(0.2)	(23.7)	(30.8)	25.0%	(1.6)%
IFRS15 SLG	(33.8)	(25.3)	(59.1)	(ux)	(ux)	(ux)	(sx)	(sx)	(37.2)	(27.9)	(4.1)	(3.1)	(82.9)%	(82.9)%
Rounding	-	0.5	0.5						0.6	-	-	(0.1)	-	-
Total WLA – Area 2	663.5	1,236.0	1,899.5						592.3	791.5	1,935.9	2,552.5	3.7%	17.4%

Notes:

¹Ancillary (CPI-0%) services where individual service total revenue is less than £5m can be aggregated and reported together.

Section 7 – Review of Wholesale Local Access Markets

7.2.1 Wholesale Local Access – Area 3 Summary For the year ended 31 March 2024

	Internal Revenue	External Revenue	Total Revenue	Internal Volume	External Volume	Measure	Internal average price	External average price	Internal Opex	External Opex	Internal MCE	External MCE	Internal ROCE	External ROCE
	£m	£m	£m				£	£	£m	£m	£m	£m	%	%
MPF rentals (SML1) (charge controlled)	-	189.8	189.8	14	1,907,311	lines	99.53	99.53	-	143.5	-	319.3	13.7%	14.5%
MPF other rentals	0.6	12.5	13.1	6,097	119,217	lines	104.96	104.76	0.5	9.5	1.0	20.0	15.5%	15.0%
FTTC 40/10 rentals (charge controlled)	41.4	57.3	98.7	591,979	820,115	lines	69.90	69.91	24.7	33.9	61.7	85.3	27.0%	27.5%
FTTC other rentals	129.9	122.3	252.2	1,447,686	1,427,489	lines	89.71	85.65	60.8	59.2	151.7	149.2	45.5%	42.3%
FTTP 40/10 rentals (charge controlled)	3.4	2.6	6.0	17,523	13,493	lines	193.04	193.04	4.1	3.2	19.5	15.0	(3.8)%	(3.7)%
FTTP 40/10 rentals (non-charge controlled)	2.7	2.0	4.7	13,887	10,216	lines	193.04	193.04	3.3	2.4	15.5	11.4	(3.8)%	(3.7)%
FTTP other rentals	183.5	110.5	294.0	888,951	556,767	lines	206.40	198.53	209.3	130.4	989.4	619.5	(2.6)%	(3.2)%
SOGEA 40/10 rental (charge controlled)	40.4	29.9	70.3	238,702	176,453	lines	169.44	169.44	26.9	19.7	63.2	46.7	21.4%	21.9%
SOGEA other rentals	124.9	78.6	203.5	684,150	431,772	lines	182.62	182.12	77.3	48.3	181.3	114.3	26.3%	26.6%
NGA Visit Assure	9.9	4.3	14.2	65,032	28,631	amendments	151.54	151.54	8.7	3.8	0.1	-	1,040.2%	1,040.2%
Special Faults investigation	2.3	0.6	2.9	(ux)	(ux)	(ux)	(sx)	(sx)	2.2	0.6	0.1	-	194.3%	2.1%
WLA Time Related Charges	5.7	4.3	10.0	(ux)	(ux)	(ux)	(sx)	(sx)	4.9	3.9	1.2	1.0	72.4%	34.3%
Hard Ceases	3.4	1.3	4.7	257,434	76,921	ceases	13.06	17.01	2.7	0.8	(1.4)	(0.5)	(47.2)%	(89.2)%
GEA Cancel/Amend/Modify – CRD	3.7	2.8	6.5	176,443	433,521	amendments	20.91	6.51	3.6	8.2	0.1	1.7	202.6%	(312.6)%
Tie cables	5.8	1.6	7.4	(ux)	(ux)	(ux)	(sx)	(sx)	1.4	0.7	8.7	4.0	50.4%	22.2%
Ancillaries (£0 cap)	-	-	-	(ux)	(ux)	(ux)	(sx)	(sx)	-	-	-	-	-	-
Other ancillaries – CPI-0% ¹	4.0	4.9	8.9	(ux)	(ux)	(ux)	(sx)	(sx)	12.2	13.7	2.6	2.6	(308.0)%	(347.0)%
GEA 40/10 (FTTC) PCP Only Install Connections	0.8	1.3	2.1	14,182	23,595	conns	54.59	54.59	1.1	1.6	0.4	0.5	(88.8)%	(52.4)%
GEA Other (FTTC) PCP Only Install Connections	0.7	3.7	4.4	13,704	67,768	conns	54.59	54.59	1.1	4.5	0.3	1.5	(88.8)%	(52.4)%
MPF New Provides	-	3.3	3.3	1	94,749	conns	56.60	35.01	-	2.0	-	0.1	408.6%	1,126.8%
Other ancillaries	9.2	3.9	13.1	(ux)	(ux)	(ux)	(sx)	(sx)	3.7	2.3	-	0.7	22,512.9%	240.1%
Other WLA services	37.1	32.9	70.0	(ux)	(ux)	(ux)	(sx)	(sx)	101.9	89.4	30.5	28.3	(212.3)%	(199.4)%
IFRS 15 deferred revenue	(1.1)	(3.1)	(4.2)	(ux)	(ux)	(ux)	(sx)	(sx)	(0.1)	(0.1)	(21.8)	(15.0)	4.6%	20.2%
IFRS15 SLG	(25.4)	(9.2)	(34.6)	(ux)	(ux)	(ux)	(sx)	(sx)	(27.6)	(10.0)	(3.1)	(1.1)	(69.6)%	(69.6)%
Rounding	-	0.1	0.1						(0.2)	(0.1)	0.1	-	-	-
Total WLA – Area 3	582.9	658.2	1,241.1						522.5	571.4	1,501.1	1,404.5	4.0%	6.2%

Notes:

1) FTTP homes passed in Area 3

Premises passed by FTTP – A premise is passed by FTTP if Openreach's GEA FTTP product is available for connection and supply at that premise.

	Measure	Additions for the year	Cumulative total as at 31 March 2024
Non-subsidised homes passed with FTTP	Million premises	0.7	3.2

¹Ancillary (CPI-0%) services where individual service total revenue is less than £5m can be aggregated and reported together.

Section 7 – Review of Wholesale Local Access Markets

7.2.1 Wholesale Local Access – Area 3 Summary

Restated for the year ended 31 March 2023

	Internal Revenue	External Revenue	Total Revenue	Internal Volume	External Volume	Measure	Internal average price	External average price	Internal Opex	External Opex	Internal MCE	External MCE	Internal ROCE	External ROCE
	£m	£m	£m				£	£	£m	£m	£m	£m	%	%
MPF rentals (SML1) (charge controlled)	-	197.1	197.1	36	2,199,283	lines	89.59	89.64	-	93.7	-	354.0	28.7%	29.2%
MPF other rentals	0.9	14.0	14.9	9,294	147,509	lines	94.68	94.68	0.4	7.2	1.5	23.9	28.7%	28.2%
FTTC 40/10 rentals (charge controlled)	45.8	64.7	110.5	727,050	1,023,312	lines	62.93	63.20	14.4	19.8	76.4	107.4	41.0%	41.8%
FTTC other rentals	146.8	131.4	278.2	1,809,143	1,672,898	lines	81.16	78.52	36.4	32.6	191.2	176.3	57.7%	56.0%
FTTP 40/10 rentals (charge controlled)	2.6	0.9	3.5	14,688	4,924	lines	173.77	173.78	3.8	1.3	22.2	7.4	(5.5)%	(5.4)%
FTTP 40/10 rentals (non-charge controlled)	2.4	1.0	3.4	13,828	5,930	lines	173.77	173.78	3.6	1.5	20.9	8.9	(5.5)%	(5.4)%
FTTP other rentals	136.3	61.2	197.5	649,444	308,222	lines	209.81	198.42	167.3	78.8	980.2	465.0	(3.2)%	(3.8)%
SOGEA 40/10 rental (charge controlled)	22.5	14.4	36.9	147,513	94,421	lines	152.51	152.51	8.4	5.3	38.1	24.4	37.0%	37.5%
SOGEA other rentals	70.3	42.4	112.7	427,340	257,424	lines	164.58	164.90	24.4	14.4	110.4	66.4	41.5%	42.2%
NGA Visit Assure	9.8	5.2	15.0	72,070	38,365	amendments	136.40	136.40	12.0	6.4	0.8	0.4	(274.7)%	(274.7)%
Special Faults investigation	3.1	0.8	3.9	(ux)	(ux)	(ux)	(sx)	(sx)	5.0	1.4	0.3	0.1	(569.2)%	(569.2)%
WLA Time Related Charges	4.0	4.6	8.6	(ux)	(ux)	(ux)	(sx)	(sx)	4.3	4.9	1.1	1.2	(30.1)%	(23.3)%
Hard Ceases	1.2	2.6	3.8	88,999	173,467	ceases	13.32	15.05	1.4	2.7	(0.1)	(0.1)	388.7%	70.1%
GEA Cancel/Amend/Modify – CRD	2.4	3.1	5.5	174,889	525,712	amendments	13.93	5.86	3.7	10.9	1.3	4.6	(96.4)%	(167.5)%
Tie cables	5.7	1.9	7.6	(ux)	(ux)	(ux)	(sx)	(sx)	0.6	-	12.0	-	42.5%	(8,740.1)%
Ancillaries (£0 cap)	-	-	-	(ux)	(ux)	(ux)	(sx)	(sx)	-	-	-	-	-	-
Other ancillaries – CPI-0% ¹	4.3	5.3	9.6	(ux)	(ux)	(ux)	(sx)	(sx)	15.7	14.0	6.7	4.3	(168.4)%	(202.3)%
GEA 40/10 (FTTC) PCP Only Install Connections	2.6	2.2	4.8	52,925	45,389	conns	49.14	49.14	4.8	3.5	1.7	1.2	(133.4)%	(106.7)%
GEA Other (FTTC) PCP Only Install Connections	2.1	6.7	8.8	43,587	135,536	conns	49.14	49.14	4.0	10.6	1.4	3.6	(133.4)%	(106.7)%
MPF New Provides	-	4.1	4.1	1	127,474	conns	23.75	32.23	-	4.1	-	0.7	(198.5)%	(3.7)%
Other ancillaries	7.4	5.0	12.4	(ux)	(ux)	(ux)	(sx)	(sx)	5.9	5.5	0.8	2.8	185.8%	(16.3)%
Other WLA services	28.7	26.2	54.9	(ux)	(ux)	(ux)	(sx)	(sx)	84.3	67.4	27.5	22.2	(201.8)%	(186.2)%
IFRS 15 deferred revenue	(4.9)	0.1	(4.8)	(ux)	(ux)	(ux)	(sx)	(sx)	(0.1)	(0.1)	(18.9)	(14.2)	25.0%	(1.6)%
IFRS15 SLG	(26.9)	(11.6)	(38.5)	(ux)	(ux)	(ux)	(sx)	(sx)	(29.6)	(12.8)	(3.3)	(1.4)	(82.9)%	(82.9)%
Rounding	(0.1)	0.1	-						(0.2)	(0.1)	0.1	0.1	-	-
Total WLA – Area 3	467.0	583.4	1,050.4						370.5	373.0	1,472.3	1,259.2	6.6%	16.7%

Notes:

1) FTTP homes passed in Area 3

Premises passed by FTTP – A premise is passed by FTTP if Openreach's GEA FTTP product is available for connection and supply at that premise.

	Measure	Additions for the year	Cumulative total as at 31 March 2023
Non-subsidised homes passed with FTTP	Million premises	0.8	2.5

¹Ancillary (CPI-0%) services where individual service total revenue is less than £5m can be aggregated and reported together.

Section 8: Review of Leased Line Access Markets

Section 8 – Review of Leased Line Access Markets

8.1.1 Leased Lines Access – Area 2 Summary For the year ended 31 March 2024

	Internal Revenue	External Revenue	Total Revenue	Internal Volume	External Volume	Measure	Internal average price	External average price	Internal Opex	External Opex	Internal MCE	External MCE	Internal ROCE	External ROCE
	£m	£m	£m				£	£	£m	£m	£m	£m	%	%
Ethernet services basket														
Connections	32.3	30.5	62.8	15,312	13,892	ccts	2,108.52	2,192.81	17.0	14.9	1.3	1.0	1,221.1%	1,632.7%
EAD 1Gbit/s rentals	18.0	31.5	49.5	8,679	15,073	ccts	2,079.44	2,090.44	13.7	23.9	45.8	79.5	9.4%	9.6%
Other EAD rentals	18.8	30.7	49.5	7,351	11,056	ccts	2,559.89	2,776.97	14.7	23.1	45.9	69.6	9.1%	10.9%
EAD LA 1Gbit/s rentals	59.9	42.9	102.8	36,115	25,748	ccts	1,658.77	1,666.73	55.8	39.8	186.9	133.2	2.2%	2.3%
Other EAD LA rentals	74.2	67.6	141.8	43,978	39,223	ccts	1,686.90	1,723.83	67.5	61.2	226.6	203.4	3.0%	3.2%
Other rentals	-	0.2	0.2	19	130	ccts	1,448.18	1,418.93	-	0.1	0.1	0.6	11.2%	8.0%
Main link	14.0	31.3	45.3	68,299	153,094	km	204.78	204.17	4.9	10.9	2.9	6.5	311.7%	310.8%
Total Ethernet services basket	217.2	234.7	451.9						173.6	173.9	509.5	493.8	8.6%	12.3%
Optical services - rentals	32.9	10.8	43.7	19,433	7,990	ccts	1,690.58	1,346.90	18.4	7.5	69.9	28.9	20.7%	11.4%
Optical services - connections	6.5	3.6	10.1	2,298	726	ccts	2,841.41	4,994.79	1.5	0.7	(0.2)	(0.1)	(2,808.2)%	(2,575.5)%
Optical services - main link	12.1	4.7	16.8	48,451	16,316	km	250.30	288.52	3.4	1.2	1.6	0.5	543.5%	710.2%
Direct ECC basket	10.2	5.8	16.0	(ux)	(ux)	(ux)	(sx)	(sx)	10.4	5.9	1.2	0.7	(12.5)%	(12.5)%
Time related charges	0.5	0.6	1.1	(ux)	(ux)	(ux)	(sx)	(sx)	0.5	0.6	0.1	0.1	(12.6)%	(12.5)%
Other ancillaries ¹	4.5	4.0	8.5	(ux)	(ux)	(ux)	(sx)	(sx)	0.7	0.3	(0.2)	(0.1)	(2,465.6)%	(2,508.6)%
IFRS 15 deferred revenue	(3.8)	7.1	3.3	(ux)	(ux)	(ux)	(sx)	(sx)	(0.3)	(0.1)	(40.7)	(21.2)	8.6%	(34.2)%
IFRS15 SLG	(6.3)	(4.6)	(10.9)	(ux)	(ux)	(ux)	(sx)	(sx)	(6.8)	(5.0)	(0.8)	(0.6)	(69.6)%	(69.6)%
Rounding	0.1	(0.1)	-						(0.1)	(0.1)	-	-		
Total LLA - Area 2	273.9	266.6	540.5						201.3	184.9	540.4	502.0	13.4%	16.3%

Notes:

¹Ancillary services where individual service total revenue is less than £5m can be aggregated and reported together.

Section 8 – Review of Leased Line Access Markets

8.1.1 Leased Lines Access – Area 2 Summary Restated for the year ended 31 March 2023

	Internal Revenue	External Revenue	Total Revenue	Internal Volume	External Volume	Measure	Internal average price	External average price	Internal Opex	External Opex	Internal MCE	External MCE	Internal ROCE	External ROCE
	£m	£m	£m				£	£	£m	£m	£m	£m	%	%
Ethernet services basket														
Connections	27.3	30.6	57.9	13,999	14,988	ccts	1,950.34	2,038.46	15.0	13.1	3.8	3.0	323.1%	574.9%
EAD 1Gbit/s rentals	15.1	27.6	42.7	7,820	14,232	ccts	1,933.00	1,942.71	11.3	20.6	41.5	75.6	9.1%	9.3%
Other EAD rentals	16.2	27.9	44.1	7,444	11,367	ccts	2,182.51	2,454.91	13.8	22.8	47.5	73.7	5.2%	6.9%
EAD LA 1Gbit/s rentals	48.5	32.3	80.8	30,116	19,944	ccts	1,608.90	1,617.70	42.9	28.4	156.7	103.8	3.6%	3.7%
Other EAD LA rentals	68.4	60.8	129.2	46,422	40,467	ccts	1,473.28	1,502.95	65.4	58.0	240.1	210.6	1.3%	1.4%
Other rentals	0.4	0.4	0.8	200	314	ccts	1,980.08	1,246.86	0.2	0.3	0.8	1.3	29.0%	10.0%
Main link	12.3	28.0	40.3	65,402	149,669	km	188.02	187.20	2.0	4.7	3.5	8.0	294.6%	293.1%
Total Ethernet services basket	188.2	207.6	395.8						150.6	147.9	493.9	476.0	7.6%	12.6%
Optical services - rentals	32.0	10.1	42.1	17,829	6,992	ccts	1,797.35	1,443.93	20.7	8.0	66.2	26.1	17.1%	7.8%
Optical services - connections	7.5	8.2	15.7	2,570	1,692	ccts	2,898.68	4,833.59	2.0	1.1	-	(0.3)	(29,697.9)%	(2,116.7)%
Optical services - main link	10.5	4.3	14.8	43,879	16,550	km	239.79	259.88	1.8	0.7	1.7	0.6	520.0%	582.3%
Direct ECC basket	9.0	6.0	15.0	(ux)	(ux)	(ux)	(sx)	(sx)	8.1	5.4	1.9	1.3	47.0%	47.0%
Time related charges	0.2	0.9	1.1	(ux)	(ux)	(ux)	(sx)	(sx)	0.2	0.8	-	0.2	47.0%	47.0%
Other ancillaries ¹	4.9	3.2	8.1	(ux)	(ux)	(ux)	(sx)	(sx)	1.8	0.5	0.1	-	4,240.2%	32,377.4%
IFRS 15 deferred revenue	(0.3)	(2.5)	(2.8)	(ux)	(ux)	(ux)	(sx)	(sx)	(0.3)	(0.1)	(42.0)	(20.0)	0.1%	11.6%
IFRS15 SLG	(6.8)	(4.2)	(11.0)	(ux)	(ux)	(ux)	(sx)	(sx)	(7.5)	(4.6)	(0.8)	(0.5)	(82.9)%	(82.9)%
Rounding	(0.2)	0.1	(0.1)						(0.1)	-	(0.1)	-		
Total LLA - Area 2	245.0	233.7	478.7						177.3	159.7	520.9	483.4	13.0%	15.3%

Notes:

¹Ancillary services where individual service total revenue is less than £5m can be aggregated and reported together.

Section 8 – Review of Leased Line Access Markets

8.2.1 Leased Lines Access – Area 3 Summary For the year ended 31 March 2024

	Internal Revenue	External Revenue	Total Revenue	Internal Volume	External Volume	Measure	Internal average price	External average price	Internal Opex	External Opex	Internal MCE	External MCE	Internal ROCE	External ROCE
	£m	£m	£m				£	£	£m	£m	£m	£m	%	%
Dark fibre services														
Connections - single fibre	-	0.1	0.1	-	84	ccts	-	1,447.52	-	0.1	-	(0.1)	-	(52.1)%
Connections - dual fibre	-	-	-	-	-	ccts	-	-	-	-	-	-	-	-
Rentals - single fibre	-	0.6	0.6	-	494	ccts	-	1,120.74	-	0.2	-	0.1	-	281.3%
Rentals - dual fibre	-	-	-	-	-	ccts	-	-	-	-	-	-	-	-
Main link	-	-	-	-	-	km	-	-	-	-	-	-	-	-
Patch panels - customer premises	-	-	-	-	494	ccts	-	-	-	-	-	-	-	-
Patch panels - exchanges	-	-	-	-	-	ccts	-	-	-	-	-	-	-	-
Initial testing	-	-	-	-	84	ccts	-	-	-	-	-	-	-	(1,170.3)%
Cessation charges	-	-	-	-	-	ccts	-	-	-	-	-	-	-	-
Right when tested charges	-	-	-	-	-	ccts	-	-	-	-	-	-	-	-
Ethernet services basket														
Connections	14.4	16.5	30.9	6,881	7,599	ccts	2,094.49	2,172.77	7.6	8.1	0.6	0.5	1,208.5%	1,608.4%
EAD 1Gbit/s rentals	20.2	18.0	38.2	9,741	8,578	ccts	2,078.31	2,099.04	15.4	13.6	51.4	45.2	9.4%	9.8%
Other EAD rentals	17.5	18.7	36.2	7,822	7,369	ccts	2,241.83	2,532.55	14.4	14.5	48.1	45.9	6.5%	9.0%
EAD LA 1Gbit/s rentals	20.7	18.0	38.7	12,466	10,778	ccts	1,657.61	1,667.04	19.3	16.7	64.5	55.8	2.2%	2.3%
Other EAD LA rentals	25.9	30.0	55.9	15,438	17,781	ccts	1,678.73	1,688.96	23.6	27.3	79.4	91.7	2.9%	3.0%
Other rentals	-	0.1	0.1	17	68	km	1,262.12	2,018.92	-	0.1	0.1	0.3	3.6%	23.3%
Main link	28.7	27.1	55.8	140,501	133,016	ccts	204.15	204.03	10.1	9.5	6.0	5.7	310.0%	310.0%
Total Ethernet services basket	127.4	128.4	255.8						90.4	89.8	250.1	245.1	14.8%	15.8%
Optical services - rentals	10.3	8.2	18.5	5,488	5,375	ccts	1,870.50	1,516.71	5.2	5.1	19.7	19.4	25.6%	16.0%
Optical services - connections	3.0	3.8	6.8	1,091	777	ccts	2,713.54	4,920.22	0.7	0.7	(0.1)	(0.1)	(2,777.5)%	(2,570.9)%
Optical services - main link	7.2	4.8	12.0	28,266	16,669	km	254.37	288.89	1.9	1.1	1.1	0.6	465.2%	571.1%
Direct ECC basket	4.7	3.0	7.7	(ux)	(ux)	(ux)	(sx)	(sx)	4.7	3.0	0.6	0.4	(12.5)%	(12.5)%
Time related charges	0.2	0.3	0.5	(ux)	(ux)	(ux)	(sx)	(sx)	0.2	0.3	-	-	(12.6)%	(12.5)%
Other ancillaries ¹	2.0	2.2	4.2	(ux)	(ux)	(ux)	(sx)	(sx)	0.3	0.2	(0.1)	(0.1)	(2,464.2)%	(2,511.9)%
IFRS 15 deferred revenue	(1.3)	5.9	4.6	(ux)	(ux)	(ux)	(sx)	(sx)	(0.1)	(0.1)	(15.8)	(17.5)	7.4%	(34.7)%
IFRS15 SLG	(2.8)	(2.7)	(5.5)	(ux)	(ux)	(ux)	(sx)	(sx)	(3.1)	(2.9)	(0.3)	(0.3)	(69.6)%	(69.6)%
Rounding	0.1	0.1	0.2						0.1	-	(0.1)	0.1		
Total LLA Area 3	150.8	154.7	305.5						100.3	97.5	255.1	247.6	19.8%	23.1%

Notes:

¹Ancillary services where individual service total revenue is less than £5m can be aggregated and reported together.

Section 8 – Review of Leased Line Access Markets

8.2.1 Leased Lines Access – Area 3 Summary Restated for the year ended 31 March 2023

	Internal Revenue	External Revenue	Total Revenue	Internal Volume	External Volume	Measure	Internal average price	External average price	Internal Opex	External Opex	Internal MCE	External MCE	Internal ROCE	External ROCE
	£m	£m	£m				£	£	£m	£m	£m	£m	%	%
Dark fibre services														
Connections - single fibre	-	0.6	0.6	-	440	ccts	-	1,461.93	-	0.4	-	-	-	(2,214.3)%
Connections - dual fibre	-	-	-	-	-	ccts	-	-	-	-	-	-	-	-
Rentals - single fibre	-	0.2	0.2	-	188	ccts	-	1,020.66	-	-	-	0.1	-	250.1%
Rentals - dual fibre	-	-	-	-	-	ccts	-	-	-	-	-	-	-	-
Main link	-	-	-	-	-	km	-	-	-	-	-	-	-	-
Patch panels - customer premises	-	-	-	-	-	ccts	-	-	-	-	-	-	-	-
Patch panels - exchanges	-	-	-	-	188	ccts	-	-	-	-	-	-	-	(781.5)%
Initial testing	-	-	-	-	440	ccts	-	-	-	0.1	-	-	-	(475.2)%
Cessation charges	-	-	-	-	-	ccts	-	-	-	-	-	-	-	-
Right when tested charges	-	-	-	-	-	ccts	-	-	-	-	-	-	-	-
Ethernet services basket														
Connections	13.1	16.3	29.4	6,720	7,883	ccts	1,945.41	2,062.98	7.2	6.9	1.8	1.6	322.0%	583.9%
EAD 1Gbit/s rentals	16.8	15.2	32.0	8,759	7,840	ccts	1,923.24	1,943.20	12.7	11.4	46.5	41.6	8.9%	9.3%
Other EAD rentals	15.4	16.0	31.4	8,070	7,361	ccts	1,903.74	2,172.87	13.6	13.5	50.6	46.9	3.4%	5.2%
EAD LA 1Gbit/s rentals	16.3	12.6	28.9	10,134	7,768	ccts	1,607.51	1,618.18	14.4	11.1	52.7	40.4	3.5%	3.7%
Other EAD LA rentals	23.8	27.0	50.8	16,233	18,305	ccts	1,466.98	1,472.65	22.8	25.8	83.8	94.7	1.2%	1.3%
Other rentals	0.1	0.2	0.3	55	152	ccts	1,100.58	1,627.04	-	0.1	0.2	0.6	5.6%	19.5%
Main link	24.9	23.9	48.8	132,836	127,989	km	187.18	187.09	4.1	4.0	7.1	6.8	293.1%	292.9%
Total Ethernet services basket	110.4	111.2	221.6						74.8	72.8	242.7	232.6	14.6%	16.5%
Optical services - rentals	9.4	8.2	17.6	4,585	4,810	ccts	2,040.90	1,707.28	5.3	5.6	16.9	17.9	23.7%	14.9%
Optical services - connections	3.9	7.6	11.5	1,365	1,639	ccts	2,823.97	4,628.88	1.0	1.1	-	(0.3)	(31,093.7)%	(2,120.1)%
Optical services - main link	5.8	4.4	10.2	23,689	16,698	km	246.29	260.80	1.0	0.7	0.9	0.6	542.1%	585.9%
Direct ECC basket	4.0	3.0	7.0	(ux)	(ux)	(ux)	(sx)	(sx)	3.6	2.7	0.8	0.6	47.0%	47.0%
Time related charges	0.1	0.4	0.5	(ux)	(ux)	(ux)	(sx)	(sx)	0.1	0.4	-	0.1	47.0%	47.0%
Other ancillaries ¹	2.2	1.9	4.1	(ux)	(ux)	(ux)	(sx)	(sx)	0.8	0.3	-	-	4,537.4%	66,504.6%
IFRS 15 deferred revenue	0.1	(2.6)	(2.5)	(ux)	(ux)	(ux)	(sx)	(sx)	(0.1)	(0.1)	(17.8)	(14.7)	(1.1)%	17.1%
IFRS15 SLG	(3.3)	(2.4)	(5.7)	(ux)	(ux)	(ux)	(sx)	(sx)	(3.7)	(2.6)	(0.4)	(0.3)	(82.9)%	(82.9)%
Rounding	(0.2)	(0.5)	(0.7)						0.3	0.5	0.2	-		
Total LLA Area 3	132.4	132.0	264.4						83.1	81.9	243.3	236.6	20.2%	21.2%

Notes:

¹Ancillary services where individual service total revenue is less than £5m can be aggregated and reported together.

Section 8 – Review of Leased Line Access Markets

8.3.1 Leased Lines Access – High Network Reach Summary For the year ended 31 March 2024

	Internal revenue £m	External revenue £m	Total revenue £m	Internal volume	External volume	Measure	Internal average price £	External average price £
Ethernet services								
Connections	3.0	2.7	5.7	1,419	1,208	ccts	2,142.04	2,268.37
EAD 1Gbit/s rentals	1.3	2.7	4.0	642	1,279	ccts	2,084.59	2,086.82
Other EAD rentals	1.3	2.1	3.4	450	758	ccts	2,887.02	2,772.90
EAD LA 1Gbit/s rentals	6.2	5.4	11.6	3,725	3,222	ccts	1,665.49	1,667.01
Other EAD LA rentals	6.7	5.2	11.9	3,845	2,963	ccts	1,753.22	1,768.28
Other rentals	-	-	-	4	18	ccts	3,940.20	1,131.44
Main link	0.5	0.8	1.3	2,667	4,056	km	204.93	204.97
Total Ethernet services	19.0	18.9	37.9					
Optical services - rentals	2.6	0.4	3.0	1,229	298	ccts	2,109.75	1,487.47
Optical services - connections	0.3	0.4	0.7	106	75	ccts	3,112.25	4,959.36
Optical services - main link	0.6	0.3	0.9	2,017	899	km	297.77	286.82
Direct ECCs	0.9	0.5	1.4	(ux)	(ux)	(ux)	(sx)	(sx)
Time related charges	-	-	-	(ux)	(ux)	(ux)	(sx)	(sx)
Other ancillaries ¹	0.6	0.4	1.0	(ux)	(ux)	(ux)	(sx)	(sx)
IFRS 15 deferred revenue	(0.4)	0.7	0.3	(ux)	(ux)	(ux)	(sx)	(sx)
IFRS 15 SLG	(0.5)	(0.4)	(0.9)	(ux)	(ux)	(ux)	(sx)	(sx)
Rounding	0.1	-	0.1					
Total LLA High network reach	23.2	21.2	44.4					

Notes:

¹Ancillary services where individual service total revenue is less than £5m can be aggregated and reported together.

Section 8 – Review of Leased Line Access Markets

8.3.1 Leased Lines Access – High Network Reach Summary Restated for the year ended 31 March 2023

	Internal revenue £m	External revenue £m	Total revenue £m	Internal volume	External volume	Measure	Internal average price £	External average price £
Ethernet services								
Connections	2.8	3.0	5.8	1,384	1,484	ccts	2,020.01	2,041.92
EAD 1Gbit/s rentals	1.1	2.4	3.5	544	1,239	ccts	1,942.07	1,943.11
Other EAD rentals	1.1	2.0	3.1	447	854	ccts	2,492.32	2,383.73
EAD LA 1Gbit/s rentals	5.2	4.5	9.7	3,198	2,811	ccts	1,616.35	1,617.44
Other EAD LA rentals	6.4	5.0	11.4	4,210	3,252	ccts	1,522.89	1,535.42
Other rentals	0.1	-	0.1	42	33	ccts	3,168.01	1,017.23
Main link	0.5	0.8	1.3	2,728	4,366	km	189.28	187.72
Total Ethernet services	17.2	17.7	34.9					
Optical services - rentals	2.6	0.4	3.0	1,216	234	ccts	2,101.11	1,702.53
Optical services - connections	0.3	0.2	0.5	79	40	ccts	3,394.35	5,636.60
Optical services - main link	0.6	0.2	0.8	2,212	617	km	287.93	256.54
Direct ECCs	0.8	0.5	1.3	(ux)	(ux)	(ux)	(sx)	(sx)
Time related charges	-	0.1	0.1	(ux)	(ux)	(ux)	(sx)	(sx)
Other ancillaries ¹	0.7	0.3	1.0	(ux)	(ux)	(ux)	(sx)	(sx)
IFRS 15 deferred revenue	(0.2)	-	(0.2)	(ux)	(ux)	(ux)	(sx)	(sx)
IFRS 15 SLG	(0.6)	(0.4)	(1.0)	(ux)	(ux)	(ux)	(sx)	(sx)
Rounding	-	-	-					
Total LLA High network reach	21.4	19.0	40.4					

Notes:

¹Ancillary services where individual service total revenue is less than £5m can be aggregated and reported together.

Section 9: Review of Inter-Exchange Connectivity Markets

Section 9 – Review of Inter-Exchange Connectivity Markets

9.1.1 IEC – BT Only Exchanges Summary

For the year ended 31 March 2024

	Internal Revenue	External Revenue	Total Revenue	Internal Volume	External Volume	Measure	Internal average price	External average price	Internal Opex	External Opex	Internal MCE	External MCE	Internal ROCE	External ROCE
	£m	£m	£m				£	£	£m	£m	£m	£m	%	%
Dark Fibre services														
Connections - single fibre	-	0.2	0.2	-	398	ccts	-	399.55	-	0.1	-	(0.1)	-	(107.6)%
Connections - dual fibre	-	0.1	0.1	-	159	ccts	-	657.76	-	-	-	-	-	(242.6)%
Rentals - single fibre	-	0.1	0.1	-	1,630	ccts	-	37.44	-	-	-	-	-	(180.3)%
Rentals - dual fibre	-	0.1	0.1	-	1,453	ccts	-	75.00	-	-	-	-	-	(457.8)%
Main link	-	8.8	8.8	-	46,177	km	-	190.92	-	5.6	-	1.2	-	267.1%
Patch panels - customer premises	-	-	-	-	-	ccts	-	-	-	-	-	-	-	-
Patch panels - exchanges	-	-	-	-	3,082	ccts	-	-	-	-	-	-	-	-
Initial testing	-	-	-	-	557	ccts	-	-	-	0.1	-	-	-	(1,019.1)%
Cessation charges	-	-	-	-	-	ccts	-	-	-	-	-	-	-	-
Right when tested charges	-	-	-	-	-	ccts	-	-	-	-	-	-	-	-
Dark Fibre IFRS 15 deferred revenue	-	0.5	0.5	(ux)	(ux)	(ux)	(sx)	(sx)	-	-	-	(0.2)	-	(197.1)%
Dark Fibre IFRS 15 SLG	-	(0.2)	(0.2)	(ux)	(ux)	(ux)	(sx)	(sx)	-	(0.2)	-	-	-	(69.6)%
Ethernet services basket														
Connections	1.3	0.3	1.6	239	102	ccts	5,629.82	3,127.55	0.3	0.1	-	-	27,025.8%	(14,384.6)%
EAD 1Gbit/s rentals	12.9	3.3	16.2	6,209	1,590	ccts	2,069.69	2,094.31	2.5	0.6	2.6	0.7	393.5%	400.1%
Other EAD rentals	2.2	2.2	4.4	652	583	ccts	3,305.40	3,838.74	0.7	0.8	0.9	0.9	159.5%	162.8%
EAD LA 1Gbit/s rentals	0.1	-	0.1	38	17	ccts	1,667.92	1,664.34	-	-	-	-	290.1%	289.1%
Other EAD LA rentals	-	-	-	22	16	ccts	1,667.64	1,667.61	-	-	-	-	327.5%	327.4%
Other rentals	41.2	4.1	45.3	3,037	435	ccts	13,574.82	9,449.75	24.0	2.3	41.3	4.1	41.7%	42.6%
Main link	15.7	4.3	20.0	76,774	21,173	km	204.93	204.00	5.5	1.5	3.3	0.9	312.6%	308.9%
Other services	-	-	-	(ux)	(ux)	(ux)	(sx)	(sx)	-	-	-	-	-	-
Total Ethernet services basket	73.4	14.2	87.6						33.0	5.3	48.1	6.6	83.8%	135.9%
Optical services - rentals	7.1	7.7	14.8	2,399	6,946	ccts	2,963.55	1,105.96	1.8	4.7	6.2	18.7	86.5%	15.7%
Optical services - connections	0.8	3.4	4.2	258	795	ccts	2,987.83	4,214.55	0.2	0.7	-	(0.1)	(2,840.8)%	(2,520.1)%
Optical services - main link	4.5	6.1	10.6	15,492	22,043	km	293.19	278.69	1.1	1.6	0.5	0.7	726.2%	661.5%
Direct ECC basket	-	-	-	(ux)	(ux)	(ux)	(sx)	(sx)	-	-	-	-	-	-
Time related charges	-	-	-	(ux)	(ux)	(ux)	(sx)	(sx)	-	-	-	-	-	-
Other ancillaries	1.3	0.4	1.7	(ux)	(ux)	(ux)	(sx)	(sx)	0.4	0.1	-	-	(2,362.4)%	(1,718.6)%
Ethernet IFRS 15 deferred revenue	1.3	6.1	7.4	(ux)	(ux)	(ux)	(sx)	(sx)	-	-	(2.8)	(5.4)	(45.9)%	(114.1)%
Ethernet IFRS 15 SLG	(0.2)	(0.4)	(0.6)	(ux)	(ux)	(ux)	(sx)	(sx)	(0.2)	(0.4)	-	-	(69.6)%	(69.6)%
Rounding	(0.1)	0.2	0.1						-	0.1	(0.1)	(0.1)	-	-
Total IEC – BT Only Exchanges	88.1	47.3	135.4						36.3	17.7	51.9	21.3	99.9%	139.1%

Section 9 – Review of Inter-Exchange Connectivity Markets

9.1.1 IEC – BT Only Exchanges Summary Restated for the year ended 31 March 2023

	Internal Revenue	External Revenue	Total Revenue	Internal Volume	External Volume	Measure	Internal average price	External average price	Internal Opex	External Opex	Internal MCE	External MCE	Internal ROCE	External ROCE
	£m	£m	£m				£	£	£m	£m	£m	£m	%	%
Dark Fibre services														
Connections - single fibre	-	0.3	0.3	-	741	ccts	-	373.74	-	0.1	-	-	-	(648.9)%
Connections - dual fibre	-	0.2	0.2	-	400	ccts	-	621.44	-	0.1	-	-	-	(2,966.8)%
Rentals - single fibre	-	-	-	-	1,165	ccts	-	35.52	-	-	-	-	-	1,743.5%
Rentals - dual fibre	-	0.1	0.1	-	815	ccts	-	71.04	-	-	-	-	-	2,129.9%
Main link	-	4.2	4.2	-	26,030	km	-	159.85	-	1.2	-	1.8	-	163.0%
Patch panels - customer premises	-	-	-	-	-	ccts	-	-	-	-	-	-	-	-
Patch panels - exchanges	-	-	-	-	1,981	ccts	-	-	-	0.2	-	-	-	(781.5)%
Initial testing	-	-	-	-	1,141	ccts	-	-	-	0.3	-	0.1	-	(454.9)%
Cessation charges	-	-	-	-	-	ccts	-	-	-	-	-	-	-	-
Right when tested charges	-	-	-	-	-	ccts	-	-	-	-	-	-	-	-
Dark Fibre IFRS 15 deferred revenue	-	(0.4)	(0.4)	(ux)	(ux)	(ux)	(sx)	(sx)	-	-	-	(0.3)	-	135.1%
Dark Fibre IFRS 15 SLG	-	(0.1)	(0.1)	(ux)	(ux)	(ux)	(sx)	(sx)	-	(0.1)	-	-	-	(82.9)%
Ethernet services basket														
Connections	2.2	0.6	2.8	370	164	ccts	6,075.25	3,434.62	0.5	0.1	0.1	-	1,169.2%	2,797.6%
EAD 1Gbit/s rentals	11.9	3.7	15.6	6,218	1,887	ccts	1,916.61	1,936.66	2.7	0.8	3.9	1.2	236.2%	239.4%
Other EAD rentals	2.0	2.4	4.4	632	648	ccts	3,165.89	3,734.00	0.9	1.0	1.2	1.4	92.8%	98.6%
EAD LA 1Gbit/s rentals	0.1	-	0.1	35	15	ccts	1,618.18	1,614.77	-	-	-	-	188.4%	187.8%
Other EAD LA rentals	-	-	-	26	19	ccts	1,458.81	1,458.09	-	-	-	-	182.6%	182.5%
Other rentals	34.4	6.8	41.2	2,953	739	ccts	11,645.16	9,244.88	16.3	3.2	42.5	8.6	42.7%	41.7%
Main link	14.2	4.7	18.9	77,026	25,156	km	184.66	187.00	2.4	0.8	4.1	1.3	288.4%	292.7%
Other services	-	-	-	(ux)	(ux)	(ux)	(sx)	(sx)	-	-	-	-	-	-
Total Ethernet services basket	64.8	18.2	83.0						22.8	5.9	51.8	12.5	81.1%	97.3%
Optical services - rentals	6.7	9.2	15.9	2,349	5,909	ccts	2,860.51	1,553.50	2.3	5.7	6.4	16.6	69.4%	21.1%
Optical services - connections	0.6	16.9	17.5	162	3,874	ccts	3,885.81	4,361.52	0.2	2.4	-	(0.7)	(20,845.3)%	(2,125.0)%
Optical services - main link	4.2	5.4	9.6	15,080	21,299	km	278.24	251.28	0.7	0.9	0.5	0.8	641.1%	555.2%
Direct ECC basket	-	-	-	(ux)	(ux)	(ux)	(sx)	(sx)	-	-	-	-	-	-
Time related charges	-	-	-	(ux)	(ux)	(ux)	(sx)	(sx)	-	-	-	-	-	-
Other ancillaries	1.7	1.2	2.9	(ux)	(ux)	(ux)	(sx)	(sx)	1.1	0.2	0.1	-	1,133.9%	(30,807.6)%
Ethernet IFRS 15 deferred revenue	1.7	(5.7)	(4.0)	(ux)	(ux)	(ux)	(sx)	(sx)	-	-	(4.1)	(6.7)	(42.0)%	84.1%
Ethernet IFRS 15 SLG	(0.3)	(1.1)	(1.4)	(ux)	(ux)	(ux)	(sx)	(sx)	(0.3)	(1.2)	-	(0.1)	(82.9)%	(82.9)%
Rounding	-	(0.4)	(0.4)						(0.1)	0.2	-	-	-	-
Total IEC – BT Only Exchanges	79.4	48.0	127.4						26.7	15.9	54.7	24.0	96.3%	133.5%

Section 9 – Review of Inter-Exchange Connectivity Markets

9.1.3 IEC – BT Only Exchanges Analysis of Service MCE Restated for the year ended 31 March 2023

	Connections - single fibre		Connections - dual fibre		Rentals - single fibre		Rentals - dual fibre		Main link (dark fibre)		Patch panels - customer premises		Patch panels - exchanges		Initial testing		Cessation charges		Right when testing charges		Dark Fibre IFRS 15 deferred revenue		Dark Fibre IFRS 15 SLG		Connections (ethernet)		EAD 1Gbit/s rentals		Other EAD rentals			
	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext		
Non-current assets																																
Duct	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Poles	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Copper	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fibre	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Electronics	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Software	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Land and buildings	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Right of use assets	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other assets	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Less funded assets (BDUK, etc.)	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total non-current assets	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Current assets	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Current liabilities	£m	-	(0.1)	-	(0.1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Provisions	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rounding	£m	-	0.1	-	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total MCE	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

9.1.3 IEC – BT Only Exchanges Analysis of Service MCE (continued) Restated for the year ended 31 March 2023

	EAD LA 1Gbit/s rentals		Other EAD LA rentals		Other rentals		Main link (ethernet services)		Other services - ethernet		Optical services - rentals		Optical services - connections		Optical services - main link		Direct ECC basket		Time related charges		Other ancillaries		Ethernet IFRS 15 deferred revenue		Ethernet IFRS 15 SLG		Rounding		Total			
	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext		
Non-current assets																																
Duct	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Poles	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Copper	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Fibre	£m	-	-	-	-	1.3	0.3	4.8	1.6	-	-	-	-	-	0.9	1.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Electronics	£m	-	-	-	-	21.3	4.5	-	-	-	-	5.4	13.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Software	£m	-	-	-	-	1.4	0.3	0.1	-	-	-	0.2	0.4	-	0.1	-	-	-	-	-	-	-	-	-	-	(0.1)	0.1	0.1	2.0	1.0		
Land and buildings	£m	-	-	-	-	0.8	0.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Right of use assets	£m	-	-	-	-	2.8	0.5	0.1	-	-	-	0.1	0.2	-	0.1	-	-	-	-	-	-	0.1	-	-	-	-	-	-	-			
Other assets	£m	-	-	-	-	13.0	2.5	(1.0)	(0.3)	-	-	0.2	0.6	-	0.2	(0.2)	(0.3)	-	-	-	-	-	-	(0.1)	-	(0.1)	(0.1)	-	12.8	2.3		
Less funded assets (BDUK, etc.)	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total non-current assets	£m	-	-	-	-	40.6	8.3	4.0	1.3	-	-	5.9	14.9	-	0.4	0.7	1.0	-	-	-	-	0.1	-	-	(0.1)	-	(0.2)	0.4	0.2	56.4	30.4	
Current assets	£m	-	-	-	-	7.2	1.4	1.1	0.4	-	-	1.5	3.4	0.1	1.3	0.3	0.4	-	-	-	-	0.4	0.1	0.1	(0.2)	-	-	(0.1)	0.1	12.6	8.3	
Current liabilities	£m	-	-	-	-	(5.0)	(1.0)	(1.1)	(0.4)	-	-	(1.0)	(1.7)	(0.1)	(2.4)	(0.6)	(0.8)	-	-	-	-	(0.5)	(0.1)	(4.1)	(6.4)	-	0.1	0.1	(13.8)	(14.6)		
Provisions	£m	-	-	-	-	(0.2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.1)	(0.1)	(0.3)	(0.1)		
Rounding	£m	-	-	-	-	(0.1)	(0.1)	0.1	-	-	-	-	-	-	0.1	0.2	-	-	-	-	-	0.1	-	(0.1)	-	-	(0.3)	(0.3)	(0.2)	-		
Total MCE	£m	-	-	-	-	42.5	8.6	4.1	1.3	-	-	6.4	16.6	-	(0.7)	0.5	0.8	-	-	-	-	0.1	-	(4.1)	(6.7)	-	(0.1)	-	-	54.7	24.0	

Section 9 – Review of Inter-Exchange Connectivity Markets

9.2.1 IEC – BT + 1 Exchanges Summary For the year ended 31 March 2024

	Internal Revenue	External Revenue	Total Revenue	Internal Volume	External Volume	Measure	Internal average price	External average price	Internal Opex	External Opex	Internal MCE	External MCE	Internal ROCE	External ROCE
	£m	£m	£m				£	£	£m	£m	£m	£m	%	%
Ethernet services basket														
Connections	1.0	0.1	1.1	133	41	ccts	7,379.34	3,470.05	0.2	-	-	-	22,009.1%	(15,856.9)%
EAD 1Gbit/s rentals	2.9	0.8	3.7	1,415	382	ccts	2,067.85	2,090.92	0.6	0.2	0.6	0.2	393.0%	399.2%
Other EAD rentals	1.6	1.8	3.4	470	395	ccts	3,375.44	4,554.75	0.6	0.7	0.7	0.8	152.5%	140.0%
EAD LA 1Gbit/s rentals	-	-	-	5	3	ccts	1,667.84	1,667.84	-	-	-	-	290.0%	290.0%
Other EAD LA rentals	-	-	-	3	2	ccts	1,667.73	2,892.34	-	-	-	-	327.5%	133.1%
Other rentals	37.7	2.8	40.5	2,982	284	ccts	12,638.71	9,954.55	24.4	1.9	42.5	3.4	31.1%	28.9%
Main link	3.2	1.0	4.2	15,546	4,842	km	204.45	204.00	1.1	0.4	0.7	0.2	311.4%	286.3%
Other services	-	-	-	(ux)	(ux)	(ux)	(sx)	(sx)	-	-	-	-	-	-
Total Ethernet services basket	46.4	6.5	52.9						26.9	3.2	44.5	4.6	43.8%	76.5%
Optical services - rentals	4.4	3.9	8.3	1,686	4,958	ccts	2,586.37	787.59	1.2	3.3	4.4	13.4	71.5%	4.3%
Optical services - connections	1.3	1.7	3.0	326	408	ccts	3,840.11	4,168.31	0.3	0.3	-	(0.1)	(2,989.0)%	(2,516.3)%
Optical services - main link	2.8	2.3	5.1	9,301	8,348	km	296.66	278.16	0.7	0.6	0.3	0.3	741.8%	662.8%
Direct ECC basket	-	-	-	(ux)	(ux)	(ux)	(sx)	(sx)	-	-	-	-	-	-
Time related charges	-	-	-	(ux)	(ux)	(ux)	(sx)	(sx)	-	-	-	-	-	-
Other ancillaries	1.0	0.2	1.2	(ux)	(ux)	(ux)	(sx)	(sx)	0.3	-	-	-	(2,373.2)%	(2,483.5)%
Ethernet IFRS 15 deferred revenue	1.3	3.2	4.5	(ux)	(ux)	(ux)	(sx)	(sx)	-	-	(3.1)	(3.0)	(41.3)%	(106.6)%
Ethernet IFRS 15 SLG	(0.2)	(0.2)	(0.4)	(ux)	(ux)	(ux)	(sx)	(sx)	(0.2)	(0.3)	-	-	(69.6)%	(69.6)%
Rounding	(0.1)	0.1	-						(1.3)	-	(0.2)	(0.1)	-	-
Total IEC – BT + 1 Exchanges	56.9	17.7	74.6						27.9	7.1	45.9	15.1	63.0%	69.9%

Section 9 – Review of Inter-Exchange Connectivity Markets

9.2.1 IEC – BT + 1 Exchanges Summary Restated for the year ended 31 March 2023

	Internal Revenue	External Revenue	Total Revenue	Internal Volume	External Volume	Measure	Internal average price	External average price	Internal Opex	External Opex	Internal MCE	External MCE	Internal ROCE	External ROCE
	£m	£m	£m				£	£	£m	£m	£m	£m	%	%
Ethernet services basket														
Connections	1.2	0.3	1.5	162	58	ccts	7,179.71	4,921.92	0.3	-	0.1	-	1,179.5%	2,937.2%
EAD 1Gbit/s rentals	2.7	0.8	3.5	1,425	398	ccts	1,914.68	1,935.20	0.6	0.2	0.9	0.3	235.9%	239.1%
Other EAD rentals	1.5	2.0	3.5	469	431	ccts	3,189.59	4,553.11	0.7	0.9	0.9	1.2	90.5%	85.2%
EAD LA 1Gbit/s rentals	-	-	-	5	2	ccts	1,618.42	1,618.37	-	-	-	-	188.4%	188.4%
Other EAD LA rentals	-	-	-	4	2	ccts	1,458.96	2,801.41	-	-	-	-	182.7%	76.4%
Other rentals	32.2	5.3	37.5	2,969	533	ccts	10,844.61	9,870.88	16.8	2.7	44.1	7.3	34.8%	35.1%
Main link	2.9	1.0	3.9	16,311	5,329	km	179.64	187.00	0.5	0.2	0.9	0.3	278.9%	292.7%
Other services	-	-	-	(ux)	(ux)	(ux)	(sx)	(sx)	-	-	-	-	-	-
Total Ethernet services basket	40.5	9.4	49.9						18.9	4.0	46.9	9.1	46.2%	58.4%
Optical services - rentals	4.1	3.4	7.5	1,600	3,394	ccts	2,555.78	1,012.42	1.6	3.2	4.4	9.7	57.8%	2.2%
Optical services - connections	0.6	15.5	16.1	127	3,611	ccts	5,024.22	4,286.12	0.2	2.2	-	(0.6)	(17,519.8)%	(2,126.5)%
Optical services - main link	2.3	1.9	4.2	8,497	7,503	km	275.75	250.56	0.4	0.3	0.3	0.3	635.1%	554.4%
Direct ECC basket	-	-	-	(ux)	(ux)	(ux)	(sx)	(sx)	-	-	-	-	-	-
Time related charges	-	-	-	(ux)	(ux)	(ux)	(sx)	(sx)	-	-	-	-	-	-
Other ancillaries	1.2	1.0	2.2	(ux)	(ux)	(ux)	(sx)	(sx)	0.8	0.1	-	-	1,076.8%	(42,567.4)%
Ethernet IFRS 15 deferred revenue	1.0	(5.5)	(4.5)	(ux)	(ux)	(ux)	(sx)	(sx)	-	-	(2.8)	(5.6)	(37.1)%	96.3%
Ethernet IFRS 15 SLG	(0.1)	(1.0)	(1.1)	(ux)	(ux)	(ux)	(sx)	(sx)	(0.2)	(1.1)	-	(0.1)	(82.9)%	(82.9)%
Rounding	0.1	0.2	0.3						0.6	-	-	(0.2)	-	-
Total IEC – BT + 1 Exchanges	49.7	24.9	74.6						22.3	8.7	48.8	12.6	56.1%	129.0%

Section 9 – Review of Inter-Exchange Connectivity Markets

9.2.2 IEC – BT + 1 Exchanges Analysis of Service Cost For the year ended 31 March 2024

	Connections (ethernet)		EAD 1Gbit/s rentals		Other EAD rentals		EAD LA 1Gbit/s rentals		Other EAD LA rentals		Other rentals		Main link (ethernet services)		Other services (ethernet services)		Optical services - rentals			
	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext		
(i) Operating costs by type																				
EOI input prices	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Attribution of PI costs	£m	-	-	-	-	-	-	-	-	-	0.9	0.1	0.6	0.2	-	-	-	-	-	
Wages and salaries	£m	-	-	0.1	-	0.1	0.1	-	-	-	3.9	0.3	0.1	-	-	-	-	0.2	0.4	
Social security costs	£m	-	-	-	-	-	-	-	-	-	0.5	-	-	-	-	-	-	-	-	
Other pension costs	£m	-	-	-	-	-	-	-	-	-	0.7	-	-	-	-	-	-	-	0.1	
Share-based payment expense	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Own work capitalised	£m	-	-	(0.1)	-	(0.1)	(0.1)	-	-	-	(1.4)	(0.1)	-	-	-	-	-	-	(0.1)	
Net indirect labour costs	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Product costs	£m	-	-	-	-	-	-	-	-	-	0.1	-	-	-	-	-	-	-	-	
Sales commissions	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Payments to telecommunications operators	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Property and energy costs	£m	-	-	0.1	-	-	-	-	-	-	6.1	0.4	0.1	0.1	-	-	-	-	0.1	
Network operating and IT costs	£m	-	-	-	-	-	-	-	-	-	2.9	0.2	-	-	-	-	-	-	0.2	
TV programme rights charges	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Provision and installation	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Marketing and sales	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net impairment of losses on TR and contract assets	£m	-	-	-	-	-	-	-	-	-	0.2	-	-	-	-	-	-	-	-	
Other operating costs	£m	0.2	-	0.1	-	0.1	0.1	-	-	-	0.7	0.1	0.1	-	-	-	-	-	0.6	
Other operating income	£m	-	-	-	-	-	-	-	-	-	(0.1)	-	-	-	-	-	-	-	-	
Total operating costs before depreciation	£m	0.2	-	0.2	-	0.1	0.1	-	-	-	14.5	1.0	0.9	0.3	-	-	-	-	0.5	1.3
Depreciation																				
Duct	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Poles	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Copper	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fibre	£m	-	-	-	-	-	-	-	-	-	0.2	-	0.1	-	-	-	-	-	-	-
Electronics	£m	-	-	0.2	0.1	0.3	0.3	-	-	-	4.9	0.4	-	-	-	-	-	0.6	1.9	
Software	£m	-	-	-	-	-	-	-	-	-	0.6	-	-	-	-	-	-	-	0.1	
Land and buildings	£m	-	-	-	-	-	-	-	-	-	0.1	-	-	-	-	-	-	-	-	
Right of use assets	£m	-	-	-	-	-	-	-	-	-	1.5	0.1	-	-	-	-	-	-	-	
Other assets	£m	-	-	-	-	-	-	-	-	-	2.1	0.1	-	-	-	-	-	-	-	
Less funded assets (BDUK, etc.)	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total depreciation	£m	-	-	0.2	0.1	0.3	0.3	-	-	-	9.4	0.6	0.1	-	-	-	-	-	0.6	2.0
Specific items	£m	-	-	-	-	-	-	-	-	-	0.8	0.1	-	-	-	-	-	-	-	0.1
Total HCA operating costs	£m	0.2	-	0.4	0.1	0.4	0.4	-	-	-	24.7	1.7	1.0	0.3	-	-	-	-	1.1	3.4
CCA adjustments																				
Holding gains	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplementary depreciation	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other CCA adjustments	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rounding	£m	-	-	0.2	0.1	0.2	0.3	-	-	-	(0.3)	0.2	0.1	0.1	-	-	-	-	0.1	(0.1)
Total CCA operating costs	£m	0.2	-	0.6	0.2	0.6	0.7	-	-	-	24.4	1.9	1.1	0.4	-	-	-	-	1.2	3.3
Total CCA operating cost includes the following:																				
Cumulo charges	£m	-	-	-	-	-	-	-	-	-	0.5	-	0.1	0.1	-	-	-	-	-	-
Openreach SLGs	£m	0.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Leaver costs	£m	-	-	-	-	-	-	-	-	-	0.3	-	-	-	-	-	-	-	-	-
(ii) Operating costs by division																				
EOI input prices	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attribution of PI costs	£m	-	-	-	-	-	-	-	-	-	0.9	0.1	0.6	0.2	-	-	-	-	-	-
Openreach																				
Service and network delivery	£m	0.2	-	0.1	-	(0.1)	(0.1)	-	-	-	0.4	-	-	-	-	-	-	-	-	0.1
Openreach support functions	£m	-	-	-	-	-	-	-	-	-	0.6	-	0.1	-	-	-	-	-	-	0.1
Openreach total	£m	0.2	-	0.1	-	(0.1)	(0.1)	-	-	-	1.0	-	0.1	-	-	-	-	-	-	0.2
Rest of BT																				
Group centre	£m	-	-	-	-	-	-	-	-	-	0.5	-	-	-	-	-	-	-	-	0.1
Property and facilities	£m	-	-	-	-	-	-	-	-	-	1.5	0.1	0.1	0.1	-	-	-	-	-	-
Technology units	£m	-	-	0.1	-	0.1	0.1	-	-	-	10.6	0.8	0.1	-	-	-	-	-	0.2	0.5
Consumer and Business	£m	-	-	-	-	0.1	0.1	-	-	-	-	-	-	-	-	-	-	-	0.2	0.5
Rest of BT total	£m	-	-	0.1	-	0.2	0.2	-	-	-	12.6	0.9	0.2	0.1	-	-	-	-	0.4	1.1
Operating cost before depreciation	£m	0.2	-	0.2	-	0.1	0.1	-	-	-	14.5	1.0	0.9	0.3	-	-	-	-	0.5	1.3

Section 9 – Review of Inter-Exchange Connectivity Markets

9.2.2 IEC – BT + 1 Exchanges Analysis of Service Cost (continued)

For the year ended 31 March 2024

	£m	Optical services - connections		Optical services - main link		Direct ECC basket		Time related charges		Other ancillaries		Ethernet IFRS 15 deferred revenue		Ethernet IFRS 15 SLG		Rounding		Total		
		Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	
(i) Operating costs by type																				
EOI input prices	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attribution of PI costs	£m	-	-	0.4	0.3	-	-	-	-	-	-	-	-	-	(0.1)	-	-	-	1.8	0.6
Wages and salaries	£m	0.1	0.1	0.1	0.1	-	-	-	-	0.3	-	-	-	-	-	0.1	-	-	4.9	1.1
Social security costs	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-	-	-	0.6	0.1
Other pension costs	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-	-	-	0.8	0.2
Share-based payment expense	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Own work capitalised	£m	(0.1)	(0.1)	-	-	-	-	-	-	(0.1)	-	-	-	-	-	(0.1)	-	-	(1.8)	(0.5)
Net indirect labour costs	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Product costs	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-
Sales commissions	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments to telecommunications operators	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property and energy costs	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-	-	-	6.4	0.6
Network operating and IT costs	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-	0.1	-	3.1	0.5
TV programme rights charges	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision and installation	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing and sales	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net impairment of losses on TR and contract assets	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-	0.1	-	0.3	0.1
Other operating costs	£m	0.2	0.2	-	-	-	-	-	-	-	-	-	-	(0.2)	(0.2)	(0.1)	(0.7)	-	1.3	0.1
Other operating income	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.1)	-
Total operating costs before depreciation	£m	0.2	0.2	0.5	0.4	-	-	-	-	0.2	-	-	-	(0.2)	(0.2)	0.3	(0.3)	-	17.4	2.8
Depreciation																				
Duct	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Poles	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Copper	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fibre	£m	-	-	0.1	0.1	-	-	-	-	-	-	-	-	-	(0.1)	-	-	-	0.3	0.1
Electronics	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.2)	-	-	6.0	2.5
Software	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	0.1	-	-	0.7	0.2
Land and buildings	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-
Right of use assets	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-	-	1.5	0.2
Other assets	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-	-	2.1	0.2
Less funded assets (BDUK, etc.)	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total depreciation	£m	-	-	0.1	0.1	-	-	-	-	-	-	-	-	-	-	0.1	0.1	-	10.7	3.2
Specific items	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	0.2	(0.1)	-	-	1.0	0.1
Total HCA operating costs	£m	0.2	0.2	0.6	0.5	-	-	-	-	0.2	-	-	-	(0.2)	(0.2)	0.5	(0.3)	-	29.1	6.1
CCA adjustments																				
Holding gains	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplementary depreciation	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other CCA adjustments	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rounding	£m	0.1	0.1	0.1	0.1	-	-	-	-	0.1	-	-	-	(0.1)	(1.8)	0.3	-	-	(1.2)	1.0
Total CCA operating costs	£m	0.3	0.3	0.7	0.6	-	-	-	-	0.3	-	-	-	(0.2)	(0.3)	(1.3)	-	-	27.9	7.1
Total CCA operating cost includes the following:																				
Cumulo charges	£m	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-	-	-	-	0.7	0.1
Openreach SLGs	£m	0.2	0.2	-	-	-	-	-	-	-	-	-	(0.2)	(0.2)	-	-	-	-	0.2	-
Leaver costs	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-	-	0.3	0.1
(ii) Operating costs by division																				
EOI input prices	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attribution of PI costs	£m	-	-	0.4	0.3	-	-	-	-	-	-	-	-	-	(0.1)	-	-	-	1.8	0.6
Openreach																				
Service and network delivery	£m	0.2	0.2	-	0.1	-	-	-	-	-	-	-	(0.2)	(0.2)	0.1	(0.8)	-	-	0.7	(0.7)
Openreach support functions	£m	-	-	0.1	-	-	-	-	-	0.2	-	-	-	-	-	-	-	-	1.1	0.1
Openreach total	£m	0.2	0.2	0.1	0.1	-	-	-	-	0.2	-	-	(0.2)	(0.2)	0.1	(0.8)	-	-	1.8	(0.6)
Rest of BT																				
Group centre	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	0.2	0.1	-	-	0.7	0.2
Property and facilities	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-	-	-	1.7	0.2
Technology units	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11.1	1.4
Consumer and Business	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.4	-	0.3	1.0
Rest of BT total	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	0.3	0.5	-	-	13.8	2.8
Operating cost before depreciation	£m	0.2	0.2	0.5	0.4	-	-	-	-	0.2	-	-	-	(0.2)	(0.2)	0.3	(0.3)	-	17.4	2.8

Section 9 – Review of Inter-Exchange Connectivity Markets

9.2.2 IEC – BT + 1 Exchanges Analysis of Service Cost Restated for the year ended 31 March 2023

		Connections (ethernet)		EAD 1Gbit/s rentals		Other EAD rentals		EAD LA 1Gbit/s rentals		Other EAD LA rentals		Other rentals		Main link (ethernet services)		Other services (ethernet services)		Optical services - rentals		
	£m	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	
(i) Operating costs by type																				
EOI input prices	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attribution of PI costs	£m	-	-	-	-	-	-	-	-	-	-	(0.1)	-	(0.1)	-	-	-	-	-	-
Wages and salaries	£m	0.1	-	0.1	-	0.1	0.2	-	-	-	-	2.1	0.3	0.1	-	-	-	-	0.1	0.2
Social security costs	£m	-	-	-	-	-	-	-	-	-	-	0.2	-	-	-	-	-	-	-	-
Other pension costs	£m	-	-	-	-	-	-	-	-	-	-	0.4	0.1	-	-	-	-	-	-	-
Share-based payment expense	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Own work capitalised	£m	-	-	(0.1)	-	(0.1)	(0.1)	-	-	-	-	(1.2)	(0.2)	(0.1)	-	-	-	-	-	(0.1)
Net indirect labour costs	£m	-	-	-	-	-	-	-	-	-	-	0.5	0.1	-	-	-	-	-	-	-
Product costs	£m	-	-	-	-	-	-	-	-	-	-	0.1	-	-	-	-	-	-	-	-
Sales commissions	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments to telecommunications operators	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property and energy costs	£m	-	-	-	-	-	-	-	-	-	-	5.2	0.8	0.2	0.1	-	-	-	-	-
Network operating and IT costs	£m	-	-	-	-	-	-	-	-	-	-	1.0	0.2	-	-	-	-	-	-	-
TV programme rights charges	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision and installation	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing and sales	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net impairment of losses on TR and contract assets	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other operating costs	£m	0.2	-	0.1	-	0.2	0.2	-	-	-	-	0.2	-	0.1	-	-	-	-	-	0.3
Other operating income	£m	-	-	-	-	-	-	-	-	-	-	(0.1)	-	-	-	-	-	-	-	-
Total operating costs before depreciation	£m	0.3	-	0.1	-	0.2	0.3	-	-	-	-	8.3	1.3	0.2	0.1	-	-	-	-	0.4
Depreciation																				
Duct	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Poles	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Copper	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fibre	£m	-	-	-	-	-	-	-	-	-	-	0.2	-	0.1	-	-	-	-	-	-
Electronics	£m	-	-	0.3	0.1	0.3	0.4	-	-	-	-	4.3	0.7	-	-	-	-	-	1.0	2.1
Software	£m	-	-	-	-	-	-	-	-	-	-	0.4	0.1	-	-	-	-	-	-	0.1
Land and buildings	£m	-	-	-	-	-	-	-	-	-	-	0.1	-	-	-	-	-	-	-	-
Right of use assets	£m	-	-	-	-	-	-	-	-	-	-	1.4	0.2	-	-	-	-	-	-	-
Other assets	£m	-	-	-	-	-	-	-	-	-	-	1.5	0.2	-	-	-	-	-	-	-
Less funded assets (BDUK, etc.)	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total depreciation	£m	-	-	0.3	0.1	0.3	0.4	-	-	-	-	7.9	1.2	0.1	-	-	-	-	-	1.0
Specific items	£m	-	-	-	-	-	-	-	-	-	-	0.5	0.1	-	-	-	-	-	-	-
Total HCA operating costs	£m	0.3	-	0.4	0.1	0.5	0.7	-	-	-	-	16.7	2.6	0.3	0.1	-	-	-	-	1.4
CCA adjustments																				
Holding gains	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplementary depreciation	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other CCA adjustments	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rounding	£m	-	-	0.2	0.1	0.2	0.2	-	-	-	-	0.1	0.1	0.2	0.1	-	-	-	-	0.2
Total CCA operating costs	£m	0.3	-	0.6	0.2	0.7	0.9	-	-	-	-	16.8	2.7	0.5	0.2	-	-	-	-	1.6
Total CCA operating cost includes the following:																				
Cumulo charges	£m	-	-	-	-	-	-	-	-	-	-	0.4	0.1	0.2	0.1	-	-	-	-	-
Openreach SLGs	£m	0.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Leaver costs	£m	-	-	-	-	-	-	-	-	-	-	0.1	-	-	-	-	-	-	-	-
(ii) Operating costs by division																				
EOI input prices	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attribution of PI costs	£m	-	-	-	-	-	-	-	-	-	-	(0.1)	-	(0.1)	-	-	-	-	-	-
Openreach																				
Service and network delivery	£m	0.3	-	(0.1)	-	(0.1)	-	-	-	-	-	(0.1)	0.1	0.1	-	-	-	-	-	(0.2)
Openreach support functions	£m	-	-	-	-	-	-	-	-	-	-	0.3	-	-	-	-	-	-	-	-
Openreach total	£m	0.3	-	(0.1)	-	(0.1)	-	-	-	-	-	0.2	0.1	0.1	-	-	-	-	-	(0.2)
Rest of BT																				
Group centre	£m	-	-	-	-	-	-	-	-	-	-	0.3	-	-	-	-	-	-	-	0.1
Property and facilities	£m	-	-	-	-	-	-	-	-	-	-	1.2	0.2	0.2	0.1	-	-	-	-	-
Technology units	£m	-	-	0.1	-	0.1	-	-	-	-	-	6.6	1.0	-	-	-	-	-	-	0.1
Consumer and Business	£m	-	-	0.1	-	0.2	0.3	-	-	-	-	0.1	-	-	-	-	-	-	-	0.3
Rest of BT total	£m	-	-	0.2	-	0.2	0.4	-	-	-	-	8.2	1.2	0.2	0.1	-	-	-	-	0.4
Operating cost before depreciation	£m	0.3	-	0.1	-	0.2	0.3	-	-	-	-	8.3	1.3	0.2	0.1	-	-	-	-	0.4

Section 9 – Review of Inter-Exchange Connectivity Markets

9.2.2 IEC – BT + 1 Exchanges Analysis of Service Cost (continued)

Restated for the year ended 31 March 2023

	£m	Optical services - connections		Optical services - main link		Direct ECC basket		Time related charges		Other ancillaries		Ethernet IFRS 15 deferred revenue		Ethernet IFRS 15 SLG		Rounding		Total		
		Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	
(i) Operating costs by type																				
EOI input prices	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attribution of PI costs	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	(0.1)	(0.1)	(0.1)
Wages and salaries	£m	-	1.2	0.1	0.1	-	-	-	-	0.6	0.1	-	-	-	-	-	0.2	-	3.5	2.1
Social security costs	£m	-	0.1	-	-	-	-	-	-	0.1	-	-	-	-	-	-	0.2	0.1	0.5	0.2
Other pension costs	£m	-	0.2	-	-	-	-	-	-	0.1	-	-	-	-	-	-	0.2	-	0.7	0.3
Share-based payment expense	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-	0.1	-
Own work capitalised	£m	-	(0.9)	-	-	-	-	-	-	(0.2)	-	-	-	-	-	-	-	-	(1.7)	(1.3)
Net indirect labour costs	£m	-	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-	0.6	0.2
Product costs	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-
Sales commissions	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments to telecommunications operators	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property and energy costs	£m	-	-	0.2	0.2	-	-	-	-	-	-	-	-	-	-	-	0.1	-	5.7	1.1
Network operating and IT costs	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-	1.1	0.2
TV programme rights charges	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision and installation	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing and sales	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net impairment of losses on TR and contract assets	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other operating costs	£m	0.1	1.3	-	-	-	-	-	-	0.1	-	-	-	(0.2)	(1.0)	0.1	0.1	1.2	1.2	
Other operating income	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.1)	-
Total operating costs before depreciation	£m	0.1	2.0	0.3	0.3	-	-	-	-	0.7	0.1	-	-	(0.2)	(1.0)	1.2	0.1	11.6	3.9	
Depreciation																				
Duct	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Poles	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Copper	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fibre	£m	-	-	0.1	0.1	-	-	-	-	-	-	-	-	-	-	-	0.1	0.1	0.5	0.2
Electronics	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	0.1	6.0	3.4
Software	£m	-	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	0.3	-	0.7	0.3
Land and buildings	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-
Right of use assets	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.2	0.1	1.6	0.3
Other assets	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.5)	0.1	1.0	0.3
Less funded assets (BDUK, etc.)	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total depreciation	£m	-	0.1	0.1	0.1	-	-	-	-	-	-	-	-	-	-	-	0.2	0.4	9.9	4.5
Specific items	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.4	-	0.9	0.1
Total HCA operating costs	£m	0.1	2.1	0.4	0.4	-	-	-	-	0.7	0.1	-	-	(0.2)	(1.0)	1.8	0.5	22.4	8.5	
CCA adjustments																				
Holding gains	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplementary depreciation	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other CCA adjustments	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rounding	£m	0.1	0.1	-	(0.1)	-	-	-	-	0.1	-	-	-	(0.1)	(1.2)	(0.5)	(0.1)	(0.1)	0.2	
Total CCA operating costs	£m	0.2	2.2	0.4	0.3	-	-	-	-	0.8	0.1	-	-	(0.2)	(1.1)	0.6	-	22.3	8.7	
Total CCA operating cost includes the following:																				
Cumulo charges	£m	-	-	0.2	0.2	-	-	-	-	-	-	-	-	-	-	-	-	(0.1)	0.8	0.3
Openreach SLGs	£m	0.1	1.4	-	-	-	-	-	-	-	-	-	-	(0.1)	(1.0)	-	-	-	0.2	0.4
Leaver costs	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-
(ii) Operating costs by division																				
EOI input prices	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attribution of PI costs	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	(0.1)	(0.1)	(0.1)
Openreach																				
Service and network delivery	£m	0.1	1.5	0.1	0.1	-	-	-	-	0.3	0.1	-	-	(0.2)	(1.0)	0.6	0.1	1.1	0.6	
Openreach support functions	£m	-	0.3	-	-	-	-	-	-	0.2	-	-	-	-	-	0.1	0.2	0.6	0.5	
Openreach total	£m	0.1	1.8	0.1	0.1	-	-	-	-	0.5	0.1	-	-	(0.2)	(1.0)	0.7	0.3	1.7	1.1	
Rest of BT																				
Group centre	£m	-	0.1	-	-	-	-	-	-	0.1	-	-	-	-	-	0.2	0.1	0.6	0.3	
Property and facilities	£m	-	-	0.2	0.2	-	-	-	-	-	-	-	-	-	-	0.2	(0.2)	1.8	0.3	
Technology units	£m	-	0.1	-	-	-	-	-	-	0.1	-	-	-	-	-	0.1	-	7.0	1.4	
Consumer and Business	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.1)	-	0.6	0.9	
Rest of BT total	£m	-	0.2	0.2	0.2	-	-	-	-	0.2	-	-	-	-	-	0.4	(0.1)	10.0	2.9	
Operating cost before depreciation	£m	0.1	2.0	0.3	0.3	-	-	-	-	0.7	0.1	-	-	(0.2)	(1.0)	1.2	0.1	11.6	3.9	

Section 9 – Review of Inter-Exchange Connectivity Markets

9.2.3 IEC – BT + 1 Exchanges Analysis of Service MCE For the year ended 31 March 2024

	£m	Connections (ethernet)		EAD 1Gbit/s rentals		Other EAD rentals		EAD LA 1Gbit/s rentals		Other EAD LA rentals		Other rentals		Main link (ethernet services)		Other services (ethernet services)		Optical services - rentals		
		Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	
Non-current assets																				
Duct	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Poles	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Copper	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fibre	£m	-	-	-	-	-	-	-	-	-	-	1.2	0.1	0.8	0.3	-	-	-	-	-
Electronics	£m	-	-	0.5	0.1	0.6	0.7	-	-	-	-	21.9	1.8	-	-	-	-	-	3.9	11.5
Software	£m	-	-	-	-	-	-	-	-	-	-	2.1	0.2	-	-	-	-	-	0.1	0.2
Land and buildings	£m	-	-	-	-	-	-	-	-	-	-	1.0	0.1	-	-	-	-	-	-	-
Right of use assets	£m	-	-	-	-	-	-	-	-	-	-	3.1	0.2	-	-	-	-	-	0.1	0.1
Other assets	£m	-	-	0.1	-	0.1	0.1	-	-	-	-	15.0	1.1	(0.1)	-	-	-	-	0.1	0.4
Less funded assets (BDUK, etc.)	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total non-current assets	£m	-	-	0.6	0.1	0.7	0.8	-	-	-	-	44.3	3.5	0.7	0.3	-	-	-	4.2	12.2
Current assets	£m	0.1	-	0.2	0.1	0.2	0.2	-	-	-	-	6.7	0.5	0.2	0.1	-	-	-	0.8	2.1
Current liabilities	£m	(0.1)	-	(0.3)	(0.1)	(0.2)	(0.3)	-	-	-	-	(8.3)	(0.6)	(0.3)	(0.1)	-	-	-	(0.6)	(0.9)
Provisions	£m	-	-	-	-	-	-	-	-	-	-	(0.3)	-	-	-	-	-	-	-	-
Rounding	£m	-	-	0.1	0.1	-	0.1	-	-	-	-	0.1	-	0.1	(0.1)	-	-	-	-	-
Total MCE	£m	-	-	0.6	0.2	0.7	0.8	-	-	-	-	42.5	3.4	0.7	0.2	-	-	-	4.4	13.4

9.2.3 IEC – BT + 1 Exchanges Analysis of Service MCE (continued) For the year ended 31 March 2024

	£m	Optical services - connections		Optical services - main link		Direct ECC basket		Time related charges		Other ancillaries		Ethernet IFRS 15 deferred revenue		Ethernet IFRS 15 SLG		Rounding		Total		
		Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	
Non-current assets																				
Duct	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Poles	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Copper	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fibre	£m	-	-	0.5	0.4	-	-	-	-	-	-	-	-	-	-	-	-	-	2.5	0.8
Electronics	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-	26.9	14.2
Software	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	0.1	-	2.3	0.5
Land and buildings	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-	-	1.1	0.1
Right of use assets	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	0.1	-	3.3	0.4
Other assets	£m	-	-	(0.1)	-	-	-	-	-	-	-	-	-	-	-	0.1	(0.2)	-	15.2	1.4
Less funded assets (BDUK, etc.)	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total non-current assets	£m	-	-	0.4	0.4	-	-	-	-	-	-	-	-	-	-	0.4	0.1	-	51.3	17.4
Current assets	£m	0.1	0.1	0.2	0.1	-	-	-	-	0.1	-	-	0.1	-	-	-	-	-	8.6	3.3
Current liabilities	£m	(0.2)	(0.2)	(0.4)	(0.3)	-	-	-	-	(0.2)	-	(3.2)	(3.1)	-	-	0.1	-	-	(13.7)	(5.6)
Provisions	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.3)	-
Rounding	£m	0.1	-	0.1	0.1	-	-	-	-	0.1	-	0.1	-	-	-	(0.7)	(0.2)	-	-	-
Total MCE	£m	-	(0.1)	0.3	0.3	-	-	-	-	-	-	(3.1)	(3.0)	-	-	(0.2)	(0.1)	-	45.9	15.1

Section 9 – Review of Inter-Exchange Connectivity Markets

9.2.3 IEC – BT + 1 Exchanges Analysis of Service MCE Restated for the year ended 31 March 2023

	£m	Connections (ethernet)		EAD 1Gbit/s rentals		Other EAD rentals		EAD LA 1Gbit/s rentals		Other EAD LA rentals		Other rentals		Main link (ethernet services)		Other services (ethernet services)		Optical services - rentals		
		Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	
Non-current assets																				
Duct	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Poles	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Copper	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fibre	£m	-	-	-	-	-	-	-	-	-	-	1.3	0.2	1.0	0.3	-	-	-	-	-
Electronics	£m	-	-	0.6	0.2	0.7	0.9	-	-	-	-	22.1	3.8	-	-	-	-	-	3.7	7.9
Software	£m	-	-	-	-	-	-	-	-	-	-	1.5	0.2	-	-	-	-	-	0.1	0.2
Land and buildings	£m	-	-	-	-	-	-	-	-	-	-	0.8	0.1	-	-	-	-	-	-	-
Right of use assets	£m	-	-	-	-	-	-	-	-	-	-	2.9	0.5	-	-	-	-	-	-	0.1
Other assets	£m	-	-	0.2	-	0.1	0.1	-	-	-	-	13.5	2.1	(0.2)	(0.1)	-	-	-	0.2	0.4
Less funded assets (BDUK, etc.)	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total non-current assets	£m	-	-	0.8	0.2	0.8	1.0	-	-	-	-	42.1	6.9	0.8	0.2	-	-	-	4.0	8.6
Current assets	£m	0.1	-	0.3	0.1	0.3	0.4	-	-	-	7.3	1.2	0.2	0.1	-	-	-	-	1.0	1.9
Current liabilities	£m	(0.1)	-	(0.2)	(0.1)	(0.2)	(0.2)	-	-	-	(5.1)	(0.8)	(0.2)	(0.1)	-	-	-	-	(0.7)	(0.8)
Provisions	£m	-	-	-	-	-	-	-	-	-	(0.2)	-	-	-	-	-	-	-	-	-
Rounding	£m	0.1	-	-	0.1	-	-	-	-	-	-	-	-	0.1	0.1	-	-	-	0.1	-
Total MCE	£m	0.1	-	0.9	0.3	0.9	1.2	-	-	-	44.1	7.3	0.9	0.3	-	-	-	-	4.4	9.7

9.2.3 IEC – BT + 1 Exchanges Analysis of Service MCE (continued) Restated for the year ended 31 March 2023

	£m	Optical services - connections		Optical services - main link		Direct ECC basket		Time related charges		Other ancillaries		Ethernet IFRS 15 deferred revenue		Ethernet IFRS 15 SLG		Rounding		Total		
		Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext	
Non-current assets																				
Duct	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Poles	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Copper	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fibre	£m	-	-	0.5	0.5	-	-	-	-	-	-	-	-	-	-	0.1	-	-	2.9	1.0
Electronics	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.1)	(0.1)	-	27.0	12.7
Software	£m	-	0.1	-	-	-	-	-	-	-	-	-	-	-	(0.1)	0.1	0.2	-	1.7	0.6
Land and buildings	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	0.1	-	0.9	0.2
Right of use assets	£m	-	0.1	-	-	-	-	-	-	0.1	-	-	-	-	-	0.2	-	-	3.2	0.7
Other assets	£m	-	0.2	(0.1)	(0.1)	-	-	-	-	-	-	-	-	-	(0.1)	(0.1)	(0.1)	-	13.6	2.4
Less funded assets (BDUK, etc.)	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total non-current assets	£m	-	0.4	0.4	0.4	-	-	-	-	0.1	-	-	-	-	(0.2)	0.3	0.1	-	49.3	17.6
Current assets	£m	0.1	1.2	0.2	0.1	-	-	-	-	0.3	0.1	-	(0.2)	-	-	-	(0.1)	-	9.8	4.8
Current liabilities	£m	(0.1)	(2.2)	(0.3)	(0.3)	-	-	-	-	(0.4)	(0.1)	(2.8)	(5.4)	-	0.1	0.1	0.1	-	(10.0)	(9.8)
Provisions	£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.1)	(0.1)	-	(0.3)	(0.1)
Rounding	£m	-	-	-	0.1	-	-	-	-	-	-	-	-	-	-	(0.3)	(0.2)	-	-	0.1
Total MCE	£m	-	(0.6)	0.3	0.3	-	-	-	-	-	-	(2.8)	(5.6)	-	(0.1)	-	(0.2)	-	48.8	12.6

Section 10: Review of Shared Ancillaries

Section 10 - Review of Shared Ancillaries

10.1.1 Shared Ancillaries Summary For the year ended 31 March 2024

	Internal Revenue	External Revenue	Total Revenue	Internal Volume	External Volume	Measure	Internal average price	External average price	Internal Opex	External Opex	Internal MCE	External MCE	Internal ROCE	External ROCE
	£m	£m	£m				£	£	£m	£m	£m	£m	%	%
Service														
Cablelink	0.2	1.4	1.6	3,694	10,420	lines	56.00	134.00	0.5	1.3	2.5	6.9	(10.3)%	0.8%
Accommodation	-	90.5	90.5	(ux)	(ux)	(ux)	(sx)	(sx)	-	52.5	-	143.4	-	26.5%
Electricity charges	-	50.1	50.1	(ux)	(ux)	(ux)	(sx)	(sx)	-	60.6	-	16.0	-	(65.8)%
Total Shared Ancillaries	0.2	142.0	142.2						0.5	114.4	2.5	166.3	(10.3)%	16.6%

10.1.1 Shared Ancillaries Summary Restated for the year ended 31 March 2023

	Internal Revenue	External Revenue	Total Revenue	Internal Volume	External Volume	Measure	Internal average price	External average price	Internal Opex	External Opex	Internal MCE	External MCE	Internal ROCE	External ROCE
	£m	£m	£m				£	£	£m	£m	£m	£m	%	%
Service														
Cablelink	0.1	2.3	2.4	3,120	9,495	lines	44.00	239.00	0.4	1.1	1.8	5.2	(11.8)%	22.9%
Accommodation	-	94.4	94.4	(ux)	(ux)	(ux)	(sx)	(sx)	-	45.5	-	141.3	-	34.6%
Electricity charges	-	47.0	47.0	(ux)	(ux)	(ux)	(sx)	(sx)	-	51.3	-	16.1	-	(26.4)%
Total Shared Ancillaries	0.1	143.7	143.8						0.4	97.9	1.8	162.6	(11.8)%	28.2%

Section 10 - Review of Shared Ancillaries

10.1.2 Shared Ancillaries Analysis of Service Cost For the year ended 31 March 2024

		Cablelink		Accommodation		Electricity charges		Rounding		Total	
		Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext
(i) Operating costs by type											
EOI input prices	£m	-	-	-	-	-	-	-	-	-	-
Attribution of PI costs	£m	-	-	-	-	-	-	-	-	-	-
Wages and salaries	£m	0.2	0.7	-	8.9	-	2.1	-	-	0.2	11.7
Social security costs	£m	-	0.1	-	1.0	-	0.2	-	(0.3)	-	1.0
Other pension costs	£m	-	0.1	-	1.5	-	0.4	-	-	-	2.0
Share-based payment expense	£m	-	-	-	-	-	-	-	-	-	-
Own work capitalised	£m	(0.2)	(0.4)	-	(3.5)	-	(0.9)	-	(0.1)	(0.2)	(4.9)
Net indirect labour costs	£m	-	-	-	2.7	-	0.7	(0.1)	0.1	(0.1)	3.5
Product costs	£m	-	-	-	0.1	-	-	-	-	-	0.1
Sales commissions	£m	-	-	-	-	-	-	-	-	-	-
Payments to telecommunications operators	£m	-	-	-	-	-	-	-	-	-	-
Property and energy costs	£m	-	0.1	-	8.8	-	52.4	-	(0.3)	-	61.0
Network operating and IT costs	£m	-	0.1	-	5.7	-	1.9	-	(0.1)	-	7.6
TV programme rights charges	£m	-	-	-	-	-	-	-	-	-	-
Provision and installation	£m	-	-	-	-	-	-	-	-	-	-
Marketing and sales	£m	-	-	-	0.1	-	-	-	(0.3)	-	(0.2)
Net impairment of losses on TR and contract assets	£m	-	-	-	0.2	-	0.1	-	0.1	-	0.4
Other operating costs	£m	-	(0.1)	-	0.9	-	0.6	2.0	-	2.0	1.4
Other operating income	£m	-	-	-	(0.3)	-	-	-	-	-	(0.3)
Total operating costs before depreciation	£m	-	0.6	-	26.1	-	57.5	1.9	(0.9)	1.9	83.3
Depreciation											
Duct	£m	-	-	-	-	-	-	-	-	-	-
Poles	£m	-	-	-	-	-	-	-	-	-	-
Copper	£m	-	-	-	-	-	-	-	-	-	-
Fibre	£m	0.2	0.6	-	-	-	-	-	-	0.2	0.6
Electronics	£m	-	-	-	-	-	-	-	-	-	-
Software	£m	-	-	-	1.2	-	1.5	-	-	-	2.7
Land and buildings	£m	-	-	-	0.3	-	-	-	(0.3)	-	-
Right of use assets	£m	-	-	-	4.5	-	0.1	-	0.1	-	4.7
Other assets	£m	-	-	-	18.4	-	1.0	-	-	-	19.4
Less funded assets (BDUIK, etc.)	£m	-	-	-	-	-	-	-	-	-	-
Total depreciation	£m	0.2	0.6	-	24.4	-	2.6	-	(0.2)	0.2	27.4
Specific items	£m	-	0.1	-	1.9	-	0.4	-	-	-	2.4
Total HCA operating costs	£m	0.2	1.3	-	52.4	-	60.5	1.9	(1.1)	2.1	113.1
CCA adjustments											
Holding gains	£m	-	-	-	-	-	-	-	-	-	-
Supplementary depreciation	£m	-	-	-	-	-	-	-	-	-	-
Other CCA adjustments	£m	-	-	-	-	-	-	-	-	-	-
Rounding	£m	0.3	-	-	0.1	-	0.1	(1.9)	1.1	(1.6)	1.3
Total CCA operating costs	£m	0.5	1.3	-	52.5	-	60.6	-	-	0.5	114.4
Total CCA operating cost includes the following:											
Cumulo charges	£m	-	0.1	-	1.5	-	-	-	-	-	1.6
Openreach SLGs	£m	-	-	-	-	-	-	-	-	-	-
Leaver costs	£m	-	-	-	0.6	-	0.2	-	-	-	0.8

		Cablelink		Accommodation		Electricity charges		Rounding		Total	
		Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext
(ii) Operating costs by division											
EOI input prices	£m	-	-	-	-	-	-	-	-	-	-
Attribution of PI costs	£m	-	-	-	-	-	-	-	-	-	-
Openreach											
Service and network delivery	£m	-	0.3	-	2.7	-	-	1.9	(0.9)	1.9	2.1
Openreach support functions	£m	-	-	-	1.2	-	3.2	-	(0.4)	-	4.0
Openreach total	£m	-	0.3	-	3.9	-	3.2	1.9	(1.3)	1.9	6.1
Rest of BT											
Group centre	£m	-	0.1	-	1.4	-	0.8	-	-	-	2.3
Property and facilities	£m	-	0.1	-	4.5	-	0.2	-	0.5	-	5.3
Technology units	£m	-	0.1	-	16.3	-	53.3	-	(0.1)	-	69.6
Consumer and Business	£m	-	-	-	-	-	-	-	-	-	-
Rest of BT total	£m	-	0.3	-	22.2	-	54.3	-	0.4	-	77.2
Operating cost before depreciation	£m	-	0.6	-	26.1	-	57.5	1.9	(0.9)	1.9	83.3

Section 10 – Review of Shared Ancillaries

10.1.2 Shared Ancillaries Analysis of Service Cost Restated for the year ended 31 March 2023

	£m	Cablelink		Accommodation		Electricity charges		Rounding		Total	
		Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext
(i) Operating costs by type											
EOI input prices	£m	-	-	-	-	-	-	-	-	-	-
Attribution of PI costs	£m	-	-	-	-	-	-	-	-	-	-
Wages and salaries	£m	0.2	0.7	-	5.7	-	1.8	-	-	0.2	8.2
Social security costs	£m	-	0.1	-	0.6	-	0.2	-	-	-	0.9
Other pension costs	£m	-	0.1	-	1.0	-	0.4	-	-	-	1.5
Share-based payment expense	£m	-	-	-	-	-	-	-	-	-	-
Own work capitalised	£m	(0.1)	(0.5)	-	(2.9)	-	(1.0)	-	0.1	(0.1)	(4.3)
Net indirect labour costs	£m	-	-	-	2.5	-	0.6	-	0.1	-	3.2
Product costs	£m	-	-	-	0.2	-	0.3	-	0.5	-	1.0
Sales commissions	£m	-	-	-	-	-	-	-	-	-	-
Payments to telecommunications operators	£m	-	-	-	-	-	-	-	-	-	-
Property and energy costs	£m	-	0.1	-	9.6	-	46.3	-	-	-	56.0
Network operating and IT costs	£m	-	-	-	2.0	-	0.7	-	0.1	-	2.8
TV programme rights charges	£m	-	-	-	-	-	-	-	-	-	-
Provision and installation	£m	-	-	-	-	-	-	-	-	-	-
Marketing and sales	£m	-	-	-	0.1	-	-	-	-	-	0.1
Net impairment of losses on TR and contract assets	£m	-	-	-	-	-	-	-	-	-	-
Other operating costs	£m	-	(0.1)	-	3.6	-	-	-	(1.1)	-	2.4
Other operating income	£m	-	-	-	(0.4)	-	-	-	0.5	-	0.1
Total operating costs before depreciation	£m	0.1	0.4	-	22.0	-	49.3	-	0.2	0.1	71.9
Depreciation											
Duct	£m	-	-	-	-	-	-	-	-	-	-
Poles	£m	-	-	-	-	-	-	-	-	-	-
Copper	£m	-	-	-	-	-	-	-	-	-	-
Fibre	£m	0.1	0.4	-	-	-	-	-	-	0.1	0.4
Electronics	£m	-	-	-	-	-	-	-	-	-	-
Software	£m	-	0.1	-	1.1	-	1.0	-	(0.1)	-	2.1
Land and buildings	£m	-	-	-	0.3	-	-	-	-	-	0.3
Right of use assets	£m	-	-	-	5.1	-	0.1	-	-	-	5.2
Other assets	£m	-	-	-	15.4	-	0.6	-	0.1	-	16.1
Less funded assets (BDUIK, etc.)	£m	-	-	-	-	-	-	-	-	-	-
Total depreciation	£m	0.1	0.5	-	21.9	-	1.7	-	-	0.1	24.1
Specific items	£m	-	-	-	1.6	-	0.1	-	0.1	-	1.8
Total HCA operating costs	£m	0.2	0.9	-	45.5	-	51.1	-	0.3	0.2	97.8
CCA adjustments											
Holding gains	£m	-	-	-	-	-	-	-	-	-	-
Supplementary depreciation	£m	-	-	-	-	-	-	-	-	-	-
Other CCA adjustments	£m	-	-	-	-	-	-	-	-	-	-
Rounding	£m	0.2	0.2	-	-	-	0.2	-	(0.3)	0.2	0.1
Total CCA operating costs	£m	0.4	1.1	-	45.5	-	51.3	-	-	0.4	97.9
Total CCA operating cost includes the following:											
Cumulo charges	£m	-	0.1	-	2.0	-	-	-	-	-	2.1
Openreach SLGs	£m	-	-	-	-	-	-	-	-	-	-
Leaver costs	£m	-	-	-	0.2	-	0.1	-	-	-	0.3

	£m	Cablelink		Accommodation		Electricity charges		Rounding		Total	
		Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext
(ii) Operating costs by division											
EOI input prices	£m	-	-	-	-	-	-	-	-	-	-
Attribution of PI costs	£m	-	-	-	-	-	-	-	-	-	-
Openreach											
Service and network delivery	£m	0.1	-	-	3.6	-	-	-	0.2	0.1	3.8
Openreach support functions	£m	-	0.1	-	2.3	-	3.0	-	(0.1)	-	5.3
Openreach total	£m	0.1	0.1	-	5.9	-	3.0	-	0.1	0.1	9.1
Rest of BT											
Group centre	£m	-	0.1	-	1.1	-	0.5	-	-	-	1.7
Property and facilities	£m	-	0.1	-	5.0	-	0.1	-	-	-	5.2
Technology units	£m	-	0.1	-	9.9	-	45.6	-	-	-	55.6
Consumer and Business	£m	-	-	-	0.1	-	0.1	-	0.1	-	0.3
Rest of BT total	£m	-	0.3	-	16.1	-	46.3	-	0.1	-	62.8
Operating cost before depreciation	£m	0.1	0.4	-	22.0	-	49.3	-	0.2	0.1	71.9

Section 10 – Review of Shared Ancillaries

10.1.3 Shared Ancillaries Analysis of Service MCE For the year ended 31 March 2024

	£m	Cablelink		Accommodation		Electricity charges		Rounding		Total	
		Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext
Non-current assets											
Duct	£m	-	-	-	-	-	-	-	-	-	-
Poles	£m	-	-	-	-	-	-	-	-	-	-
Copper	£m	-	-	-	-	-	-	-	-	-	-
Fibre	£m	2.4	6.8	-	-	-	-	-	(0.1)	2.4	6.7
Electronics	£m	-	-	-	-	-	-	-	-	-	-
Software	£m	-	0.1	-	4.1	-	5.2	-	(0.1)	-	9.3
Land and buildings	£m	-	-	-	3.3	-	0.1	-	-	-	3.4
Right of use assets	£m	0.1	0.2	-	9.3	-	0.4	-	-	0.1	9.9
Other assets	£m	-	-	-	123.8	-	2.6	-	(0.8)	-	125.6
Less funded assets (BDUK, etc.)	£m	-	-	-	-	-	-	-	-	-	-
Total non-current assets	£m	2.5	7.1	-	140.5	-	8.3	-	(1.0)	2.5	154.9
Current assets	£m	0.2	0.5	-	20.4	-	12.6	-	0.1	0.2	33.6
Current liabilities	£m	(0.2)	(0.6)	-	(16.7)	-	(4.8)	-	-	(0.2)	(22.1)
Provisions	£m	-	-	-	(0.8)	-	(0.1)	-	-	-	(0.9)
Rounding	£m	-	(0.1)	-	-	-	-	-	0.9	-	0.8
Total MCE	£m	2.5	6.9	-	143.4	-	16.0	-	-	2.5	166.3

10.1.3 Shared Ancillaries Analysis of Service MCE Restated for the year ended 31 March 2023

	£m	Cablelink		Accommodation		Electricity charges		Rounding		Total	
		Int	Ext	Int	Ext	Int	Ext	Int	Ext	Int	Ext
Non-current assets											
Duct	£m	-	-	-	-	-	-	-	-	-	-
Poles	£m	-	-	-	-	-	-	-	-	-	-
Copper	£m	-	-	-	-	-	-	-	-	-	-
Fibre	£m	1.6	4.7	-	-	-	-	-	-	1.6	4.7
Electronics	£m	-	-	-	-	-	-	-	-	-	-
Software	£m	-	0.1	-	3.4	-	3.6	-	-	-	7.1
Land and buildings	£m	-	-	-	3.3	-	0.1	-	(0.1)	-	3.3
Right of use assets	£m	-	0.1	-	10.1	-	0.3	-	0.1	-	10.6
Other assets	£m	-	0.1	-	117.1	-	2.5	-	(0.1)	-	119.6
Less funded assets (BDUK, etc.)	£m	-	-	-	-	-	-	-	-	-	-
Total non-current assets	£m	1.6	5.0	-	133.9	-	6.5	-	(0.1)	1.6	145.3
Current assets	£m	0.2	0.7	-	23.3	-	15.6	-	-	0.2	39.6
Current liabilities	£m	(0.1)	(0.5)	-	(14.9)	-	(5.9)	-	-	(0.1)	(21.3)
Provisions	£m	-	-	-	(0.9)	-	(0.1)	-	-	-	(1.0)
Rounding	£m	0.1	-	-	(0.1)	-	-	-	0.1	0.1	-
Total MCE	£m	1.8	5.2	-	141.3	-	16.1	-	-	1.8	162.6

Section 11: Review of Wholesale Call Termination (WCT) Market

Section 11 - Review of WCT Market

11.1 WCT Summary

For the year ended 31 March 2024

	Internal Revenue	External Revenue	Total Revenue	Internal Volume	External Volume	Measure	Internal average price pence	External average price pence
	£m	£m	£m	mm	mm			
Service								
Wholesale call termination	1.4	3.8	5.2	4,105	11,033	lines	0.0334	0.0343
Total WCT	1.4	3.8	5.2					

11.1 WCT Summary

Restated for the year ended 31 March 2023

	Internal Revenue	External Revenue	Total Revenue	Internal Volume	External Volume	Measure	Internal average price pence	External average price pence
	£m	£m	£m	mm	mm			
Service								
Wholesale call termination	1.5	3.6	5.1	4,845	11,804	lines	0.0301	0.0310
Total WCT	1.5	3.6	5.1					

Section 12: Review of Time Division Multiplex (TDM) Interconnection

Section 12 – Review of TDM Interconnection

12.1 TDM Interconnection Summary For the year ended 31 March 2024

	External Revenue	External Volume	Measure	External average price
	£m			£
Service				
Wholesale IEC connections	-	-	lines	-
Wholesale IEC rentals - fixed	0.8	1,958	lines	397.02
Wholesale IEC rentals - per km	0.6	21,437	lines	26.40
Wholesale intra-building circuits connections	-	14	lines	1,057.50
Wholesale intra-building circuits rentals	0.9	6,581	lines	131.88
Wholesale rearrangements	-	26	lines	595.00
Total TDM Interconnection	2.3			

Notes

1) Services not offered

Wholesale CSI connections, Wholesale CSI rentals - fixed, Wholesale CSI rentals - per km, Wholesale ISI links rentals, Wholesale ISI links per km are offered in the interconnect basket of products, but fall outside the regulated area (DLE). As such are not included in the Regulatory Financial Statements.

12.1 TDM Interconnection Summary Restated for the year ended 31 March 2023

	External Revenue	External Volume	Measure	External average price
	£m			£
Service				
Wholesale IEC connections	-	46	lines	574.14
Wholesale IEC rentals - fixed	1.3	3,687	lines	358.68
Wholesale IEC rentals - per km	0.9	38,555	lines	24.00
Wholesale intra-building circuits connections	0.1	80	lines	955.70
Wholesale intra-building circuits rentals	1.3	10,916	lines	119.16
Wholesale rearrangements	-	34	lines	537.50
Total TDM Interconnection	3.6			

Notes

1) Services not offered

Wholesale CSI connections, Wholesale CSI rentals - fixed, Wholesale CSI rentals - per km, Wholesale ISI links rentals, Wholesale ISI links per km are offered in the interconnect basket of products, but fall outside the regulated area (DLE). As such are not included in the Regulatory Financial Statements.

Section 13: Review of Internet Protocol (IP) Interconnection

Section 13 – Review of IP Interconnection

13.1 IP Interconnection Summary For the year ended 31 March 2024

	External Revenue	External Volume	Measure	External average price
	£k			£
Service				
IP Exchange service set-up charges	18.9	11	Connections (Internet, NAP or PoP) days units	1,715.91
IP Exchange interoperability testing charges	34.7	69		503.00
IP Exchange port charges ¹	-	176,592		-
Total IP Interconnection	53.6			

Notes
Interconnection reporting includes revenue, volume and price information as well as cost estimates for the year.

1) Services not offered
The following services are not offered at present:
- IP Exchange circuit charges - direct access at BT exchanges

2) Estimates of costs:

	Direct £	Mark up for common costs £	Return on capital employed ² %	Total estimate £
IP Exchange service set-up charges	4,961	19,252	-	24,213
IP Exchange interoperability testing charges	22,980	89,180	-	112,160

The IP Exchange port charges service does not attract labour cost or other costs as this is a rental service. BT rents the assets from Openreach at a very small cost, therefore there is no capital cost of assets or depreciation. The cost of maintenance is included in the rental cost.

¹BT does not levy separate port charges by access type therefore BT is permitted to omit these services from the RFS.

²There are no assets associated with IP Interconnect, therefore return on capital employed is 0%.

13.1 IP Interconnection Summary Restated for the year ended 31 March 2023

	External Revenue	External Volume	Measure	External average price
	£k			£
Service				
IP Exchange service set-up charges	20.9	15	Connections (Internet, NAP or PoP) days units	1,392.00
IP Exchange interoperability testing charges	13.0	26		500.00
IP Exchange port charges ¹	-	121,566		-
Total IP Interconnection	33.9			

Notes
Interconnection reporting includes revenue, volume and price information as well as cost estimates for the year.

1) Services not offered
The following services are not offered at present:
- IP Exchange circuit charges - direct access at BT exchanges

2) Estimates of costs:

	Direct £	Mark up for common costs £	Return on capital employed ² %	Total estimate £
IP Exchange service set-up charges	5,897	27,511	-	33,408
IP Exchange interoperability testing charges	9,714	45,322	-	55,036

The IP Exchange port charges service does not attract labour cost or other costs as this is a rental service. BT rents the assets from Openreach at a very small cost, therefore there is no capital cost of assets or depreciation. The cost of maintenance is included in the rental cost.

¹BT does not levy separate port charges by access type therefore BT is permitted to omit these services from the RFS.

²There are no assets associated with IP Interconnect, therefore return on capital employed is 0%.

Appendix 1: Network Adjustments Restated on MCE Basis

Appendix 1 – Network Adjustments Restated on MCE Basis

Appendix 1.1 - Network adjustments restated on MCE basis For the year ended 31 March 2024

	Internal MCE £m	External MCE £m	Total MCE £m
Above the financial limit	20	-	20
Below the financial limit	107	42	149
	127	42	169

Appendix 1.2 - Network adjustments restated on MCE basis Restated for the year ended 31 March 2023

	Internal MCE £m	External MCE £m	Total MCE £m
Above the financial limit	12	-	12
Below the financial limit	82	25	107
	94	25	119

Appendix 2: Reconciliation Report

Appendix 2 – Reconciliation Report

2.1. Comparability of Current and Prior Year Results

This reconciliation report is prepared in line with the basis of preparation set out in Section 2 of the RFS, except for the adjustments to methodologies and correction of errors as described in Appendix sections 2.2 and 2.3. It sets out:

- details of changes to regulatory accounting methodologies for the FY24 RFS (Section 2.2)
- details of errors, which meet Ofcom's definition of materiality, subsequently identified in the FY23 RFS (Section 2.3)
- restatement walks presenting the impact of these methodology changes and material error corrections on revenue, operating cost, and MCE results for the FY23 RFS, originally published on 31 July 2023 (Section 2.4); and
- where applicable, restatement walks presenting the impact of these methodology changes on the FY24 RFS (Section 2.5).

From 1 April 2023, the Group's Fixed Asset Register was migrated from the Oracle accounting system to SAP. The migration was performed as a hard cutover with no parallel running of the two systems; as such, all restated values in the RFS are taken from the FY23 Oracle FAR, and all current year values are taken from the FY24 SAP FAR.

2.2 Methodology Changes

The impact of material methodology changes as defined by Ofcom (i.e., resulting in a change of any figure in the RFS which exceeds the higher of 5% or £1m), as well as cumulative non-material changes, interactions, and roundings on the FY23 RFS results are detailed in the restatement walk tables set out in Section 2.4.

The impacts of these methodology changes on the FY24 RFS results are set out in Section 2.5 where applicable.

Changes driven by Ofcom's legal directions

There were no Ofcom-directed changes implemented in the FY24 RFS.

BT driven changes

i. Decapitalisation of FTTX CoW (Class of Work)

We have updated our methodology to decapitalise costs of the FTTX CoW up to a limit of the amount received in equivalent upfront costs, whereas previously all capitalised costs on the FTTX CoW were decapitalised, as detailed in section 2.3.1 of the FY24 Change Control Notification (CCN). The impact of this change is set out in section 2.4 of this report.

ii. Improvement of CCA (Current Cost Accounting) methodology

We have updated our methodology to no longer apply CCA to the following CoWs: TPC, ACPN, CJF, and LDX, as detailed in section 2.3.2 of the FY24 CCN. The impact of this change is set out in section 2.4 of this report. The impact of this methodology change varies to that shown in the CCN, due to an error in our initial draft in relation to the interaction of the change with the Poles HCA Journal.

iii. Changes to decapitalisation of tie cables

We have updated our data sources used to identify tie cable labour costs for the purpose of decapitalisation, as detailed in section 2.3.3 of the FY24 CCN. The impact of this change is set out in section 2.4 of this report.

iv. Cumulo allocation

We have updated our cumulo methodology to remove unnecessary complexity, as detailed in section 2.3.4 of the FY24 CCN. The impact of this change is set out in section 2.4 of this report.

v. Changes to TRC (Time Related Charges), AVC (Abortive Visit Charges), SFI (Special Fault Investigations) and SFVA (Visit Assure) data

We have updated our methodology to improve the accuracy of calculations to allocate costs to AVC, SFI, TRC and SFVA services to remain consistent across the various attribution rules, as detailed in section 2.3.5 of the FY24 CCN. The impact of this change is set out in section 2.4 of this report.

vi. Automation of Physical Infrastructure (PI) returns

We now use the regulatory accounting system to automatically calculate a 7% return for the PI market, as detailed in section 2.3.6 of the FY24 CCN. The impact of this change is set out in section 2.4 of this report.

vii. Changes to General Ledger (GL) and CoW data inputs

We have updated our methodology to use newly available GL and CoW data from our reporting system SAP, as detailed in section 2.3.7 of the FY24 CCN. The impact of this change is set out in section 2.4 of this report.

viii. Change to Cumulo and Ofcom licence fee data

We have updated our methodology to calculate the cumulo and Ofcom licence fee allocations based on the latest available information, as detailed in section 2.3.8 of the FY24 CCN. The impact of this change is set out in section 2.4 of this report. The impact of this methodology change varies to that shown in the CCN. This is due to an update to the data source of this latest information, which ensures consistency of unit costs between internal and external services.

ix. Allocation of sales and product management costs

We have updated our methodology to include an additional calculation step based on connections, to ensure cost allocations to FTTP (Fibre to the Premises), FTTC (Fibre to the Cabinet) and SOGEA (Single Order Generic Ethernet Access) services are more accurate, as detailed in section 2.3.9 of the FY24 CCN. The impact of this change is set out in section 2.4 of this report.

x. Removal of Part Services

We have now removed the part services allocation layer in our regulatory accounting software, as detailed in section 2.3.10 of the FY24 CCN. The impact of this change is set out in section 2.4 of this report.

xi. Removal of internal revenue for Rest of BT

We have updated our methodology to remove internal revenue and costs for some services within the Rest of BT section of the RFS, which are subsequently eliminated, as detailed in section 2.3.11 of the FY24 CCN. The impact of this change is set out in section 2.4 of this report.

Appendix 2 – Reconciliation Report

xii. Optical cables discounts

We have updated our methodology to remove a historic discount adjustment, which is no longer required, as detailed in section 2.3.12 of the FY24 CCN. The impact of this change is set out in section 2.4 of this report.

xiii. Mapping of PI SLGs (Service Level Guarantees) to the PI market

We have updated our methodology for PI SLGs to align to all other SLG allocations in the RFS, as detailed in section 2.3.13 of the FY24 CCN. The impact of this change is set out in section 2.4 of this report.

xiv. Improvement of GEA (General Ethernet Access) electronics allocation

We have updated our methodology to calculate the GEA electronics allocation based on headends card volumes, as detailed in section 2.3.14 of the FY24 CCN. The impact of this change is set out in section 2.4 of this report.

xv. Allocation of Protect BT costs

We have updated our methodology to directly allocate BT Protect costs to AG118 (BT Group Previously Allocated Costs (PAC) - Including Overseas), which removes the requirement for the BTPROTECT base, as detailed in section 2.3.15 of the FY24 CCN. The impact of this change is set out in section 2.4 of this report.

xvi. Change to presentation of ‘Specific Items’

We have updated our methodology to separate out the ‘Specific Items’ balance more easily in the ‘Attribution of Operating Costs’ table in the RFS, as detailed in section 2.3.16 of the FY24 CCN. The impact of this change is set out in section 2.4 of this report.

xvii. Transfer of Fixed Assets Register (FAR) data to SAP

We have updated our methodology to use SAP to extract fixed assets data, as detailed in section 2.3.17 of the FY24 CCN. The impact of this change is set out in section 2.4 of this report.

xviii. Changes to capitalised pay and FAR

We have updated our methodology to use a new reporting solution to provide capitalised pay data, as detailed in section 2.3.18 of the FY24 CCN. The impact of this change is set out in section 2.4 of this report.

xix. Removal of adjustment to internal/external cost categorisation

We have updated our methodology to remove an adjustment to internal/external cost categorisation as it is no longer required, as detailed in section 2.3.19 of the FY24 CCN. The impact of this change is set out in section 2.4 of this report.

Methodology Changes not reversed in the Reconciliation Report

The following changes included in our FY23 CCN have not been reversed in the restatement walks presented in the tables shown in section 2.5:

Changes not reversed as there will be no material impact at a market or service level:

- Automation of Physical Infrastructure (PI) returns (2.2.vi)
- Change to Cumulo and Ofcom licence fee data (2.2.viii)
- Removal of Part Services (2.2.x)
- Removal of internal revenue for Rest of BT (2.2.xi)
- Mapping of PI SLGs to the PI market (2.2.xiii)
- Improvement of GEA (General Ethernet Access) electronics allocation (2.2.xiv)
- Allocation of Protect BT costs (2.2.xv)
- Change to presentation of ‘Specific Items’ (2.2.xvi)
- Removal of adjustment to internal/external cost categorisation (2.2.xix)

Changes not reversed as the required data is no longer available:

- Improvement of CCA methodology (2.2.ii)
- Changes to decapitalisation of tie cabling (2.2.iii)
- Changes to TRC, AVC, SFI and SFVA data (2.2.v)
- Change to GL and CoW data inputs (2.2.vii)
- Transfer of FAR data to SAP (2.2.xvii)
- Changes to capitalised pay and FAR (2.2.xviii)

Appendix 2 – Reconciliation Report

2.3 Error Corrections

The prior year comparatives have been restated to reflect the correction of errors which meet Ofcom's definition of a material error (i.e., resulting in a change of any figure in the RFS which exceeds the higher of 5% or £1m). The error must fulfil at least one of the following conditions:

- the error has arisen within the Regulatory Attribution System; or
- the error has been brought to the attention of the Audit and Risk Committee by the Regulatory Auditor.

The impacts of correcting these material errors on the FY23 RFS results are detailed in the restatement walk tables set out in Section 2.4.

i. Optical fibre usage

An error was identified in the optical fibre usage calculation, with optical fibre volumes overstated. This error was identified by the regulatory auditors.

ii. Updating headend card mapping files

An error was identified in the mapping of headend cards to FTTC cards rather than FTTP. This error was identified during a routine review.

iii. Shared ancillaries internal accommodation

An error was identified in the shared ancillaries market, where an element of revenue was being double counted. This error was identified during a routine review.

iv. Software depreciation allocations

An error was identified in the data used to calculate software depreciation allocations. This error was identified by the regulatory auditors.

v. CoW information not complete

An error was identified with how we map CoW data, with the result that several GL accounts were not being assigned a CoW. This error was identified during a routine review.

vi. Error in pay cost attribute

A GL account was mapped to pay costs in error in our Regulatory Attribution System. This error was identified during the implementation of BT driven change vii. 'Changes to General ledger (GL) and Class of Work (CoW) data inputs' set out in section 2.2.

vii. Change to copper recovery

An error was identified in the attribution of copper recovery costs, with costs allocated across all Openreach services rather than to copper-related services in line with recovery data. This error was identified during a routine review.

viii. Change in labour decapitalisation cost mapping

An error was identified in the mapping of decapitalised labour costs. These costs were classified as 'Wages and Salaries' within the Operating Costs schedule of the RFS, however they are more appropriately classified within 'Own Work Capitalised' to offset the original capitalisation impact. This error was identified by the regulatory auditors.

ix. Corrections to 'Specific Items' disclosures

An error was identified in the presentation of depreciation included within 'Specific Items'. This error was identified during the implementation of BT driven change xvi. 'Change to presentation of 'Specific items'' set out in section 2.2. A further error was identified within the prior year income statement reconciliation (schedule 5.4 of the RFS), where specific items relating to net short-term interest were double counted within the Openreach reconciliation². This error was identified by the auditors.

x. Cumulo FTTP/FTTC mapping

An error was identified in the mapping of FTTC and FTTP services for the cumulo calculation. This error was identified during a routine review.

xi. Poles journal error

An error was identified in the poles journal calculation, resulting in lower depreciation and net book value. This error was identified during a routine review.

xii. Network adjustments journal error

An error was identified in the mapping of network adjustments. This error was identified during a routine review.

xiii. PI allocation volume correction

An error was identified in the volume data used to calculate internal/external MCE allocations for manhole covers and joint box services within the PI market. This error was identified during a routine review.

xiv. Interexchange Fibre allocation

An error was identified in the Interexchange Fibre allocation whereby the allocations to a few small services were being double counted. This error was identified by the auditors.

² The BT Group plc reconciliation within the same schedule has also been adjusted so the presentation is consistent with the corrected Openreach reconciliation.

Appendix 2 - Reconciliation Report

2.5 Restatement Walks - FY24 RFS restated for FY23 methodologies (£m)

Impact of methodologies on revenue

	Openreach													Rest of BT	BT Group		
	Physical Infrastructure	WLA Area 2	WLA Area 3	LLA Area 2	LLA Area 3	LLA High network reach	IEC BT only exchanges	IEC BT +1 exchanges	Shared ancillaries	Total SMP	Non-SMP	Eliminations	Total	Total	Eliminations	Rounding	Total
FY24 Published RFS	713	2,190	1,241	541	306	44	135	75	142	5,387	1,356	(661)	6,082	18,080	(3,363)	(2)	20,797
Cumulo Allocation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decapitalisation of FTTX CoW	(3)	-	-	-	-	-	-	-	-	(3)	-	3	-	3	(3)	-	-
Optical cables discounts	-	-	-	(6)	(3)	-	(2)	(1)	-	(12)	13	-	1	4	(4)	-	1
Allocation of sales and product management costs	(2)	-	-	-	-	-	-	-	-	(2)	-	2	-	-	-	-	-
FY24 RFS figures using FY23 methodologies	708	2,190	1,241	535	303	44	133	74	142	5,370	1,369	(656)	6,083	18,087	(3,370)	(2)	20,798

Impact of methodologies on CCA operating costs

	Openreach													Rest of BT	BT Group		
	Physical Infrastructure	WLA Area 2	WLA Area 3	LLA Area 2	LLA Area 3	LLA High network reach	IEC BT only exchanges	IEC BT +1 exchanges	Shared ancillaries	Total SMP	Non-SMP	Eliminations	Total	Total	Eliminations	Rounding	Total
FY24 Published RFS	212	2,033	1,094	386	198	33	54	35	115	4,160	995	(661)	4,494	17,635	(3,423)	(1)	18,705
Cumulo Allocation	-	31	22	(9)	(5)	(1)	(1)	-	(1)	36	(28)	-	8	(8)	-	-	-
Decapitalisation of FTTX CoW	(3)	75	28	(3)	(1)	-	-	-	-	96	(3)	3	96	(16)	(3)	-	77
Optical cables discounts	-	-	-	-	-	-	-	-	-	-	-	-	-	20	(4)	-	16
Allocation of sales and product management costs	(3)	-	-	1	1	-	(1)	(1)	-	(3)	1	2	-	-	-	-	-
FY24 RFS figures using FY23 methodologies	206	2,139	1,144	375	193	32	52	34	114	4,289	965	(656)	4,598	17,631	(3,430)	(1)	18,798

Impact of methodologies on MCE

	Openreach													Rest of BT	BT Group		
	Physical Infrastructure	WLA Area 2	WLA Area 3	LLA Area 2	LLA Area 3	LLA High network reach	IEC BT only exchanges	IEC BT +1 exchanges	Shared ancillaries	Total SMP	Non-SMP	Eliminations	Total	Total	Eliminations	Rounding	Total
FY24 Published RFS	7,150	4,885	2,906	1,042	503	91	73	61	169	16,880	2,359	-	19,239	21,940	(108)	(1)	41,070
Cumulo Allocation	-	5	4	(2)	(1)	-	-	-	-	6	(4)	-	2	(1)	-	-	1
Decapitalisation of FTTX CoW	(1)	(121)	(48)	-	(1)	-	1	-	-	(170)	(1)	-	(171)	(2)	-	-	(173)
Optical cables discounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Allocation of sales and product management costs	10	(3)	(1)	(5)	(2)	-	4	2	(1)	4	(3)	-	1	-	-	-	1
FY24 RFS figures using FY23 methodologies	7,159	4,766	2,861	1,035	499	91	78	63	168	16,720	2,351	-	19,071	21,937	(108)	(1)	40,899

Appendix 3: Attribution Diagrams

Appendix 3: Attribution diagrams

See Appendix 3: Attribution diagrams published separately to this RFS.

Glossary and Footnotes List

Glossary and Footnotes List

Glossary

AMD	Accounting Methodology Document. This sets out the detailed processes by which revenues and costs are attributed between the SMP Markets, Services and Residual Activities.
AVC	Abortive Visit Charges
Annual Report	BT Group plc's Annual Report including the consolidated financial statements for the year ended 31 March 2024. These are available on the BT website at: https://www.bt.com/about/investors/financial-reporting-and-news/annual-reports
BDUK	Building Digital UK
CCA	Current Cost Accounting – adjustments to historical costs arising from the revaluation of assets on a current cost basis. In the statements for individual markets the adjustments comprise the holding gains or losses arising from changes in asset values, together with the effect on asset values and depreciation of the appropriate allocation of current cost asset values between markets and wholesale services.
CCN	Change Control Notification
ccts	Circuits
conns	Connections
Commitments	The commitments given to Ofcom and Industry by BT on how Openreach will operate, first issued on 10 March 2017 and most recently issued on 15 September 2023
Cost Accounting	A Cost Accounting system is a set of rules which supports the attribution of costs, revenues and mean capital employed to individual activities and services.
CoW	Class of Work
CP	Communication Provider
CPI	Consumer Price Index
DLE	Digital Local Exchange
EAD	Ethernet Access Direct
ECC	Excess Construction Charge
EOI	Equivalence of Input
Equinox	Openreach pricing offers for fibre services
FAR	Fixed asset register
FTTC	Fibre To The Cabinet
FTTP	Fibre To The Premises
Gbit/s	Gigabits per second
GEA	Generic Ethernet Access
HCA	Historical Cost Accounting
IEC	Inter-exchange Connectivity
IFRS	International Financial Reporting Standard
IP	Internet Protocol
km	Kilometres
lines	No. of Lines
LLA	Leased Line Access
m	Millions

Glossary and Footnotes List

MCE	Mean Capital Employed is defined as total assets less current liabilities, excluding corporate taxes and dividends payable, and provisions other than those for deferred taxation. The mean is computed from the start and end values for the period.
mm	Millions of Minutes
MPF	Metallic Path Facilities
NGA	Next Generation Access
Ofcom	Office of Communications
OR	Openreach
PI	Physical Infrastructure
PIA	Physical Infrastructure Access
PSTN	Public switched telephone network
RAP	Regulatory Accounting Principles
RFS	Regulatory Financial Statements
ROCE	Return on Capital Employed
RPI	Retail Price Index
SOGEA	Single Order Generic Ethernet Access
SLG	Service Level Guarantees
SFI	Special Fault Investigation
SML	Service Maintenance Level
SMP	Significant Market Power
SFVA	Superfast Visit Assure
TDM	Time Division Multiplex
TRC	Time related charges
Usage Factors	Usage Factors refer to the usage of any network component, including conveyance components.
Use	The proportional bandwidth use of each circuit.
WACC	Weighted Average Cost of Capital
WCT	Wholesale Call Termination
WFTMR	Wholesale Fixed Telecoms Market Review
WLA	Wholesale Local Access
WVMR	Wholesale Voice Market Review

Footnotes

(sx) This service comprises a number of individual prices as indicated by the value of x.

(ux) This service comprises a number of individual volume types as indicated by the value of x.