

**VODAFONE UK LIMITED**

**Company No: 02227940**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 March 2015**

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Company No 02227940

**VODAFONE UK LIMITED**

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**VODAFONE UK LIMITED**

**REPORT OF THE DIRECTORS**

The directors submit their annual report and unaudited financial statements for the financial year ended 31 March 2015

**Principal activity and review of business**

The Company's principal activity during the year continued to be that of an investment holding company. The directors do not anticipate that the business of the Company will change in the foreseeable future.

The Company has met the requirements in the Companies Act 2006 to obtain the exemption from the need to present a Strategic report.

**Results and dividends**

The profit and loss account is set out on page 4 of the financial statements. For the year ended 31 March 2015, there was a profit on ordinary activities after taxation of £2,742,000 (2014 profit of £6,998,000).

The directors do not recommend the payment of a dividend (2014: £nil).

**Directors**

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

D Galli

H Hoencamp

H Lamprell

**Financial Risk Management**

The Company's operations expose it to a variety of financial risks that include liquidity risk, market risk (interest rate management and foreign exchange management) and credit risk in relation to its lending and investment activities. The Company follows Vodafone Group (the "Group") policy in managing its principal risks. Financial risk management is explained in more detail in note 11 of these financial statements.

**Registered office**

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

**VODAFONE UK LIMITED**

**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 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, 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 to 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 30 November 2015 and signed on its behalf by

  
L. Miles

(For Vodafone Corporate Secretaries Limited)  
Secretary

**VODAFONE UK LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 £'000	2014 £'000
Amounts written off investments	5	(4,600)	-
Net interest receivable	3	9,290	9,088
Profit on ordinary activities before taxation		4,690	9,088
Tax charge on profit on ordinary activities	4	(1,948)	(2,090)
Retained profit for the financial year	9	2,742	6,998

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 UK LIMITED

## BALANCE SHEET

AT 31 MARCH 2015

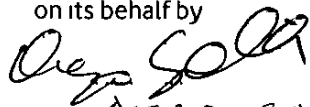
	Note	2015 £'000	2014 £'000
<b>FIXED ASSETS</b>			
Investments	5	990,554	990,554
		<u>990,554</u>	<u>990,554</u>
<b>CURRENT ASSETS</b>			
Debtors	6	2,954,473	2,938,913
<b>CURRENT LIABILITIES</b>			
Creditors amounts falling due within one year	7	(1,266,592)	(1,253,774)
<b>NET CURRENT ASSETS</b>		<u>1,687,881</u>	<u>1,685,139</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,678,435</u>	<u>2,675,693</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	1,560,000	1,560,000
Reserves	9	1,118,435	1,115,693
<b>TOTAL SHAREHOLDERS' FUNDS</b>	10	<u>2,678,435</u>	<u>2,675,693</u>

For the year ended 31 March 2015 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 <sup>2015</sup>30 November and were authorised for issue and signed on its behalf by

  
DAVID GALT  
Director

The accompanying notes are an integral part of these financial statements

**VODAFONE UK LIMITED**  
**NOTES ON THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**1. Statement of accounting policies**

The particular accounting policies adopted in respect of material items are described below. The accounting policies have been applied on a consistent basis during the year and the preceding year.

**Basis of preparation**

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

The directors have reasonable expectation that the Company will continue in existence for the foreseeable future. As required by Financial Reporting Standard ("FRS") 18 Accounting Policies, 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.

As a wholly owned indirect 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.

**Investments**

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

**Cash flow statement**

In accordance with the provisions of Financial Reporting Standard 1 (Revised 1996), 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.

**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.

**VODAFONE UK LIMITED**

**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2015**

**2 Administrative expenses**

The directors did not receive any remuneration for their services from the Company in the financial year (2014 £nil)

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

**3 Net interest receivable**

	2015 £'000	2014 £'000
Interest receivable and similar income		
Group	15,563	15,330
Interest payable and similar charges		
Group	(6,273)	(6,242)
	<u>9,290</u>	<u>9,088</u>

**4. Tax charge on profit on ordinary activities**

	2015 £'000	2014 £'000
UK corporation tax charge at 21% (2014 23%)	1,951	2,090
Prior Year Adjustment	(3)	-
Total tax charge on profit on ordinary activities	<u>1,948</u>	<u>2,090</u>

The standard rate of tax for the financial year, based on the UK standard rate of corporation tax, is 21% (2014 23%) The actual tax charge for the current and previous year differs from the tax charge at the standard rate for the reasons set out in the following reconciliation

	2015 £'000	2014 £'000
Profit on ordinary activities before tax	4,690	9,088
Tax on profit on ordinary activities before tax at standard rate of 21% (2014 23%)	985	2,090
Prior year adjustments	(3)	-
Permanent differences	966	-
Current tax charge for the year	<u>1,948</u>	<u>2,090</u>



**VODAFONE UK LIMITED**  
**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**5. Investments**

	£'000
Cost	
At 1 April 2014	990,856
Additions	4,600
At 31 March 2015	<u>995,456</u>
Provisions for diminution in value	
At 1 April 2014	(302)
Amounts provided for during the year	(4,600)
At 31 March 2015	<u>(4,902)</u>
Net Book Value	
At 1 April 2014 and 31 March 2015	<u>990,554</u>

During the year the Company increased the value of the investment in Mobile By Sainsbury's Limited by £4,600,000. This amount has subsequently been impaired in full.

<u>Investment held</u>	<u>Principal activity</u>	<u>Holding and Voting Rights %</u>
Aspective Limited	Non-trading	100
Cellops Limited	Non-trading	100
Cellular Operations Limited	Non-trading	60
Central Communications Group Limited	Non-trading	100
FB Holdings Limited	Holding company	100
Flexphone Limited	Non-trading	100
Generation Telecom Limited	Non-trading	100
Dataroam Limited	Non-trading	100
ISIS Telecommunication Management Limited	Non-trading	100
Erudite Systems Limited	Non-trading	100
Le Bunt Holdings Limited	Holding company	100
Mobile By Sainsbury's Limited	Telecommunication Services	50

**VODAFONE UK LIMITED**  
**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**5. Investments (continued)**

<u>Investment held</u>	<u>Principal activity</u>	<u>Holding and Voting Rights %</u>
Singlepoint (4U) Limited	Non-trading	100
Vodafone Business Services Limited	Non-trading	100
Vodafone Central Services Limited	Non-trading	100
Project Telecom Holdings Limited	Non-trading	100
Silver Stream Investments Limited	Holding company	100
Townley Communications Limited	Non-trading	100
Vodafone Distribution Holdings Limited	Non-trading	100
Oxygen Solutions Limited	Non-trading	100
Vodafone Hire Limited	Non-trading	100
Vodafone Leasing Limited	Non-trading	100
Vodafone Mobile Commerce Limited	Non-trading	100
Vodafone Multimedia Limited	Non-trading	50
C S P Solutions Limited	Non-trading	100
Vodafone Property Investments Limited	Investment in and leasing of Group HQ	100
Vodafone Specialist Communications Limited	Non-trading	100
Vodafone UK Content Services Limited	Non-trading	100
Vodafone UK Investments Limited	Non-trading	100
Vodafone Partner Services Limited	Non-trading	100
Vodafone -Central Limited	Non-trading	100

VODAFONE UK LIMITED

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

5. Investments (continued)

<u>Investment held</u>	<u>Principal activity</u>	<u>Holding and Voting Rights %</u>
Central Telecom(Northern) Limited	Non-trading	100
CT Networks Limited	Non-trading	100
How2 Telecom Limited	Non-trading	100
Telecommunications Europe Limited	Non-trading	100
The Old Telecom Sales Co Limited	Non-trading	100
PT Network Services Limited	Non-trading	100
T W Telecom Limited	Non-trading	100
Acorn Communications Limited	Non-trading	100
PTI Telecom Limited	Non-trading	100
Ternhill Communications Limited	Non-trading	100
Mobile 4 Business Com Limited	Non-trading	100
Vodafone Partner Services Limited	Non-trading	100
FM Associates (UK) Limited	Non-trading	100
Singlepoint Payment Services Limited	Non-trading	100
AAA (Euro) Limited	Non-trading	100

**VODAFONE UK LIMITED**  
**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**5. Investments (continued)**

<u>Investment held</u>	<u>Principal activity</u>	<u>Holding and Voting Rights %</u>
AAA (MCR) Limited	Non-trading	100
AAA (UK) Limited	Non-trading	100
Uniqueair Limited	Non-trading	100
Vodafone (Scotland) Limited	Non-trading	100
Pinnacle Cellular Group Limited	Non-trading	100
Pinnacle Cellular Limited	Non-trading	100
Woodend Group Limited	Non-trading	100
Woodend Holdings Limited	Non-trading	100
Woodend Cellular Limited	Non-trading	100
Woodend Communications Limited	Non-trading	100
Vodafone Connect Limited	Non-trading	100
Emtel Europe Limited	Non-trading	100
Mobile Phone Centre Limited	Non-trading	100
P C P (North West) Limited	Non-trading	100
Vodafone Connect 2 Limited	Non-trading	100

# VODAFONE UK LIMITED

## NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

### 5 Investments (continued)

<u>Investment held</u>	<u>Principal activity</u>	<u>Holding and Voting Rights %</u>
Vodafone Corporate Limited	Non-trading	100
Vodafone M C Mobile Services Limited	Non-trading	100
Vodafone Retail (Holdings) Limited	Non-trading	100
Astec Communications Limited	Non-trading	100
Nat Comm Air Limited	Non-trading	100
Peoples Phone Limited	Non-trading	100
Vodafone (NI) Limited	Non-trading	100
Vodafone Retail Limited	Non-trading	100
Talkland Airtime Services Limited	Non-trading	100
Talkland Communications Limited	Non-trading	100
Talkland Midlands Limited	Non-trading	100
Global Cellular Rental Limited	Non-trading	100
Vodafone Old Show Ground Site Management Limited	Non-trading	100

All shareholdings are in ordinary shares with the exception of Vodafone Partner Services Limited (formerly Yes Telco Limited), in which Vodafone UK Limited holds £1 redeemable preference shares, and Aspective Limited, in which Vodafone UK Limited holds A, B and C preference shares of 0.1p each

With the exception of FB Holdings Limited, Le Bunt Holdings Limited and Silver Stream Investments Limited, which are Guernsey registered companies, all companies are registered in England and Wales

**VODAFONE UK LIMITED**  
**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**6. Debtors**

	2015 £'000	2014 £'000
Amounts owed by group undertakings	<u>2,954,473</u>	<u>2,938,913</u>

**7. Creditors amounts falling due within one year**

	2015 £'000	2014 £'000
Amounts due to group undertakings	1,264,641	1,251,684
Group relief payable	1,951	2,090
	<u>1,266,592</u>	<u>1,253,774</u>

**8. Called up share capital**

	2015 £'000	2014 £'000
<b>Allotted, issued and fully paid</b>		
1,560,000,002 ordinary shares of £1 each	<u>1,560,000</u>	<u>1,560,000</u>

**9. Reserves**

	Profit and loss account £'000
Balance at 1 April 2014	1,115,693
Profit for the financial year	<u>2,742</u>
Balance at 31 March 2015	<u>1,118,435</u>

## VODAFONE UK LIMITED

### NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2015

##### 10. Reconciliation of movements in shareholders' funds

	2015 £'000	2014 £'000
Opening shareholders' funds	2,675,693	2,668,695
Profit for the financial year	2,742	6,998
Closing shareholders' funds	<u>2,678,435</u>	<u>2,675,693</u>

##### 11 Financial risk management

The Company follows Group policy to manage its principal 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 service to the Group, and follows a framework of policies and guidelines authorised and reviewed annually by the Group's management.

The Group's internal auditors review the internal control environment regularly. There has been no significant change during the financial year to the types of financial risks faced by the Company, or the Company's approach to the management of those risks.

Further details of the Group's policies can be found in the annual report and financial statements of Vodafone Group Plc for the year ended 31 March 2015, which does not form part of this report.

##### 12 Related party transactions

The Company has taken advantage of the exemption granted by paragraph 3(c) of FRS 8, Related Party Disclosures, not to disclose transactions with wholly owned Vodafone Group Plc group companies or interests of the Group who are related parties. There are no transactions with any other related parties.

##### 13. Ultimate parent company

The immediate and ultimate parent company and controlling entity of Vodafone UK 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 2015 may be obtained from the company's website [www.vodafone.com](http://www.vodafone.com) or from The Company Secretary, Vodafone Group Plc, Vodafone House, The Connection, Newbury, Berkshire, RG14 2FN, England.