

Company Registration number: 04010406

VODAFONE VENTURES LIMITED

Annual Report and Financial Statements

for the Year Ended 31 March 2017

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VODAFONE VENTURES LIMITED

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VODAFONE VENTURES LIMITED

Company Information

Directors

P Klotz
N Vasishth

Company secretary

Vodafone Corporate Secretaries Limited

Company Registration number

04010406

Registered office

Vodafone House
The Connection
Newbury
Berkshire
RG14 2FN
England
United Kingdom

Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

VODAFONE VENTURES LIMITED

Strategic Report for the Year Ended 31 March 2017

The directors present their strategic report for the year ended 31 March 2017.

Vodafone Ventures Limited ("the Company") is a wholly owned subsidiary of Vodafone Group Plc ("the Group").

The principal activity of Vodafone Ventures Limited ("the Company") is to hold investments in companies, partnerships and other legal entities in the United Kingdom and overseas, offering services or developing technologies primarily for the mobile wireless industry.

Fair review of the business

The Company investigates suitable investment opportunities as they arise. Investments are held and investment opportunities pursued where the company, partnership or legal entity offers mobile wireless services or technology developments that will add benefit to the overall Vodafone Group. The investment portfolio is regularly reviewed and changes made through acquisitions and disposals, where this criteria is no longer met.

The directors do not anticipate that the business of the Company will change in the foreseeable future. The directors are satisfied with the position and performance of the Company.

The Company follows Vodafone Group Plc policy in managing its principal risks. The Company's financial performance is mainly influenced by movements in the valuation of its investments. The principal business risks relate to the investment strategy of the Company and the monitoring of investments and investment performance.

The Income Statement is set out on page 10 of the financial statements. For the year ended 31 March 2017 the Company recorded a profit for the financial year of £1,490,000 (2016: profit of £512,000). The results for the year ended 31 March 2017 included profits on disposal of investments of £4,022,000 (2016: 2,501,000) offset by a write down of investments of £2,457,000 (2016: £1,470,000) and administrative expenses of £40,000 (2016: £546,000).

Financial Position and Liquidity

The Statement of Financial Position is shown on page 11 of the financial statements.

During the year, fixed asset investments have decreased from £26,083,000 (FY: 2016) to £20,356,000 in the current financial year 31 March 2017. Full analysis of movements is provided in note 7 of the financial statements.

The Company had creditors of £14,608,000 at 31 March 2017 (2016: 18,000,000), predominantly relating to amounts due to group and parent undertaking and debtors of £2,750,000 (2016: £1,188,000).

For further details of amounts payable to and due from the parent company and fellow subsidiary undertakings see notes 8 and 9 of the financial statements.

The directors are of the opinion that the company's activities will continue on a similar basis for the foreseeable future.

VODAFONE VENTURES LIMITED

Strategic Report for the Year Ended 31 March 2017 (continued)

Key performance indicators

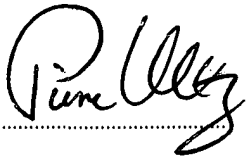
Vodafone Group Plc includes within its Annual Report a detailed review of the results of operations and financial performance. As the Company's activities relate to acquisitions and disposals of investments, offering services or developing technologies primarily for the mobile wireless industry relevant to the Vodafone Group, the Company's directors believe that further key performance indicators are not necessary or appropriate for an understanding of the development or position of the business.

Principal risks and uncertainties

The Company's financial performance is mainly influenced by movements in the valuation of its investments. The principle business risks relate to the investment strategy of the company and the monitoring of investments and investment performance.

After reviewing the Company's budget for the next financial year, latest forecasts 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.

Approved by the Board on 7/11/17 and signed on its behalf by:



P Klotz
Director

VODAFONE VENTURES LIMITED

Directors' Report for the Year Ended 31 March 2017

The directors present their report and the audited financial statements for the year ended 31 March 2017.

Future Developments

Details of the business' activities are set out in the Strategic Report.

Dividends

The directors do not recommend the payment of a final dividend (2016: £nil).

Financial risk management

The Company follows Group policy to manage its principal financial risks which include liquidity risk, market risk (interest rate management and foreign exchange management) and credit risk. The Group's treasury function provides a centralised treasury service to the Company, and follows a framework of policies and guidelines authorised and reviewed annually by the Group's management. There is an agreed and approved revolving loan arrangement with Vodafone Finance Limited to cover these financial risks.

Directors

The directors of the Company, who served throughout the year and up to the date of signing the financial statements, are as follows:

	Appointed	Resigned
P Klotz	30 June 2016	
N Vasisht	30 June 2016	
W Finegold		30 June 2016
R Osborne		23 September 2016

The company had no employees throughout the current or preceding year.

Registered office

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

VODAFONE VENTURES LIMITED

Directors' Report for the Year Ended 31 March 2017 (Continued)

Going concern

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 current liabilities of £8,070,000 (2016: £15,287,000). The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report on page 2.

The Directors have reviewed the financial position of the Company, including the arrangements with Vodafone Finance Limited. The Directors have also considered the financial position of the Company's ultimate parent Vodafone Group Plc, including centralised treasury arrangements with Vodafone Finance Limited for the availability of a credit facility.

On the basis of their assessment of the Company's financial position and of the enquiries made of the Directors of Vodafone Group Plc, the Company's Directors have no reason to believe that a material uncertainty exists that may cast doubt about the ability of Vodafone Finance Limited to continue as a going concern and thereby extend a credit facility to the Company. Accordingly, they expect that the Company will be able to continue in operational existence for the foreseeable future and hence continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Statement of Directors' responsibilities

The directors are responsible for preparing the annual report and the audited 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 101 have been followed subject to any material departures disclosed and explained in the financial statements; 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.

VODAFONE VENTURES LIMITED

Directors' Report for the Year Ended 31 March 2017 (continued)

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 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.

Statement as to disclosure of information to auditors

Having made the requisite enquiries, so far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and the directors have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Charity and political Donations

There are no charity and political donations made by the entity during the year (2016: Enil).

Research and development

The company does not perform any research or development activities.

Reappointment of auditors

PricewaterhouseCoopers LLP, having indicated its willingness to continue in office, will be deemed to be reappointed as auditor under section 487(2) of the Companies Act 2006.

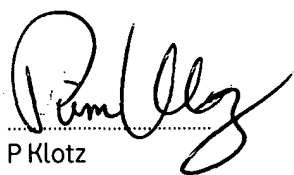
Events occurring after balance sheet date

The Company will closely monitor progress in relation to the impending exit of Great Britain from the membership of the European Union and regularly review the impact as part of the overall Group strategy.

In August 2017, the Company sold its entire investment in Cognia for £1,282,850. This has resulted in the Company further impairing its investment in Cognia by £651,515 as at 31 March 2017.

In October 2017, the Company sold its entire investment in Device Insight for £6,226,710 (£7,000,000), generating a profit on disposal of £4,559,210.

Approved by the Board on 7/11/ 2017 and signed on behalf of the Board:



P Klotz
Director

VODAFONE VENTURES LIMITED

Independent auditors' report to the members of Vodafone Ventures Limited

Report on the financial statements

Our opinion

In our opinion, Vodafone Ventures Limited financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its profit for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the statement of financial position as at 31 March 2017;
- the income statement for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

VODAFONE VENTURES LIMITED

Independent auditors' report to the members of VODAFONE VENTURES LIMITED (continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

VODAFONE VENTURES LIMITED

Independent auditors' report to the members of Vodafone Ventures Limited (continued)

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Nigel Comello (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

7 NOVEMBER 2017

VODAFONE VENTURES LIMITED**Income statement for the Year Ended 31 March 2017**

	Note	2017 £'000	2016 £'000
Administrative expenses	4	(40)	(546)
Profit on sale of investment	7	4,022	2,501
Impairment of investments	7	<u>(2,457)</u>	<u>(1,470)</u>
Profit before interest and taxation	4	1,525	485
Interest payable and similar charges	5	<u>(54)</u>	<u>(102)</u>
Profit before taxation		1,471	383
Tax credit on profit on ordinary activities	6	<u>19</u>	<u>129</u>
Profit for the financial year		<u><u>1,490</u></u>	<u><u>512</u></u>

The above results were derived from continuing operations.

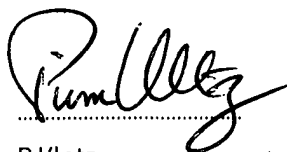
There were no income or expenses other than those recognised above and accordingly no separate statement of other comprehensive income is presented.

The notes on pages 13 to 25 form an integral part of these financial statements

VODAFONE VENTURES LIMITED**Statement of financial position as at 31 March 2017**

	Notes	2017 £'000	2016 £'000
Fixed assets			
Investments	7	20,356	26,083
Current assets			
Debtors	8	2,750	1,188
Short term investment	7	-	1,525
Cash at bank and in hand		3,788	-
Creditors: Amounts falling due within one year	9	<u>(14,608)</u>	<u>(18,000)</u>
Net current liabilities		<u>(8,070)</u>	<u>(15,287)</u>
Net assets		<u><u>12,286</u></u>	<u><u>10,796</u></u>
Capital and reserves			
Called up share capital	10	-	-
Retained earnings		<u>12,286</u>	<u>10,796</u>
Total shareholders' funds		<u><u>12,286</u></u>	<u><u>10,796</u></u>

The financial statements on pages 10 to 25 were authorised for issue by the board of directors on 7/11/ 2017 and were signed on its behalf:



P Klotz
Director

The notes on pages 13 to 25 form an integral part of these financial statements

VODAFONE VENTURES LIMITED**Statement of Changes in Equity for the Year Ended 31 March 2017**

	Called up share capital	Retained earnings	Total shareholders' funds
	£'000	£'000	£'000
At 1 April 2015	-	10,284	10,284
Profit for the financial year	-	512	512
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	512	512
At 31 March 2016	-	10,796	10,796
At 1 April 2016	-	10,796	10,796
Profit for the financial year	-	1,490	1,490
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	1,490	1,490
At 31 March 2017	-	12,286	12,286

The notes on pages 13 to 25 form an integral part of these financial statements

VODAFONE VENTURES LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2017

1. General information

The principal activity of Vodafone Ventures Limited is to hold investments in companies, partnerships and other legal entities in the United Kingdom and overseas, offering services or developing technologies primarily for the mobile wireless industry.

The company is a private company limited by share capital incorporated in United Kingdom and domiciled in England.

The address of its registered office is:

Vodafone House
The Connection
Newbury
Berkshire
RG14 2FN

Company Registration number: 04010406

These financial statements were authorised for issue by the Board on 7/11/2017.

2. Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). These financial statements were prepared under the historical cost convention and in accordance with the UK Companies act 2006, as applicable to companies using FRS101.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The Company's functional and presentational currency is 'Pounds sterling'.

VODAFONE VENTURES LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2017 (Continued)

2. Summary of significant accounting policies and key accounting estimates (continued)

Summary of disclosure exemptions

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - (i) Paragraph 79(a)(iv) of IAS 1;
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows)
 - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
 - 16 (statement of compliance with all IFRS),
 - 38A (requirement for minimum of two primary statements, including cash flow statements),
 - 38B-D (additional comparative information),
 - 40A-D (requirements for a third statement of financial position).
 - 111 (cash flow statement information), and
 - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

Going concern

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 current liabilities of £8,070,000 (2016: £15,287,000). The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report on page 2.

VODAFONE VENTURES LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2017 (Continued)

2. Summary of significant accounting policies and key accounting estimates (continued)

Changes in accounting policy and disclosures

No new or amended standards have been adopted by the Company during the year ended 31 March 2017.

Foreign currency transactions and balances

Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in "Pounds Sterling" (£) which is also the company's functional currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges. All other foreign exchange gains and losses are presented in the income statement within 'Other operating income.'

Income tax

The tax expense for the period comprises current tax. Current tax, including UK corporation 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.

Debtors

Debtors are recognised initially at fair value and subsequently measured at amortised cost using an effective interest method less provision for impairment. Estimates are based on the ageing of the debt balances and historical experience. Receivables are written off when management considers them to be irrecoverable.

Cash and cash equivalents

Cash and cash equivalents include cash in hand less bank overdrafts. In the statement of financial position, bank overdrafts are shown with creditors in current liabilities.

Creditors

Creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity.

VODAFONE VENTURES LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2017 (continued)

2. Summary of significant accounting policies and key accounting estimates (continued)

Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value. Income from the disposal of an investment is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

At each Balance sheet date, the Company reviews the carrying amounts of its investments to determine whether there is any indication that those investments have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the investment is reduced to its recoverable amount. An impairment loss is recognised immediately in the Income statement.

Where an impairment loss subsequently reverses, the carrying amount of the investment is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the investment in prior years. A reversal of an impairment loss is recognised immediately in the Income statement.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below,

(a) Impairment of debtors

The Company makes an estimate of the recoverable value of these debtors. When assessing impairment of these debtors, management considers factors including aging profile of debtors, historical experience, and recoverability of deferred sale consideration from sale of investments and the level of group support.

(b) Impairment of investments

In making the judgement for impairment of fixed asset investments, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and short-term business outlook for the investment, including factors such as technology, industry and sector performance, changes in technology and operational and financing cash flow.

VODAFONE VENTURES LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2017 (Continued)

4. Profit on ordinary activities before interest and taxation

An audit fee of £3,600 for the current year (2016: £3,800) is borne by the Company's parent undertaking. No costs were incurred by the Company in respect of non-audit services in both years.

The emoluments of all Directors are paid by the Company's parent company. Their services to this company and to a number of fellow subsidiaries are of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to the parent company.

There were no employees throughout the current or preceding year.

Administrative expenses of £40,000 (2016: £546,000) primarily represent recharges from fellow subsidiary undertakings for services provided to the Company

5. Interest payable and similar expenses

	2017	2016
	£'000	£'000
Interest payable on Group loans	54	102

6. Tax credit/(charge) on profit on ordinary activities

	2017	2016
	£'000	£'000
UK corporation tax credit at 20% (2016: 20%)	19	129
Total tax credit in the income statement	19	129

VODAFONE VENTURES LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2017 (Continued)

6. Tax credit/(charge) on profit on ordinary activities (Continued)

The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 20% (2016: 20%).

The actual tax credit for the current and previous years differs from the tax credit at the standard rate for the reasons set out in the following reconciliation:

	2017	2016
	£'000	£'000
Profit on ordinary activities before tax	1,471	383
Taxation on profit on ordinary activities before tax at standard rate of 20% (2016: 20%)	(294)	(77)
Transfer of capital losses from group companies to off-set chargeable gains	804	500
Decrease from effect of expenses not deductible	(491)	(294)
Total tax credit for the year	19	129

VODAFONE VENTURES LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2017 (Continued)

7. Investments

Shares in other fixed asset investments at cost

	2017 £'000	2016 £'000
At 1 April	33,065	34,514
Additions	1,569	2,120
Disposals	(4,839)	(2,044)
Reclass to current asset investment*	-	(1,525)
At 31 March	<u>29,795</u>	<u>33,065</u>
Provision for diminution in value		
At 1 April	(6,982)	(5,512)
Impairment in year	(2,457)	(1,470)
At 31 March	<u>(9,439)</u>	<u>(6,982)</u>
Net book value at 31 March	<u>20,356</u>	<u>26,083</u>

*The current asset investment of £1,525 relates to the Company's investment in Perfecto Mobile. This investment was disposed in June 2016.

Movements in investments during the year are summarised below:

- In April 2016, the Company acquired 1,166,667 series C follow on investment in Cognia for £350,000.
- In May 2016, the Company sold its investment in Expert maker for £929,270 generating a profit on disposal of £153,612 and acquired additional shares in Perfecto Mobile for £2,393, which relates to exercise price for warranty shares issued from Perfecto Mobile.
- In June 2016, the Company sold off its investment in Perfecto mobile for £4,410,072 generating a profit on disposal of £2,882,572. This investment was shown as current asset investment as at 31 March 2016.
- In September 2016, the Company impaired its complete investment in Caringo . The carrying value of the investment was £1,138,639.
- In January 2017, the Company sold its investment in Pontis for £5,046,437 (US\$ 6,329,241) generating a profit on disposal of £985,745. The Company also acquired additional investment of £1,000,000 in Cognia, split between £500,000 convertible loan and £500,000 equity.
- In March 2017, the Company impaired its investment in Cognia by £666,638. The Company also acquired additional investment in It's On for £216,779 (loan note). An additional impairment in Cognia of £651,515 was identified following disposal of the Company's investment during August 2017, and adjusted as part of the post balance sheet events review.

VODAFONE VENTURES LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2017 (Continued)

7. Investments (continued)

Investments have been classified between current and fixed assets as follows:

	2017 £'000	2016 £'000
Fixed asset investments	20,356	26,083
Current asset investments	-	1,525
	<u>20,356</u>	<u>27,608</u>

The directors believe that the carrying value of the investments is supported by their underlying net assets.

VODAFONE VENTURES LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2017 (Continued)

7. Investments (continued)

The company has following investments as on 31 March 2017

Company name	Country	Principal activity	Holding	%
Caringo	USA	Mobile device operating systems software	407,211 shares of Common shares	2.04
It's On	USA	Mobile payments solutions	2,256,677 shares of Series C preferred stock	6.2
Headwater Partners Inc.	USA	Consumer electronics and network equipment service provider	987,422 shares of Series C preferred stock	9.36
Cognia (previously known as Compliant Phones)	UK	Cloud voice and data solutions, for use in financial institutions, government and the Fortune 1000	3,142,000 Series A ordinary shares 1,250,000 Series B ordinary shares 5,166,665 Series C preference shares	18.0
VisionOSS	UK	Integrated, fulfilment software solutions to large enterprises and cloud-based service providers	1,394,905 Series C preference shares	8.06
Vasona	USA	Mobile networking solutions	1,442,307 shares of Series A preferred stock 1,585,204 shares of Series B preferred stock 391,096 shares of Series C preferred stock	7.0

VODAFONE VENTURES LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2017 (Continued)

7. Investments (Continued)

Company name	Country	Principal activity	Holding	%
Total Optimised Technology Power Control	Spain	Radio power control algorithms for use in base stations	111 participations 200 A ordinary shares	10
Skorpios Technologies Inc	USA	Optical communication technology	263,505 Series B shares 59,887 Series C preference stocks 32,103 Series D preference shares	4.47
Qualia (formerly Local Response)	USA	Targeted mobile advertising software	279,964 Series A shares	1.8
Affirmed Network LLC	USA	Wireless technology	1,626,017 shares of B and 314,466 shares of C preferred stock	1.8
Finsphere	USA	Secure mobile digital identity management solutions	6,240,539 shares of Series B preferred stock	7.67
Disternet Technology Inc	Canada	Technology solutions for broadband providers	418,000 common shares	5.85
Device Insight	Germany	M2M technology	8,914 preferred B shares	20.3
Flybits Inc	Canada	Provision of context-aware software for mobile devices	42,771 Series A preference shares	8.9
Cellera	Israel	Fuel cell technology	510,030 shares of Series C preferred stock	14.75

VODAFONE VENTURES LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2017 (Continued)

7. Investments (Continued)

Warrants and Options

The Company held warrants in respect of the following at 31 March 2017.

- 1,880,000 shares in Disternet Technology, Inc. in 3 tranches. Tranche 1 and 2 have vested, and the second tranche was exercised in the previous year, leaving 1,462,000 warrants outstanding. The first tranche has not been exercised;
- Two tranches of 231,424 shares each in Kumu. Each tranche will vest upon the achievement of two separate milestones. Neither tranche has vested;
- A total of 8,324,931 shares in Argyle Data in two tranches upon achievement of certain milestones. The first tranche has vested but has not been exercised;
- 14,000 shares in FlyBits Inc in two tranches. One tranches has vested but has not been exercised. A further tranche for 6,000 shares lapsed during the year.
- 1% of the fully diluted outstanding capitalisation of Luminate Inc in four tranches representing 0.15%, 0.15%, 0.3% and 0.4% of its capitalisation. Tranches representing 0.3% of the capitalisation have lapsed during the year. None of the other tranches have as yet vested.

VODAFONE VENTURES LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2017 (Continued)

8. Debtors

	2017	2016
	£'000	£'000
Group relief receivable	19	129
Other receivables	2,338	671
Amounts owed by Group undertakings	393	388
	<u>2,750</u>	<u>1,188</u>

Other receivables balance includes £2,213k (2016: £671k) receivable from the sale of investments.

Amounts owed by Group undertakings relate to trading balances are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

All amounts fall due within one year.

9. Creditors: amounts falling due within one year

	2017	2016
	£'000	£'000
Amount owed to Group undertakings	14,608	18,000
	<u>14,608</u>	<u>18,000</u>

The amounts owed to Group undertakings represent a revolving credit facility with Vodafone Finance Limited for an amount up to £23,000,000, available for three years, automatically renewable on a rolling twelve month basis (last renewed in October 2016), bearing interest at 1 month LIBOR + 1%.

10. Called up share capital

	2017	2016
	£	£
Allotted, called up and fully paid:		
1 ordinary share (2016: 1) of £1	1	1
	<u>1</u>	<u>1</u>

VODAFONE VENTURES LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2017 (Continued)

11. Related party disclosures

The company has taken advantage of exemption granted by paragraph 8 under FRS 101 reduced disclosure, Related Party Disclosures, not to disclose transactions with Vodafone group Plc group companies.

12. Controlling parties

The immediate parent company of Vodafone Ventures Limited is Vodafone Group Plc a company which is incorporated in the United Kingdom and registered in England and Wales. The ultimate parent company and controlling entity of Vodafone Ventures Limited, 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.

A copy of the financial statements of Vodafone Group Plc for the year ended 31 March 2017 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

13. Events after the end of reporting year

The Company will closely monitor progress in relation to the impending exit of Great Britain from the membership of the European Union and regularly review the impact as part of the overall Group strategy.

In August 2017, the Company sold its entire investment in Cognia for £1,282,850. This has resulted in the Company further impairing its investment in Cognia by £651,515 as at 31 March 2017.

In October 2017, the Company sold its entire investment in Device Insight for £6,226,710 (£7,000,000), generating a profit on disposal of £4,559,210.