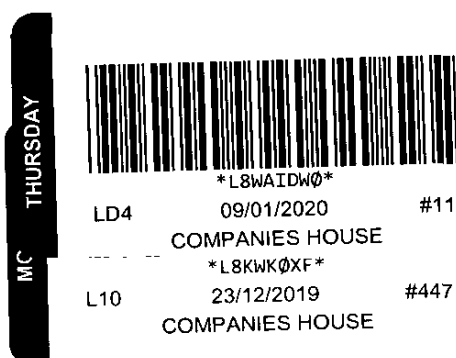


VODAFONE OVERSEAS FINANCE LIMITED
COMPANY NO: 4171115
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019



VODAFONE OVERSEAS FINANCE LIMITED

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VODAFONE OVERSEAS FINANCE LIMITED

Company No: 4171115

STRATEGIC REPORT

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006 for the year ended 31 March 2019.

Principal activity and review of business

The principal activity of Vodafone Overseas Finance Limited (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 directors are satisfied with the position and performance of the Company.

Results and dividends

The income statement is set out on page 4 of the financial statements. For the year ended 31 March 2019, there was a loss on ordinary activities after taxation of €954,080,000 (2018: profit of €83,860,000). The loss for the year has arisen primarily due to an impairment of the fixed asset investment. The net asset position at 31 March 2019 was €1,429,619,000 (2018: net asset position of €2,383,699,000).

The directors do not recommend the payment of a dividend (2018: €nil).

Principal risks and uncertainties and financial risk management

Details of principal risks and uncertainties and financial risk management can be found in the report of the directors on page 2 and form part of this report by cross reference.

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 19 December 2019 and was authorised for issue and signed on its behalf by:


M Finn
Director

VODAFONE OVERSEAS FINANCE LIMITED

Company No: 4171115

REPORT OF THE DIRECTORS

The directors submit their annual report and unaudited financial statements for the year ended 31 March 2019.

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.

Principal risks and uncertainties and financial risk management

The Company's principal risks are foreign exchange risk and interest rate risk on inter-company balances. The Company manages changes in foreign exchange rates using financial instruments. The Company monitors net levels of borrowings and interest, aligned with Group practice.

Dividends

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

Going concern

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.

Directors

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

S Bailey

M Finn

J P Mitchell

A T Raggett

Audit exemption

For the year ended 31 March 2019 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 OVERSEAS FINANCE LIMITED

Company No: 4171115

REPORT OF THE DIRECTORS (CONTINUED)

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgments 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.

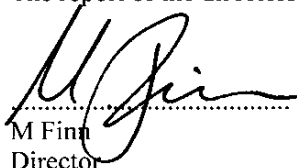
The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

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 19 December 2019 and signed on its behalf by:


M Finn
Director

VODAFONE OVERSEAS FINANCE LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2019

| | Note | 2019 € 000 | 2018 € 000 |
|--|------|-------------------------|----------------------|
| Administrative expenses | 2 | (8) | (8) |
| Impairment of fixed asset investment | 3 | <u>(985,926)</u> | <u>-</u> |
| Operating loss | | (985,934) | (8) |
| Interest receivable and similar income | 4 | 85,536 | 129,077 |
| Interest payable and similar charges | 5 | <u>(44,545)</u> | <u>(24,868)</u> |
| (Loss)/profit before tax | | (944,943) | 104,201 |
| Income tax | 6 | <u>(9,137)</u> | <u>(20,341)</u> |
| (Loss)/profit for the financial year | | <u><u>(954,080)</u></u> | <u><u>83,860</u></u> |

A statement of comprehensive income has not been presented as no items of comprehensive income or loss other than the loss for the financial year were incurred during the year. As such total comprehensive loss for the financial year amounted to a loss of €954,080,000 (2018: profit of €83,860,000).

All results are derived from continuing operations.

The accompanying notes are an integral part of these financial statements.

VODAFONE OVERSEAS FINANCE LIMITED

Company No: 4171115

STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2019

| | Note | 2019 € 000 | 2018 € 000 |
|--|------|--------------------|--------------------|
| FIXED ASSETS | | | |
| Investments | 7 | 109,829 | - |
| CURRENT ASSETS | | | |
| Debtors: Amounts falling due within one year | 8 | 4,102,550 | 4,693,987 |
| Cash at bank and in hand | | 30 | 30 |
| | | <u>4,102,580</u> | <u>4,694,017</u> |
| CREDITORS: Amounts falling due within one year | 9 | <u>(2,782,790)</u> | <u>(2,310,318)</u> |
| NET CURRENT ASSETS | | <u>1,319,790</u> | <u>2,383,699</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>1,429,619</u> | <u>2,383,699</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 10 | 11,950 | 11,950 |
| Share premium account | | 1,183,010 | 1,183,010 |
| Profit and loss account | | <u>234,659</u> | <u>1,188,739</u> |
| TOTAL SHAREHOLDERS' FUNDS | | <u>1,429,619</u> | <u>2,383,699</u> |

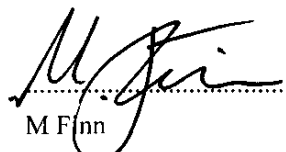
For the financial year ended 31 March 2019 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Members have not required the Company to obtain an audit in accordance with Section 476 of the Companies Act 2006.

The directors' acknowledge their responsibility for:

- ensuring the Company keeps accounting records which comply with Section 386 of the Companies Act 2006; and
- preparing accounts which give a true and fair view of the state of affairs of the Company at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of Section 394 and 395, and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the Company.

The financial statements on pages 4 to 14 were approved by the Board on 19 December 2019 and signed on its behalf by:


 M Finn
 Director

The accompanying notes are an integral part of these financial statements.

VODAFONE OVERSEAS FINANCE LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2019

| | Called up share capital € 000 | Share premium account € 000 | Profit and loss account € 000 | Total shareholders' funds € 000 |
|-------------------------------|--|--|--|--|
| Balance as at 1 April 2017 | 11,950 | 1,183,010 | 1,104,879 | 2,299,839 |
| Profit for the financial year | - | - | 83,860 | 83,860 |
| Balance as at 31 March 2018 | 11,950 | 1,183,010 | 1,188,739 | 2,383,699 |
| Balance as at 1 April 2018 | 11,950 | 1,183,010 | 1,188,739 | 2,383,699 |
| Loss for the financial year | - | - | (954,080) | (954,080) |
| Balance as at 31 March 2019 | 11,950 | 1,183,010 | 234,659 | 1,429,619 |

A statement of comprehensive income has not been presented as no items of comprehensive income or loss other than the loss for the financial year were incurred during the year. As such total comprehensive loss for the financial year amounted to a loss of €954,080,000 (2018: profit of €83,860,000).

The accompanying notes are an integral part of these financial statements.

VODAFONE OVERSEAS FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

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

1.1 Basis of preparation of financial statements

The Company's financial statements have been prepared using the historical cost convention as modified by the revaluation of certain financial assets and financial liabilities measured at fair value through profit or loss and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards. The Company meets the definition of a qualifying entity and has accordingly adopted Financial Reporting Standard 101 "Reduced disclosure framework" ("FRS 101"). Therefore the recognition and measurement requirements of EU-adopted IFRS have been applied with amendments where necessary in order to comply with Companies Act 2006 and The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) as these are Companies Act 2006 financial statements. The Company will continue to prepare its financial statements in accordance with FRS 101 on an ongoing basis until such time as it notifies shareholders of any change to its chosen accounting framework. The financial statements have been prepared on a going concern basis.

The following exemptions available under FRS 101 have been applied:

- IFRS 7 "Financial Instruments: Disclosures";
- Paragraph 91 to 99 of IFRS 13, "Fair value measurement" (disclosure of valuation techniques and inputs used for fair value measurements of assets and liabilities);
- The requirements in paragraph 38 of IAS 1 "Presentation of financial statements" comparative information requirements in respect of paragraph 79(a)(iv) of IAS 1;
- The following requirements of IAS 1 "Presentation of financial statements":
 - 10(d) (statement of cash flows);
 - 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).
- The requirements of IAS 7 "Statement of cash flows";
- The requirements of 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);
- The requirements in paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 "Impairment of assets" relating to estimates used to measure recoverable amounts;

VODAFONE OVERSEAS FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

1 Accounting policies (continued)

- The requirements in paragraph 17 of IAS 24 “Related party disclosures” relating to key management compensation; and
- The requirements in IAS 24 “Related party disclosures” to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary is a party to the transaction is wholly owned by such a member.

Where required, equivalent disclosures are given in the consolidated financial statements of Vodafone Group Plc which are available to the public and can be obtained from the Vodafone website www.vodafone.com.

1.2 Corporate information

The Company is a private limited company incorporated and domiciled in England and Wales.

The address of its registered office is Vodafone House, The Connection, Newbury, Berkshire, RG14 2FN, England.

The information on its ultimate parent is presented in Note 12.

1.3 Critical accounting judgements and key sources of estimation uncertainty

In preparing the financial statements for the year, management has not used any significant assumptions.

1.4 Presentation and functional currency

The Company’s financial statements are presented in euro, which is its functional and presentational currency. The euro is the primary currency in which the Company’s financing activities and investment returns are denominated.

The euro to sterling exchange rate at 31 March 2019 was 0.86 (2018: 0.88). The average euro to sterling exchange rate for the year ended 31 March 2019 was 0.88 (2018: 0.88).

1.5 Foreign currency

Transactions in foreign currencies are initially recorded at the functional rate of currency prevailing on the date of the transaction. Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated. All other assets and liabilities denominated in foreign currencies are retranslated into the Company’s functional currency at the rates prevailing on the reporting period date. Exchange differences arising on retranslation or settlement are recognised in the income statement for the period.

1.6 Investments

Shares in group undertakings held as fixed assets are stated at cost less provision for impairment. The Company assesses investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. If any such indication exists, the Company makes an estimate of the recoverable amount. If the recoverable amount of the investment is less than the value of the investment, the investment is considered to be impaired and is written down to its recoverable amount. An impairment loss is recognised immediately in the income statement.

VODAFONE OVERSEAS FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

1 Accounting policies (continued)

1.7 Debtors

Amounts owed to subsidiaries are classified and recorded at amortised cost (2018: classified as loans and receivables) and reduced by allowances for expected credit losses. Estimate future credit losses are first recorded on initial recognition of a receivable and are based on estimated probability of default. Individual balances are written off when management deems them not to be collectible.

1.8 Cash at bank and in hand

Cash at bank and in hand include cash at bank held on a short-term basis with an original maturity of three months or less. The carrying amount approximates their fair values.

1.9 Creditors

Interest bearing loans are initially measured at fair value (which is equal to cost at inception) and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds net of transaction costs and the amount due on settlement or redemption of borrowings is recognised over the term of the borrowing.

1.10 Impairment of financial assets

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial assets original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in the income statement. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed either directly or by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in the income statement.

1.11 Cash flow statement

In accordance with the provisions of FRS 101, 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 a consolidated cash flow statement, and which are publicly available.

VODAFONE OVERSEAS FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

1 Accounting policies (continued)

1.12 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 reporting period date.

Deferred tax is provided in full on temporary differences that exist at the reporting period date and that result in an obligation to pay more tax, or a right to pay less tax in the future. The deferred tax is measured at the rate expected to apply in the periods in which the temporary differences are expected to reverse, based on the tax rates and laws that are enacted or substantively enacted at the reporting period date. Temporary differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those which are included in the Company financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

1.13 Share capital and share premium

Equity instruments issued by the Company are recorded as the proceeds received, net of direct issuance costs.

1.14 Interest receivable and payable

Interest receivable and payable are recognised in the income statement in the year in which they are accrued.

1.15 New standards, amendments and IFRIC interpretations

No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 March 2019, have had a material impact on the Company.

2 Administrative expenses

As the Company is exempt from audit, no audit fees were borne by the Company in the current year (2018: €nil).

The directors did not receive any remuneration from the Company in the financial year (2018: €nil). Their remuneration was paid by Vodafone Group Services Limited.

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

Employees who are involved in the management and operation of the Company have contracts of service with other Group entities and therefore their remuneration is included within those entities' financial statements.

VODAFONE OVERSEAS FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

3 Impairment of fixed asset investments

| | 2019 | 2018 |
|---------------------------------------|----------------|--------------|
| | € 000 | € 000 |
| Impairment of fixed asset investments | <u>985,926</u> | <u>-</u> |

4 Interest receivable and similar income

| | 2019 | 2018 |
|---|---------------|----------------|
| | € 000 | € 000 |
| Interest receivable from group undertakings | 84,981 | 128,140 |
| Agency fee from group undertakings | <u>555</u> | <u>937</u> |
| | <u>85,536</u> | <u>129,077</u> |

5 Interest payable and similar charges

| | 2019 | 2018 |
|--|---------------|----------------|
| | € 000 | € 000 |
| Interest payable to group undertakings | 39,474 | 28,452 |
| Net foreign exchange losses | <u>5,071</u> | <u>(3,584)</u> |
| | <u>44,545</u> | <u>24,868</u> |

6 Income tax

Tax charged in the income statement:

| | 2019 | 2018 |
|--|----------------|-----------------|
| | € 000 | € 000 |
| UK corporation tax expense | (8,776) | (19,798) |
| UK corporation tax adjustment to prior periods | <u>(361)</u> | <u>(543)</u> |
| | <u>(9,137)</u> | <u>(20,341)</u> |
| Foreign tax | (6,362) | (9,870) |
| Double taxation relief | <u>6,362</u> | <u>9,870</u> |
| | <u>-</u> | <u>-</u> |
| Total current income tax expense | <u>(9,137)</u> | <u>(20,341)</u> |
| Total tax expense in the income statement | <u>(9,137)</u> | <u>(20,341)</u> |

VODAFONE OVERSEAS FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

6 Income tax (continued)

The actual tax expense for the current and previous year differs from the tax expense at the standard rate of corporation tax in the UK of 19% (2018: 19%) for the reasons set out in the reconciliation below:

| | 2019 € 000 | 2018 € 000 |
|---|-----------------------------|-----------------------------|
| (Loss)/profit before tax | <u>(944,943)</u> | <u>104,201</u> |
| Corporation tax at the standard rate of 19% (2018: 19%) | 179,539 | (19,798) |
| Factors affecting the tax expense for the year: | | |
| Prior period adjustments | (361) | (543) |
| Overseas tax suffered | (6,362) | (9,870) |
| Double taxation relief | 6,362 | 9,870 |
| Other permanent differences | (989) | - |
| Impairment of fixed asset investment | <u>(187,326)</u> | <u>-</u> |
| Total tax expense | <u>(9,137)</u> | <u>(20,341)</u> |

A reduction in the UK corporation tax rate from 19% to 17% from 1 April 2020 was substantively enacted in Finance Act 2016.

7 Investments

| | 2019 € 000 |
|---------------------------------------|-----------------------------|
| Shares in Group undertakings | |
| Cost | |
| 1 April | - |
| Additions | <u>1,095,755</u> |
| 31 March | <u>1,095,755</u> |
| Provisions | |
| 1 April | - |
| Impairment of fixed asset investments | <u>985,926</u> |
| 31 March | <u>985,926</u> |
| Net book value | |
| 31 March | <u>109,829</u> |

On 28 January 2019, some of the loan owed by Ghana Telecommunications Company Limited was converted to irredeemable non-cumulative preference shares.

VODAFONE OVERSEAS FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

8 Debtors: amounts falling due within one year

| | 2019 | 2018 |
|---|------------------|------------------|
| | € 000 | € 000 |
| Amounts owed by ultimate parent undertaking | 1,002,971 | 669,254 |
| Amounts owed by group undertakings | 3,099,579 | 4,024,733 |
| | <u>4,102,550</u> | <u>4,693,987</u> |

9 Creditors: amounts falling due within one year

| | 2019 | 2018 |
|---|------------------|------------------|
| | € 000 | € 000 |
| Amounts owed to ultimate parent undertaking | 2,616,878 | 2,128,549 |
| Amounts owed to group undertakings | 163,498 | 171,841 |
| Group relief payable | 2,414 | 9,928 |
| | <u>2,782,790</u> | <u>2,310,318</u> |

10 Called up share capital

Allotted, called up and fully paid shares

| | 2019 | 2018 |
|--|---------------|---------------|
| | € 000 | € 000 |
| 9,448,566 (2018: 9,448,566) ordinary shares of £1 each | <u>11,950</u> | <u>11,950</u> |

11 Related party transactions

The Company is a wholly owned subsidiary of Vodafone Group Plc and has taken advantage of the exemption granted by paragraph 8(k) FRS 101, not to disclose transactions with Vodafone Group Plc Group companies or interests of the Group who are wholly owned related parties.

VODAFONE OVERSEAS FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

11 Related party transactions (continued)

Income and receivables from related parties

| | Subsidiary € 000 |
|---------------------------------------|-----------------------------|
| 2019 | 44,699 |
| Amounts receivable from related party | <u>44,699</u> |
| 2018 | Subsidiary € 000 |
| Amounts receivable from related party | <u>1,004,975</u> |

12 Parent and ultimate parent undertaking

The Company's immediate parent is Vodafone Finance Limited, a company registered in England and Wales. The ultimate parent company and controlling entity of Vodafone Overseas Finance 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. 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 2019 may be obtained from Vodafone's website www.vodafone.com or from The Company Secretary, Vodafone Group Plc, Vodafone House, The Connection, Newbury, Berkshire, RG14 2FN, England.