

VODAFONE EUROPEAN INVESTMENTS

Company No: 3961908

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2014



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VODAFONE EUROPEAN INVESTMENTS

Company No: 3961908

STRATEGIC REPORT

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006

Principal activity and review of business

The principal activity of Vodafone European Investments ("the Company") is the holding of intercompany balances associated with management of funding and related treasury matters for the Vodafone Group Plc group of companies ("the Group") The Company also acts as an investment holding company The directors are satisfied with the position and performance of the Company

Results and dividends

The profit and loss account is set out on page 4 of the financial statements For the year ended 31 March 2014, there was a profit on ordinary activities after taxation of £60,146,000 (2013 £90,496,000)

During the year, the Company declared and paid dividends amounting to £13,000,000,000 (2013 £7,500,000,000)

Future developments

The directors do not anticipate that the business of the Company will change in the foreseeable future. There have been no subsequent events that would suggest future changes.

The strategic report was approved by the Board on 28 November 2014 and was authorised for issue and signed on its behalf by



Director

P G Stephenson

VODAFONE EUROPEAN INVESTMENTS

Company No: 3961908

REPORT OF THE DIRECTORS

The directors submit their annual report financial statements for the year ended 31 March 2014.

Future developments

Details of future developments can be found in the strategic report on page 1 and form part of this report by cross reference

Directors

The directors of the Company, who served throughout the year, unless otherwise indicated, are as follows

J C Morton
P G Stephenson
N A Wright

Audit exemption

For the year ended 31 March 2014 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies

Registered office

The registered office of the Company is Vodafone House, The Connection, Newbury, Berkshire, RG14 2FN, England

VODAFONE EUROPEAN INVESTMENTS

Company No: 3961908

REPORT OF THE DIRECTORS (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the annual report, strategic 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to


- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, 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 are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Indemnification of directors

In accordance with the Company's articles of association and to the extent permitted by law the directors may be granted an indemnity from the Company in respect of liabilities incurred as a result of their office. In respect of those matters for which the directors may not be indemnified, Vodafone Group Plc maintained a directors' and officers' liability insurance policy throughout the financial year. This policy is renewed annually in August. Neither the Company's indemnity nor the insurance provides cover in the event that the director is proven to have acted dishonestly or fraudulently.

The report of the directors was approved by the Board on 28 November 2014 and signed on its behalf by

 LIZ MILES

Director, for and on behalf of
Vodafone Corporate Secretaries Limited
Secretary

VODAFONE EUROPEAN INVESTMENTS

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2014

		2014	2013
	Note	£'000	£'000
Administrative expenses and operating loss	2	(7)	(7)
Interest receivable and similar income	3	99,911	139,412
Interest payable and similar charges	4	<u>(21,792)</u>	<u>(20,331)</u>
Profit on ordinary activities before taxation		78,112	119,074
Tax charge on profit on ordinary activities	5	<u>(17,966)</u>	<u>(28,578)</u>
Profit for the year	11	<u><u>60,146</u></u>	<u><u>90,496</u></u>

The Company has no other recognised gains or losses in the current or preceding year and therefore no separate statement of total recognised gains and losses has been presented

All results derive from continuing operations.

The accompanying notes are an integral part of these financial statements

VODAFONE EUROPEAN INVESTMENTS

Company No: 3961908

BALANCE SHEET

AT 31 MARCH 2014

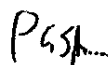
	Note	2014 £'000	2013 £'000
FIXED ASSETS			
Investments	7	41,547,692	41,547,692
CURRENT ASSETS			
Debtors	8	20,153,864	20,053,953
CREDITORS amounts falling due within one year	9	<u>(17,176,464)</u>	<u>(4,136,699)</u>
NET CURRENT ASSETS		<u>2,977,400</u>	<u>15,917,254</u>
NET ASSETS		<u><u>44,525,092</u></u>	<u><u>57,464,946</u></u>
CAPITAL AND RESERVES			
Called up share capital	10	100,000	100,000
Share premium account	11	25,951,604	39,451,604
Profit and loss account	11	<u>18,473,488</u>	<u>17,913,342</u>
TOTAL SHAREHOLDERS' FUNDS	12	<u><u>44,525,092</u></u>	<u><u>57,464,946</u></u>

For the year ended 31 March 2014 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies

Directors' responsibilities

- the members have not required the Company to obtain an audit of its financial statements for the year in question in accordance with section 476,
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements

The financial statements were approved by the Board on 28 November 2014 and were authorised for issue and signed on its behalf by



Director

PG Stephenson

The accompanying notes are an integral part of these financial statements

VODAFONE EUROPEAN INVESTMENTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

1. Statement of accounting policies

The particular accounting policies adopted are described below. The accounting policies have been applied on a consistent basis during the current and preceding year.

Basis of preparation

The financial statements are prepared under the historical cost convention, and in accordance with the Companies Act 2006 and applicable UK Accounting Standards.

The financial statements are prepared in pounds sterling as this is the most appropriate functional currency for the Company's operations.

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.

Foreign currencies

Transactions in foreign currencies are recorded at the exchange rates ruling on the dates of those transactions, adjusted for the effects of any hedging arrangements. Foreign currency monetary assets and liabilities are translated into pounds sterling at year end rates.

All foreign exchange differences are recognised in the profit and loss account.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid, or recovered, using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Cash flow statement

In accordance with the provisions of Financial Reporting Standard 1 (Revised), a cash flow statement has not been prepared since the Company is a wholly owned subsidiary of Vodafone Group Plc, a company registered in England and Wales, which prepares consolidated financial statements that include the cash flows of the Company, and which are publicly available.

Fixed asset investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

VODAFONE EUROPEAN INVESTMENTS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2014

2. Administrative expenses and operating loss

As the Company is exempt from audit no audit fees were borne by the Company in the current year (2013 £nil)

The directors did not receive any remuneration from the Company in the financial year (2013 £nil)

There were no employees employed directly by the Company during the current or preceding year

3. Interest receivable and similar income

	2014	2013
	£'000	£'000
Parent company and fellow subsidiary undertakings	<u>99,911</u>	<u>139,412</u>

4. Interest payable and similar charges

	2014	2013
	£'000	£'000
Parent company and fellow subsidiary undertakings	<u>21,792</u>	<u>20,331</u>

5. Tax charge on profit on ordinary activities

	2014	2013
	£'000	£'000
UK corporation tax at 23% (2013 24%)	<u>17,966</u>	<u>28,578</u>

The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 23% (2013 24%)

The actual tax charge for the current and previous period is the same as the standard rate

With effect from 1 April 2014 the UK corporation tax rate is 21%, and from 1 April 2015 the UK corporation tax rate is 20%

6. Dividends

	2014	2013
	£'000	£'000
Equity – Dividend on ordinary shares: £130 per £1 share (2013 £75 per £1 share)	<u>13,000,000</u>	<u>7,500,000</u>

VODAFONE EUROPEAN INVESTMENTS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2014

7. Investments

	2014 £'000
Shares in group undertakings	
Cost	
1 April 2013 and 31 March 2014	<u>59,658,133</u>
Impairment of fixed asset investments	
1 April 2013 and 31 March 2014	<u>(18,110,441)</u>
Net book value	
1 April 2013 and 31 March 2014	<u>41,547,692</u>

Fixed asset investments comprised a 100% shareholding in the ordinary share capital of Vodafone International Operations Limited, a company registered in England and Wales

8 Debtors

	2014 £'000	2013 £'000
Amounts owed by ultimate parent undertaking	-	5,732,018
Amounts owed by group undertakings	<u>20,153,864</u>	<u>14,321,935</u>
	<u>20,153,864</u>	<u>20,053,953</u>

VODAFONE EUROPEAN INVESTMENTS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2014

9. Creditors: amounts falling due within one year

	2014	2013
	£'000	£'000
Amounts owed to ultimate parent undertaking	13,029,788	4,108,121
Amounts owed to group undertakings	4,128,710	-
Group relief payable	17,966	28,578
	<u>17,176,464</u>	<u>4,136,699</u>

10. Called up share capital

	2014	2013
	£'000	£'000
Allotted, issued and fully paid		
100,000,122 (2013: 100,000,122) ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

11 Reserves

	Share premium account	Profit and loss account
	£'000	£'000
1 April 2013	39,451,604	17,913,342
Dividends paid	-	(13,000,000)
Capital reduction	(13,500,000)	13,500,000
Profit for the year	-	60,146
31 March 2014	<u>25,951,604</u>	<u>18,473,488</u>

On 25 March 2014, the Company performed a capital reduction of £13,500,000,000

VODAFONE EUROPEAN INVESTMENTS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2014

12. Reconciliation of movements in shareholders' funds

	2014	2013
	£'000	£'000
Profit for the year	60,146	90,496
Dividends paid	<u>(13,000,000)</u>	<u>(7,500,000)</u>
Net movement in shareholders' funds	(12,939,854)	(7,409,504)
Opening shareholders' funds	<u>57,464,946</u>	<u>64,874,450</u>
Closing shareholders' funds	<u><u>44,525,092</u></u>	<u><u>57,464,946</u></u>

13. Related party disclosures

The Company is a wholly owned subsidiary of Vodafone Group Plc and has taken advantage of the exemption granted by paragraph 3(c) Financial Reporting Standard 8, Related Party Disclosures, not to disclose transactions with Vodafone Group Plc group companies or interests of the Group who are related parties

14. Ultimate parent company

The immediate and ultimate parent company and controlling entity of Vodafone European Investments, and the smallest and largest group which prepares consolidated financial statements and of which the Company forms a part, is Vodafone Group Plc, a company registered in England and Wales. As a wholly owned subsidiary of a company registered in England and Wales, for which consolidated financial statements are prepared, the Company has taken advantage of Section 400 of the Companies Act 2006 and has not prepared consolidated financial statements

A copy of the financial statements of Vodafone Group Plc for the year ended 31 March 2014 may be obtained from the company's website www.vodafone.com or from The Company Secretary, Vodafone Group Plc, Vodafone House, The Connection, Newbury, Berkshire, RG14 2FN, England