

Company Registration No 03047165

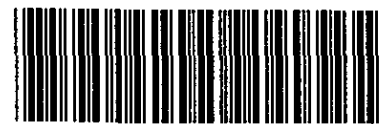
Internet Network Services Limited

Directors' report and financial statements

31 March 2013

**Registered Office
Vodafone House
The Connection
Newbury
Berkshire
RG14 2FN**

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Contents

	Page
Directors' report	1 to 2
Statement of Directors' responsibilities in respect of the Directors' report and the financial statements	3
Independent auditor's report to the members of Internet Network Services Limited	4 to 5
Profit and loss account	6
Reconciliation of movements in shareholder's funds	7
Balance sheet	8
Notes to the financial statements	9 to 13

Directors' report

The Directors present their annual report and the audited financial statements for the year ended 31 March 2013

Principal activities and business review

The principal activity of the company is to act as a holding company. The loss for the year amounts to £804,317 (2012 result of £nil)

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption. The Company has met the requirements in section 415A the Companies Act 2006 to take the exemption from the need to present an enhanced business review.

The comparative figures disclosed in these accounts are unaudited. As at 31 March 2012, the Company was dormant within the meaning of Section 1169 of the Companies Act 2006.

Given the support of Vodafone Group Plc, the Directors consider that the Company has access to sufficient funding to meet its financial needs as they fall due for a period of not less than 12 months from the date of these financial statements. Accordingly the Directors have prepared the financial statements on a going concern basis, notwithstanding net liabilities of £39,347,812 (2012 £38,543,495).

Dividends

The Directors do not recommend the payment of a dividend (2012 £nil)

Directors of the company

The Directors who held office during the year and subsequent to the year end were

P S Davis

A R Kinch

All Directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Disclosure of information to the auditors

Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

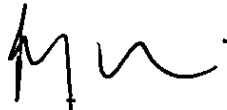
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Directors' report
(continued)

Auditor reappointment

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting

On behalf of the Board

A handwritten signature in black ink, appearing to be 'P S Davis', with a stylized flourish at the end.

P S Davis
Director
Date 26 November 2013

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent Auditor's report to the members of Internet Network Services Limited

We have audited the financial statements of Internet Network Services Limited for the year ended 31 March 2013, which comprise the Profit and loss account, the Reconciliation of movements in shareholders' funds, the Balance sheet and the related notes 1 to 9. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' responsibilities in respect of the Directors' report and the financial statements, set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 March 2013 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

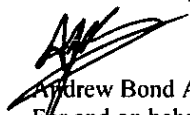
In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor's report to the members of Internet Network Services Limited
(continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report



Andrew Bond ACA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP,
Chartered Accountants and Statutory Auditors
Reading
United Kingdom

Date 26 November 2013

Profit and loss account
For the year ended 31 March 2013

	Note	2013 £	2012 £
Operating profit		-	-
Amounts written off investments	4	(804,317)	-
Loss on ordinary activities before taxation		(804,317)	-
Taxation	3	-	-
Loss for the financial year		<u>(804,317)</u>	<u>-</u>

The results for the period are derived entirely from continuing operations

The Company has no recognised gains or losses for the year. Accordingly, no separate statement of total recognised gains and losses has been presented.

Reconciliation of movements in shareholder's funds


For the year ended 31 March 2013

	2013 £	2012 £
Loss attributable to the members of the company	<u>(804,317)</u>	<u>-</u>
Net reduction to shareholder's funds	(804,317)	-
Opening shareholder's deficit at 1 April	<u>(38,543,495)</u>	<u>(38,543,495)</u>
Closing shareholder's deficit at 31 March	<u>(39,347,812)</u>	<u>(38,543,495)</u>

Balance sheet
as at 31 March 2013

	Note	2013 £	2012 £
Fixed assets			
Investments	4	13,406	13,406
Creditors Amounts falling due within one year	5	<u>(39,361,218)</u>	<u>(38,556,901)</u>
Net liabilities		<u>(39,347,812)</u>	<u>(38,543,495)</u>
Capital and reserves			
Called up share capital	6	9,225,000	9,225,000
Profit and loss account	7	<u>(48,572,812)</u>	<u>(47,768,495)</u>
Total shareholders deficit		<u>(39,347,812)</u>	<u>(38,543,495)</u>

These accounts were approved by the Board of Directors on 26 November 2013 and signed on its behalf by


 A R Kinch
 Director

Notes to the financial statements

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

The financial statements are prepared in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), and under the historical cost accounting rules

The financial statements have been prepared on a going concern basis, notwithstanding net liabilities of £39,347,812 (2012 £38,543,495). After reviewing the Company's budget for the next 12 months, taking into account reasonably possible changes in trading performance, and other longer term plans, the directors are satisfied that, at the time of approving the financial statements, it is appropriate to adopt the going concern basis in preparing the financial statements

The Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the Company as an individual undertaking and not about its group

Cash flow statement

Under FRS 1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking. A consolidated cash flow statement is included in the financial statements of Vodafone Group Plc in which the Company is consolidated and which are publicly available from the address in note 9

Fixed asset investments

Investments in subsidiaries are included in the balance sheet at historical cost less any impairments recognised. Impairment reviews are carried out whenever events or changes in circumstances indicate that the carrying amount of the subsidiary may not be fully recoverable. Impairments are determined by comparing the carrying value of the subsidiary to its recoverable amount, being the higher of the subsidiary's net realisable value and its value in use. Impairments are recognised in the profit and loss account. A reversal of an impairment occurs if the net assets of the investment increases in the following measurement period

Foreign currencies

Transactions during the year denominated in foreign currency have been translated at the rates of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to sterling at the rates of exchange ruling at the balance sheet date. The resulting profits or losses are dealt with in the profit and loss account

Notes to the financial statements
(continued)

1 Accounting policies *(continued)*

Taxation

Taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

2 Notes to the profit and loss account

The Directors did not receive any emoluments in respect of their services for this Company during the year (2012 £nil)

The Company had no employees during the year (2012 nil)

In the current year and the prior year, the auditor's remuneration of £3,000 (2012 £nil) for the audit of these financial statements has been borne by another group company

3 Taxation

Analysis of taxation for the year

	2013 £	2012 £
Current tax		
UK Corporation tax	-	-

Factors affecting current tax charge for the year

The current tax charge is higher than (2012 - the same as) the standard rate of corporation tax in the UK of 24% (2012 - 26%) The differences are explained below

	2013 £	2012 £
Loss on ordinary activities before taxation	(804,317)	-
Corporation tax at standard rate of 24% (2012 26%)	(193,036)	-
Permanent differences	193,036	-
Current tax for the period	-	-

Notes to the financial statements

(continued)

3 Taxation (continued)

There were no recognised or unrecognised deferred tax balances as at 31 March 2013 or 31 March 2012

With effect from 1 April 2013, the UK corporation tax rate is 23%. The standard rate of corporation tax will reduce to 21% on 1 April 2014 and 20% on 1 April 2015 but these further reductions, which were enacted in July 2013, had not been enacted, or substantively enacted, at the balance sheet date, and so do not impact the measurement of deferred tax assets and liabilities in these financial statements

4 Fixed asset investments

Shares in group undertakings

	Subsidiary undertakings £
Cost	
At 1 April 2012	13,406
Additions	804,317
At 31 March 2013	817,723
Provision for impairment	
Charge for the year	(804,317)
Net book value	
At 31 March 2013	13,406
At 31 March 2012	13,406

During the year, the Company acquired the remaining 35% of the share capital of Cable & Wireless Worldwide South Africa (Pty) Limited, a company based in South Africa

The Directors have carried out a review to determine whether there has been an impairment in the carrying values of its fixed asset investments in line with FRS 11 'Impairment of fixed assets and goodwill'. The carrying value of the investment in subsidiary was compared to the recoverable amount. The recoverable amount of the investment was deemed to be the net asset value of the respective subsidiary. A valuation based on net asset values was considered to be appropriate as the companies in the group are either dormant or small trading companies. This exercise resulted in a write down of £804,317 (2012 write down of £nil) to reflect the impairment in the investment in Cable & Wireless Worldwide South Africa Pty Limited.

Notes to the financial statements
(continued)

4 Fixed asset investments *(continued)*

Principal subsidiary undertakings

Details of subsidiary undertakings are given below

Subsidiary undertaking	Class	Ownership	Country of incorporation	Principal activities
Cable & Wireless Internet Service Provider B V	Ordinary	100%	Netherlands	Non trading
C&W Worldwide Nigeria Limited	Ordinary	100%	Nigeria	Dormant
Cable & Wireless Worldwide South Africa Pty Limited	Ordinary	100%	South Africa	Telecommunications

5 Creditors

	2013 £	2012 £
Amounts falling due within one year		
Amounts owed to group undertakings	<u>39,361,218</u>	<u>38,556,901</u>

6 Share capital

Allotted, called up and fully paid shares

	2013		2012	
	No	£	No.	£
Ordinary shares of £1 00 each	<u>9,225,000</u>	<u>9,225,000</u>	<u>9,225,000</u>	<u>9,225,000</u>

Notes to the financial statements
(continued)

7 Reserves

	Profit and loss account £
At 1 April 2012 and 31 March 2013	(47,768 495)
Loss for the year	<u>(804,317)</u>
At 31 March 2013	<u><u>(48,572,812)</u></u>

8 Related party transactions

Under FRS 8, the Company is exempt from the requirement to disclose transactions with wholly owned entities that are part of the Vodafone Group, as all of the Company's voting rights are controlled within the Group. There are no transactions with any other related parties.

9 Ultimate parent company and controlling party

The Company's immediate parent company is Cable & Wireless UK Holdings Limited, a company registered in England and Wales.

The Directors regard Vodafone Group Plc, a company registered in England and Wales, as the ultimate parent company and controlling party.

The smallest and largest group in which the results of the Company are consolidated is that of Vodafone Group Plc, the parent company. The consolidated financial statements of Vodafone Group Plc may be obtained from the Company Secretary, Vodafone Group Plc, Vodafone House, The Connection, Newbury, Berkshire, RG14 2FN.