

VODAFONE UK LIMITED

Company No: 02227940

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2014

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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 2014

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 principal risks and uncertainties facing the Company 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 these financial statements.

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 2014, there was a profit on ordinary activities after taxation of £6,998,000 (2013: profit of £7,559,000).

The directors do not recommend the payment of a dividend (2013: £nil).

Directors

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

	Appointed	Resigned
D Galli		
J G Laurence		6 November 2013
J Campbell		6 November 2013
H Hoencamp	6 November 2013	
H Lamprell	6 November 2013	

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 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 16/12/14 and signed on its behalf by


Winifred Chime
(Director
For Vodafone Corporate Secretaries Limited)
Secretary

VODAFONE UK LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2014

	Note	2014 £'000	2013 £'000
Amounts written off investments	5	-	(302)
Net interest receivable	3	9,088	10,343
Profit on ordinary activities before taxation		9,088	10,041
Tax charge on profit on ordinary activities	4	(2,090)	(2,482)
Retained profit for the financial year	9	6,998	7,559

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 2014**

	Note	2014 £'000	2013 £'000
FIXED ASSETS			
Investments	5	990,554	990,554
		<u>990,554</u>	<u>990,554</u>
CURRENT ASSETS			
Debtors amounts falling due within one year	6	2,938,913	2,929,328
CURRENT LIABILITIES			
Creditors amounts falling due within one year	7	(1,253,774)	(1,251,187)
NET CURRENT ASSETS		<u>1,685,139</u>	<u>1,678,141</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,675,693</u>	<u>2,668,695</u>
CAPITAL AND RESERVES			
Called up share capital	8	1,560,000	1,560,000
Reserves	9	1,115,693	1,108,695
TOTAL SHAREHOLDERS' FUNDS	10	<u>2,675,693</u>	<u>2,668,695</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 16/12/14 and were authorised for issue and signed on its behalf by



D Gall
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 2014

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 Company did not trade in the financial year. 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.

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 2014

2. Administrative expenses and operating (loss)/profit

The directors did not receive any remuneration for their services 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. Net interest receivable

	2014 £'000	2013 £'000
Interest receivable and similar income		
Group	15,330	16,553
Interest payable and similar charges		
Group	(6,242)	(6,210)
	<u>9,088</u>	<u>10,343</u>

4. Tax charge on profit on ordinary activities

	2014 £'000	2013 £'000
UK corporation tax charge at 23% (2013 24%)	<u>2,090</u>	<u>2,482</u>

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

	2014 £'000	2013 £'000
Profit on ordinary activities before tax	<u>9,088</u>	<u>10,041</u>
Tax on profit on ordinary activities before tax at standard rate of 23% (2013 24%)	2,090	2,410
Factors affecting tax charge for the year		
Amounts written off investments	<u>-</u>	<u>72</u>
Current tax charge for the year	<u>2,090</u>	<u>2,482</u>

VODAFONE UK LIMITED
NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2014

5. Investments

		£'000
Cost		
At 1 April 2013 and 31 March 2014		<u>990,856</u>
Provisions for diminution in value		
At 1 April 2013 and 31 March 2014		<u>302</u>
Net Book Value		
At 1 April 2013 and 31 March 2014		<u>990,554</u>
<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
IES Telecom Limited	Non-trading	100
ISIS Telecommunication Management Limited	Non-trading	100
ISIS Telecommunication Management (North) Limited	Non-trading	49
Le Bunt Holdings Limited	Holding company	100
Singlepoint (4U) Limited	Non-trading	100
Vodafone Business Services Limited	Non-trading	100
Vodafone Central Services Limited	Non-trading	100

VODAFONE UK LIMITED
NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2014

5 Investments (continued)

<u>Investment held</u>	<u>Principal activity</u>	<u>Holding and Voting Rights %</u>
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
Vodafone Distribution 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
Vodafone Paging Holdings 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

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 2014

6 Debtors: amounts falling due within one year

	2014 £'000	2013 £'000
Amounts owed by group undertakings	<u>2,938,913</u>	<u>2,929,328</u>

7. Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Amounts due to group undertakings	1,251,684	1,248,705
Group relief payable	2,090	2,482
	<u>1,253,774</u>	<u>1,251,187</u>

8 Called up share capital

	2014 £'000	2013 £'000
Allotted, issued and fully paid		
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 2013	1,108,695
Profit for the financial year	6,998
Balance at 31 March 2014	<u>1,115,693</u>

VODAFONE UK LIMITED

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

10. Reconciliation of movements in shareholders' funds

	2014 £'000	2013 £'000
Opening shareholders' funds	2,668,695	2,661,136
Profit for the financial year	6,998	7,559
Closing shareholders' funds	<u>2,675,693</u>	<u>2,668,695</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 2014, 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.

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. As a wholly owned subsidiary of a company registered in England and Wales, for which group financial statements are prepared, the Company is exempt under Section 400 of the Companies Act 2006 from the preparation of consolidated financial statements. Therefore, these financial statements represent those of the Company and not of its group.

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.