

**VODAFONE GLOBAL ENTERPRISE LIMITED**

**Company No: 02844851**

**ANNUAL REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 March 2013**

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**VODAFONE GLOBAL ENTERPRISE LIMITED**  
**Company No: 02844851**

**REPORT OF THE DIRECTORS**

The directors submit their annual report and audited financial statements for the year ended 31 March 2013

**Principal activity and review of business**

Vodafone Global Enterprise Limited (the "Company") provides operational, technical, administrative and other services to companies in the Vodafone Group. The Company also provides managed services to companies outside of the Vodafone Group that enable world-leading multinational companies to develop and control their entire communications activities. The Company also facilitates Vodafone Global Enterprise (VGE) Direct, a centralised billing service to external customers for airtime and hardware. The Company also generated revenue in the year in the form of Machine-to-machine ('M2M'), which enables customers to reduce costs and improve efficiency by eliminating human intervention.

The Company's turnover derives mainly from charges it makes to other companies in the Vodafone Group for the services it provides. These charges are mainly based on a cost-plus recharging mechanism. The total level of activity of the Company is related to the strategy followed by the Vodafone Group for centralisation of the activities described above.

The Company operated a branch in Vietnam, and subsidiaries in Australia, Greece, Hong Kong, Italy, Japan, Malaysia, Mexico, Russia, Singapore, Sweden, Switzerland, UK and USA during the year.

During the year, a new subsidiary was incorporated in Greece on 1<sup>st</sup> November 2012, to facilitate reseller activity.

The trade and assets of the Hong Kong branch were transferred to a subsidiary of the company, Vodafone Global Enterprise (Hong Kong) Limited on 1<sup>st</sup> April 2012.

The Company has taken advantage of the Financial Reporting Standard ("FRS") 2 exemption to produce consolidated group accounts. Therefore the Company's results for 2013 reflect only its UK activities and that of the Vietnam branch.

**Results and dividends**

The profit and loss account is set out on page 8 of the financial statements. For the year ended 31 March 2013, there was a loss on ordinary activities after taxation of €3.1 million (2012: €1.6 million profit). The loss in the year is driven by €5.0m provisions for future losses on external contracts and €2.7m of reorganisation provisions which is offset by a €2.2m exchange gain.

Intercompany revenue has increased by 50%, in line with the increase in cost of sales (exclusive of costs on external contacts and intercompany recharges from subsidiaries).

The directors do not recommend the payment of a dividend (2012: €nil).

**VODAFONE GLOBAL ENTERPRISE LIMITED**  
**Company No: 02844851**

**REPORT OF THE DIRECTORS (continued)**

**Financial Position**

The balance sheet on page 10 of the financial statements shows the Company's financial position at the end of the year

The increase in debtors to €207.1 million (2012: €139.5 million) is mainly due to an increase in amounts owed from group undertakings of €64.4 million

The increase in creditors to €125.3 million (2012: €50.7 million) is primarily due to an increase in amounts owed to group undertakings of €51.5 million

**Other 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 are directly related to the provision of operational, technical, administrative and other key services to the 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 business risks and uncertainties**

The Company's turnover and operating profit is mainly derived from the services it provides to other companies within the Vodafone Group. The Company's principal business risk relates to any change in the strategy of the Vodafone Group for centralisation of the activities described above.

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

Business risks relating to the Vodafone Group are disclosed in the Annual Report of Vodafone Group Plc, which does not form part of these financial statements.

**Financial risk management**

The Company follows the board-approved policies of its parent, Vodafone Group Plc, to manage its principal financial risks which include liquidity risk, market risk (interest rate management and foreign exchange management) and credit risk.

The Company has exposure to market risks; these arise mainly from Sterling and US dollar transactions. The Company uses financial instruments taken out with other Vodafone Group companies to hedge against certain currency movements where the transactions are significant (in excess of €5.0 million).

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.

The other financial risks the directors consider relevant to the Company are credit risk and liquidity risk. These risks are mitigated by the fact that the counterparty of the majority of debtor balances are other Group companies who are considered able to repay their debts.

**VODAFONE GLOBAL ENTERPRISE LIMITED**  
**Company No: 02844851**

**REPORT OF THE DIRECTORS (continued)**

**Financial risk management (continued)**

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 on financial risk management can be found in the Annual Report and Accounts of Vodafone Group Plc.

**Supplier payment terms**

The Company agrees terms and conditions for its business transactions with third party suppliers. Payment is then made to these terms, subject to the terms and conditions being met by the third party supplier. Trade creditors of the Company at 31 March 2013 were equivalent to 32 days' purchases (2012: 42 days), based on the average daily amount invoiced by third party suppliers to the Company during the year measured against invoices outstanding for payment by the Company.

**Directors**

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

	<b>Appointed</b>	<b>Resigned</b>
M D Aue	15 February 2013	
J Couto		15 February 2013
T B Craig		31 December 2012
W A Finegold		
N S Jeffery		1 September 2012
J R Townsend		30 September 2012
J Geldmacher	1 October 2012	

**VODAFONE GLOBAL ENTERPRISE LIMITED**  
**Company No: 02844851**

**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 judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Indemnification of directors**

In accordance with the Company's articles of association and to the extent permitted by the 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 period. 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 the auditor**

Having made the requisite enquiries, so far as each of the directors is aware, there is no relevant audit information (as defined by Section 418(3) of the Companies Act 2006) of which the Company's auditor is unaware, and each of the directors has 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 auditor is aware of that information.

**Auditor**

Deloitte LLP have indicated their willingness to continue in office for the next financial year. In addition the Company had, prior to 1 October 2007, passed an elective resolution dispensing with the requirement to re-appoint its auditor annually.

**VODAFONE GLOBAL ENTERPRISE LIMITED**  
**Company No: 02844851**

**REPORT OF THE DIRECTORS (continued)**

**Registered office**

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

The report of the directors was approved by the Board on 10 September 2013 and signed on its behalf by



P J B Dawe-Lane  
Secretary

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
VODAFONE GLOBAL ENTERPRISE LIMITED**

We have audited the financial statements of Vodafone Global Enterprise Limited for the year ended 31 March 2013 which comprise the profit and loss Account, the balance sheet, the statement of total recognised gains and losses, the reconciliation of movement in shareholder's funds, and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities, 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

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. 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.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 March 2013 and of its loss 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
VODAFONE GLOBAL ENTERPRISE LIMITED**

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- 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, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime or take advantage of the small companies exemption in preparing the Report of the Directors



Simon Kerton-Johnson (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, UK

13 September 2013



**VODAFONE GLOBAL ENTERPRISE LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 MARCH 2013**

	Note	2013 €'000	2012 €'000
Turnover	2	307,068	212,553
Cost of sales		(312,508)	(209,714)
<b>Gross (loss)/profit</b>		<u>(5,440)</u>	<u>2,839</u>
Operating income/(expense)		2,279	(1,438)
<b>Operating (loss)/profit</b>	3	(3,161)	1,401
Interest receivable and similar income	7	223	1,367
<b>(Loss)/Profit on ordinary activities before taxation</b>		<u>(2,938)</u>	<u>2,768</u>
Tax credit/(charge) on (loss)/profit on ordinary activities	8	513	(1,201)
<b>(Loss)/Profit for the financial year from continuing operations</b>		<u>(2,425)</u>	<u>1,567</u>
Loss for the financial year from discontinued operations	4	(672)	-
<b>(Loss)/Profit for the financial year</b>	15	<u><u>(3,097)</u></u>	<u><u>1,567</u></u>

All results derive from continuing operations with the exception of the loss on disposal of the discontinued Hong Kong branch

The accompanying notes are an integral part of these financial statements

**VODAFONE GLOBAL ENTERPRISE LIMITED**  
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**FOR THE YEAR ENDED 31 MARCH 2013**

	<b>2013</b>	<b>2012</b>
	<b>€'000</b>	<b>€'000</b>
(Loss)/Profit for the financial year	(3,097)	1,567
Foreign exchange difference on retranslation of overseas branches	-	(30)
<b>Total recognised gains and losses for the financial year</b>	<u>(3,097)</u>	<u>1,537</u>

**RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS**  
**FOR THE YEAR ENDED 31 MARCH 2013**

	<b>2013</b>	<b>2012</b>
	<b>€'000</b>	<b>€'000</b>
Total recognised gains and losses for the financial year	(3,097)	1,537
Net capital contribution (to)/ from parent company in relation to share-based payments	<u>(2,938)</u>	<u>(2,035)</u>
Net movement in shareholder's funds	(6,035)	(498)
Opening shareholder's funds	<u>143,464</u>	<u>143,962</u>
<b>Closing shareholder's funds</b>	<u><u>137,429</u></u>	<u><u>143,464</u></u>

**VODAFONE GLOBAL ENTERPRISE LIMITED**  
Company number 02844851

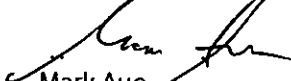
**BALANCE SHEET**

**AT 31 MARCH 2013**

	Note	2013 €'000	2012 €'000
<b>FIXED ASSETS</b>			
Tangible assets	10	3,902	3,692
Fixed asset investments	11	51,690	50,731
		<u>55,592</u>	<u>54,423</u>
<b>CURRENT ASSETS</b>			
Debtors	12	207,094	139,496
Cash at bank and in hand		-	280
		<u>207,094</u>	<u>139,776</u>
<b>CREDITORS: amounts falling due within one year</b>	<b>13</b>	<b>(125,257)</b>	<b>(50,735)</b>
		<u>81,837</u>	<u>89,041</u>
<b>NET CURRENT ASSETS</b>		<b>81,837</b>	<b>89,041</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>137,429</b>	<b>143,464</b>
		<u>137,429</u>	<u>143,464</u>
<b>NET ASSETS</b>		<b>137,429</b>	<b>143,464</b>
		<u>137,429</u>	<u>143,464</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	-	-
Share premium account	15	126,510	126,510
Profit and loss account	15	9,640	12,737
Share-based payment reserve	15	1,279	4,217
		<u>137,429</u>	<u>143,464</u>
<b>TOTAL SHAREHOLDER'S FUNDS</b>		<b>137,429</b>	<b>143,464</b>
		<u>137,429</u>	<u>143,464</u>

The accompanying notes are an integral part of these financial statements

The financial statements were approved by the Board on 10 September 2013 and were authorised for issue and signed on its behalf by

  
Mark Aue  
Director

# VODAFONE GLOBAL ENTERPRISE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2013

#### 1. Statement of accounting policies

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

##### **Basis of accounting**

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

##### **Basis of preparation**

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.

##### **Turnover**

Turnover comprises fees (excluding VAT and trade discounts) for operational, technical, administrative and other services to Vodafone Group Plc companies within the UK and Asia Pacific and external revenues mainly in relation to managed service fees, VGE Direct and M2M activities.

Recharges to Group companies are recognised when the Company has performed the related service.

Managed service, VGE Direct and M2M revenues represent the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where a contract has only been partially completed at the balance sheet date, turnover represents the value of the service provided to date based on a proportion of the total contract value. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Profit is recognised on long term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account, turnover and related costs as contract activity progresses. Turnover is calculated by reference to the value of work performed to date as a proportion of the total contract value. Where the outcome of a long-term contract cannot be assessed with reasonable certainty, no profit is recognised. In such instances, turnover is recognised in proportion to the total contract value, at nil margin, based on costs incurred as a percentage of the total expected costs under the contract.

##### **Foreign currencies**

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

All foreign exchange differences are recognised in the profit and loss account, with the exception of those differences that arose on the consolidation of the branch accounts, which have been taken to reserves.

**VODAFONE GLOBAL ENTERPRISE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2013**

**1. Statement of accounting policies (continued)**

**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

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those which are included in the 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.

**Tangible fixed assets**

Tangible fixed assets are stated at cost, less accumulated depreciation and any provision for impairment. Depreciation is provided on all tangible assets at a rate calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life as follows:

Short leasehold land and buildings	5 years or over the term of the lease
Fixtures, fittings and equipment	3 - 5 years
Motor vehicles	4 years

Assets under construction are carried at cost, less any recognised impairment loss. Depreciation of these assets commences when the assets are ready for their intended use.

**Investments**

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

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 profit or loss account.

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 profit or loss account.

**VODAFONE GLOBAL ENTERPRISE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2013**

**1. Statement of accounting policies (continued)**

**Cash flow statement**

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

**Share-based payment**

Vodafone Group Plc issues equity-settled share-based payments to certain of the Company's employees. Equity settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of the shares that will eventually vest and adjusted for the effects of non-market based vesting conditions.

Fair value is measured using a binomial pricing model which is calibrated using a Black-Scholes framework. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Where Vodafone Group Plc grants rights or share options over its shares to employees of the Company, the Company records this as a capital contribution directly in equity. Where the Company makes cash payments to its parent in respect of any rights or share options granted, such cash contributions are accounted for as a reduction in the capital contribution received, up to the fair value recorded for such right or share option granted.

**Pension costs**

The Vodafone Group Pension Scheme covers a number of UK-based employers within the Vodafone Group. Individual companies' contributions, including the impact of any surplus or deficit overall within the scheme, are set at a common level as a percentage of the pensionable payroll of each individual employer, and do not depend upon that employer's share of any such surplus or deficit.

As a result it is not possible for Vodafone Global Enterprise Limited to identify its share of the underlying assets and liabilities on a consistent and reasonable basis. Accordingly, as permitted by FRS 17, the Company has accounted for contributions to the scheme as if it were a defined contribution scheme, whilst Vodafone Group Plc has accounted for the Vodafone Group Pension scheme as a defined benefit scheme in accordance with International Accounting Standard ('IAS') 19. The amount charged to the Company's profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

**Operating leases**

Rentals payable under operating leases are charged to the income statement on a straight line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight line basis over the lease term.

**VODAFONE GLOBAL ENTERPRISE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2013**

**2 Turnover**

Turnover by destination is as follows

	<b>2013</b>	<b>2012</b>
	<b>€'000</b>	<b>€'000</b>
United Kingdom		
Subsidiaries of Vodafone Group	268,130	178,329
Europe		
External Revenues	<u>38,938</u>	<u>34,224</u>
<b>Total</b>	<b><u>307,068</u></b>	<b><u>212,553</u></b>

Turnover by country of origin is as follows

	<b>2013</b>	<b>2012</b>
	<b>€'000</b>	<b>€'000</b>
Asia Pacific	2	1,028
United Kingdom	<u>307,066</u>	<u>211,525</u>
<b>Total</b>	<b><u>307,068</u></b>	<b><u>212,553</u></b>

**3. Operating loss**

Operating profit is stated after charging

	<b>2013</b>	<b>2012</b>
	<b>€'000</b>	<b>€'000</b>
Depreciation	1,403	228
Loss on disposal of fixed asset	-	39
Operating lease rentals - land and buildings	216	472
Foreign exchange (gain)/loss	(2,272)	1,338
Fees payable to the Company's auditor for the audit of the Company's annual accounts	14	14
Recharges from Vodafone Group Companies	32,942	26,053

No costs were incurred in respect of non-audit services in the current or preceding year

**VODAFONE GLOBAL ENTERPRISE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 MARCH 2013**

**4. Loss for the financial year from discontinued operations**

	<b>2013</b>	<b>2012</b>
	<b>€'000</b>	<b>€'000</b>
Loss on disposal of Hong Kong branch	672	-

The trade and assets of the Hong Kong branch were transferred to a subsidiary of the company, Vodafone Global Enterprise (Hong Kong) Limited on 1<sup>st</sup> April 2012. Net liabilities of €0.1m were transferred to the subsidiary.

Following the transfer, the remaining €0.7m of assets were written off. This generated a €0.7m loss in the company. There is no revenue generated and expenses incurred by the Hong Kong branch during the financial year.

**5. Directors**

Total emoluments were €7.6m (2012: €2.5m) and the Company made contributions to a UK defined contribution pension scheme totalling €nil (2012: €nil).

All other directors' remuneration is borne by other Vodafone Group companies and their allocation to the Company is €nil (2012: €nil). The remuneration of the highest paid director €2.3m (2012: €2.5m) included in the above emoluments is an amount of €0.5m (2012: €nil) in respect of compensation for loss of office.

**6. Employees**

	<b>2013</b>	<b>2012</b>
	<b>Number</b>	<b>Number</b>
The average monthly number of employees (including executive directors) was	590	409

All employees are engaged in the provision of services to other Group companies and third parties.

	<b>2013</b>	<b>2012</b>
	<b>€'000</b>	<b>€'000</b>
Their aggregate remuneration comprised		
Wages and salaries	64,613	43,612
Social security costs	8,505	6,683
Pension - normal contributions (see note 17)	6,653	4,697
Pension - special contributions (see note 17)	-	267
	79,771	55,259

In addition, the Company incurred recharges of staff costs from other Vodafone Group companies for employees of the Vodafone Group that were seconded to the Company totalling €32.9m (2012: €25.2m).



VODAFONE GLOBAL ENTERPRISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2013

7 Interest receivable and similar income

	2013 €'000	2012 €'000
Interest receivable from Group undertakings	<u>223</u>	<u>1,367</u>

8. Tax (credit)/charge on (loss)/profit on ordinary activities

	2013 €'000	2012 €'000
UK corporation tax at 24% (2012 26%)		
Current year tax (credit)/charge	(1,321)	(189)
Prior year adjustment	22	36
Total UK current tax (credit)/charge	<u>(1,299)</u>	<u>(153)</u>
Foreign tax		
Prior year adjustment	-	123
Total current year corporation tax (credit)/charge	<u>(1,299)</u>	<u>(30)</u>
Deferred taxation charge/(credit)		
Current Year	832	1,116
Prior Year	(46)	115
Total deferred taxation charge/(credit)	<u>786</u>	<u>1,231</u>
Total tax (credit)/ charge	<u>(513)</u>	<u>1,201</u>

The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 24% (2012 26%) The actual tax charge/(credit) for the current and previous year differs from the tax charge/(credit) at the standard rate for the reasons set out in the following reconciliation

	2013 €'000	2012 €'000
(Loss)/profit on ordinary activities before tax	<u>(3,610)</u>	<u>2,768</u>
Tax on profit on ordinary activities before tax at standard rate of 24% (2012 26%)	(866)	720
Permanent differences	352	93
Timing differences	(926)	(854)
Accelerated tax depreciation	119	(148)
Prior year adjustments	22	159
Current tax credit for the year	<u>(1,299)</u>	<u>(30)</u>

**VODAFONE GLOBAL ENTERPRISE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2013**

**9. Deferred Tax**

The following elements of deferred taxation are recorded within the balance sheet as current assets

	<b>2013</b>	<b>2012</b>
	<b>€'000</b>	<b>€'000</b>
Accelerated capital allowances	116	29
Share-based payments	453	1,012
Other timing differences	<u>67</u>	<u>381</u>
Deferred tax asset (see note 12)	<u><u>636</u></u>	<u><u>1,422</u></u>

With effect from 1 April 2013 the UK corporation tax rate is 23%. The rate of 23% (2012: 24%) has been used to calculate the above deferred tax asset. An amount of €24,716 was charged to the profit and loss account in respect of this rate reduction.

A deferred tax asset of €nil (2012: €nil) has not been recognised in respect of tax losses as it is not certain that suitable taxable profits will be available against which these losses could be utilised.

	<b>2013</b>	<b>2012</b>
	<b>€'000</b>	<b>€'000</b>
Asset at beginning of year	1,422	2,653
Amount charged to profit and loss account	<u>(786)</u>	<u>(1,231)</u>
Asset at end of year	<u><u>636</u></u>	<u><u>1,422</u></u>

VODAFONE GLOBAL ENTERPRISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2013

10. Tangible fixed assets

	Short leasehold land and buildings	Motor vehicles	Fixtures, fittings and equipment	Assets under construction	Total
	€'000	€'000	€'000	€'000	€'000
Cost					
1 April 2012	204	56	1,488	2,407	4,155
Additions	-	-	272	1,342	1,614
Disposals	-	-	(5)	-	(5)
Transfers from AUC	-	-	2,388	(2,388)	-
31 March 2013	204	56	4,143	1,361	5,764
Accumulated depreciation					
1 April 2012	204	56	203	-	463
Charge in year	-	-	1,403	-	1,403
Depreciation on disposals	-	-	(4)	-	(4)
31 March 2013	204	56	1,602	-	1,862
Net book value					
31 March 2013	-	-	2,541	1,361	3,902
31 March 2012	-	-	1,285	2,407	3,692

**VODAFONE GLOBAL ENTERPRISE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2013**

**11. Investments**

	<b>2013</b>	<b>2012</b>
	<b>€'000</b>	<b>€'000</b>
Subsidiary undertakings	<u>51,690</u>	<u>50,731</u>

All investments have been classified as fixed asset investments, details of which are as follows

	<b>Country of incorporation or principal business address</b>	<b>Principal activity</b>	<b>Holding</b>	<b>%</b>
<i>Subsidiary undertakings</i>				
Bluefish Communications Limited	Great Britain	Unified Communications Solution	10,800 "A" ordinary shares (nominal value €1 00)  1 "B" ordinary share (nominal value €1 00)  1 "C" ordinary share (nominal value €1 00)  1 "D" ordinary share (nominal value €1 00)	100
Quickcomm Pty Ltd	Australia	Telecomm Expense Management (TEM) solutions	4,028,837 ordinary shares (nominal value AUD 1 67)  3,038,290 Series A Preference Shares (nominal value AUD 3 34)	100
Vodafone Global Enterprise (Hong Kong) Limited	Hong Kong	Vodafone Global Enterprise managed service contracts and partner markets	4,925,250 ordinary shares (nominal value HKD 1)	100

VODAFONE GLOBAL ENTERPRISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2013

11 Investments (continued)

	Country of incorporation or principal business address	Principal activity	Holding	%
<i>Subsidiary undertakings</i>				
Vodafone Global Enterprise Telecommunications (Hellas) A E	Greece	Reseller	1,750 ordinary 100 shares (nominal value €100)	100
Vodafone Global Enterprise Italy S R L	Italy	Dormant	1 ordinary share (nominal value €119,000)	100
Vodafone Global Enterprise (Japan) K K	Japan	Vodafone Global Enterprise managed service contracts	29,000 ordinary share (nominal value JPY 500)	100
Vodafone Global Enterprise (Malaysia) Sdn Bhd	Malaysia	Vodafone Global Enterprise managed service contracts and reseller	1,000,000 ordinary share (nominal value MYR 1)	100
Vodafone Global Enterprise (Mexico), S de R L de C V	Mexico	Vodafone Global Enterprise managed service contracts	3,145,000 ordinary shares (nominal value MXN 1)	100
Vodafone Global Enterprise RUS LLC	Russia	Partner Markets	1 ordinary share (nominal value 7,140,000 RUR)	99
Vodafone Global Enterprise (Singapore) PTE Ltd	Singapore	Vodafone Global Enterprise managed service contracts	1 ordinary share (nominal value SGD\$427,000)	100
Vodafone Global Enterprise (Sweden) AB	Sweden	Vodafone Global Enterprise managed service contracts	1,000 ordinary shares (nominal value SEK2,000)	100
Vodafone Global Enterprise (Switzerland) GmbH	Switzerland	Vodafone Global Enterprise managed service contracts	3,260 ordinary shares (nominal value CHF 100)	100
Vodafone Global Enterprise Inc	USA	Vodafone Global Enterprise managed service contracts, new ventures and technology	100 ordinary shares (nominal value \$0 0001)	100

**VODAFONE GLOBAL ENTERPRISE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 MARCH 2013**

**11. Investments (continued)**

*Subsidiary undertakings*

	<b>€'000</b>
Share in subsidiary undertakings – cost	
At 1 April 2012	50,731
Additions	959
Net book value at 31 March 2013	51,690
Net book value at 31 March 2012	50,731

Bluefish communications Inc was incorporated as a subsidiary of Vodafone Global Enterprise Inc on 03 July 2012 to provide customers with United Communication Solutions in the US. The company made a \$0.8m (€0.6m) capital injection to its subsidiary, Vodafone Global Enterprise Inc for the purpose of financing Bluefish Communications Inc.

Vodafone Global Enterprise RUS LLC was incorporated to facilitate partner market contracts in Russia. The company made a share capital contribution of RUB13.7m (€0.3m).

During the year, a new subsidiary was incorporated in Greece on 1<sup>st</sup> November 2012, to facilitate reseller activity, with nominal share capital value €100.

**12. Debtors**

	<b>2013</b>	<b>2012</b>
	<b>€'000</b>	<b>€'000</b>
Amounts owed by group undertakings	186,618	122,245
Deferred tax	636	1,422
Group relief receivable	1,320	189
Other debtors	12,867	13,216
Prepayments and accrued income	5,653	2,424
	207,094	139,496

**VODAFONE GLOBAL ENTERPRISE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2013**

**13. Creditors: amounts falling due within one year**

	<b>2013</b>	<b>2012</b>
	<b>€'000</b>	<b>€'000</b>
Bank overdraft	1,568	-
Trade creditors	4,541	2,166
Amounts owed to group undertakings	78,032	26,501
Other creditors	-	641
Accrual and deferred income	32,871	21,427
Provisions (Note 19)	8,245	-
	<u>125,257</u>	<u>50,735</u>

**14. Called up share capital**

	<b>2013</b>	<b>2012</b>
	<b>€</b>	<b>€</b>
Allotted, issued and fully paid		
100 B deferred shares of JPY 200 each	127	127
150 ordinary shares of USD 1 each	95	95
	<u>222</u>	<u>222</u>
Allotted, issued and unpaid		
2 deferred shares of £1 each	3	3
100 ordinary shares of USD 1 each	63	63
	<u>66</u>	<u>66</u>

The holders of the B deferred shares and the deferred shares are not entitled to receive any dividend out of the profits of the Company available for distribution and resolved to be distributed in respect of any financial year

On distribution of assets on winding up or other return of capital (otherwise than on conversion or redemption or purchase by the Company of any of its shares) the holders of the B deferred shares and the deferred shares are entitled to receive the amount paid up on their shares. The holders of the B deferred shares and the deferred shares are not entitled to any further or other right of participation in the assets of the Company

The holders of the B deferred shares and the deferred shares are not entitled to receive notice of, or to attend any general meeting of the Company, or to vote on any resolution to be proposed thereat

The rights attached to the B deferred shares and the deferred shares are not deemed to be varied or abrogated by the creation or issue of any new shares ranking in priority to, or pari passu with, or subsequent to such shares

**VODAFONE GLOBAL ENTERPRISE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2013**

**15. Reserves**

	Share premium account	Share-based payment reserve	Profit and loss account
	€'000	€'000	€'000
1 April 2012	126,510	4,217	12,737
Capital contribution – in respect of equity-settled share-based payments	-	2,520	-
Capital repayment – cash payments to parent company in respect of equity-settled share-based payments		(5,458)	
Total recognised gains and losses for the financial year	-	-	(3,097)
31 March 2013	<u>126,510</u>	<u>1,279</u>	<u>9,640</u>

**16. Share-based payments**

The Company currently uses a number of equity-settled share plans to grant options and shares in Vodafone Group Plc, the ultimate parent of the Company, to its directors and employees

The Company has applied the exemption permitted by FRS 20 that allows the measurement of this expense to be calculated only on share awards and share options granted after 7 November 2002. FRS 20 requires that equity-settled share-based payments issued to the Company's employees are measured at fair value and that this value is expensed over the vesting period

**Share Options**

**Vodafone Group Sharesave Plan**

The Vodafone Group 2008 Sharesave Plan (and its predecessor the Vodafone Group 1998 Sharesave Scheme) enables UK staff to acquire shares in Vodafone Group Plc through monthly savings of up to £250 over a three or five year period, at the end of which they also receive a tax-free bonus. The savings and bonus may then be used to purchase shares at the option price, which is set at the beginning of the invitation period and usually at a discount of 20% to the then prevailing market price of Vodafone Group Plc's shares. Invitations to participate in this scheme are usually issued annually



VODAFONE GLOBAL ENTERPRISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2013

16. Share-based payments (continued)

Share Plans

(a) Vodafone Share Incentive Plan

The Share Incentive Plan enables UK staff to acquire shares in Vodafone Group Plc through monthly purchases of up to £125 per month or 5% of salary, whichever is lower. For each share purchased by the employee, the Company provides a free matching share.

(b) Vodafone Group executive plans

Under the Vodafone Global Incentive Plan (and its predecessor the Vodafone Group Plc 1999 Long Term Stock Incentive Plan), awards of performance shares in Vodafone Group Plc are granted to directors and certain employees. The release of these shares is conditional upon achievement of performance targets measured over a three year period.

Movements in options outstanding relating to Company employees

	2013		2012	
	Options	Weighted average exercise price	Options	Weighted average exercise price
	thousands	£	thousands	£
ADS Options				
1 April	97	33.63	97	33.63
31 March	97	33.63	97	33.63

	2013		2012	
	Options	Weighted average exercise price	Options	Weighted average exercise price
	thousands	£	thousands	£
Ordinary Options				
1 April	1,104.5	1.12	830.8	1.03
Granted during the year	693.8	1.44	407.9	1.31
Forfeited during the year	(96.3)	1.20	(79.1)	1.09
Exercised during the year	(201.3)	0.94	(45.4)	1.16
Expired during the year	(4.4)	1.27	(9.7)	0.94
31 March	1,496.3	1.29	1,104.5	1.12

ADSs, each represent ten ordinary shares and are traded on the NYSE.

VODAFONE GLOBAL ENTERPRISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2013

16 Share-based payments (continued)

Summary of options outstanding at 31 March 2013

	2013		2012	
	Options	Weighted average remaining contractual life	Options	Weighted average remaining contractual life
	thousands	Months	thousands	Months
Vodafone Group 1999 Long Term Stock Incentive Plan Greater than \$30 01	97	51	97	63
	97	51	97	63
Vodafone Group Savings Related and Sharesave Scheme £1 01 - £2 00	1,496 3	45	1,104 5	32
	1,496 3	45	1,104 5	32

Of the total outstanding ADS share options at year end of 9,700 (2012 9,700), the total exercisable was nil (2012 nil)

Of the total outstanding ordinary share options at year end of 1,496,400 (2012 1,104,600), the total exercisable was 13,536 (2012 4,676) The average share price in the year was £1 73 (2012 £1 70) The weighted average grant-date fair value of options granted was £0 23 (2012 £0 30)

Fair Value	Ordinary Share Options		ADS Share Options	
	Other 2013	Other 2012	Other 2013*	Other 2012*
Expected life of option (years)	3-5	3-5	-	-
Expected share price volatility	22 9-23 8%	25 4-25 6%	-	-
Dividend yield	7 49%	5 44%	-	-
Risk-free rates	0 1-0 5%	1 1-1 9%	-	-
Exercise price	£1 45	£1 31	-	-

\* There were no options granted in the year ended 31 March 2013 and 31 March 2012

The fair value of the options is estimated at the date of grant using a lattice-based option valuation model, which incorporates ranges of assumptions for inputs as disclosed above

**VODAFONE GLOBAL ENTERPRISE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 MARCH 2013**

**16 Share-based payments (continued)**

The Group uses historical data to estimate option exercise and employee termination within the valuation model, separate groups of employees that have similar historical exercise behaviour are considered separately for valuation purposes. The expected life of options granted is derived from the output of the option valuation model and represents the period of time that options granted are expected to be outstanding, the range given above results from certain groups of employees exhibiting different behaviour. Expected volatilities are based on implied volatilities as determined by a simple average of no less than three international banks excluding the highest and lowest numbers. The risk-free rates for periods within the contractual life of the option are based on the UK gilt yield curve in effect at the time of grant, as the shares are traded in Sterling not Euros or United States Dollars.

Movements in non-vested share plans outstanding relating to Company employees

	2013		2012	
	Options	Weighted average fair value at grant date	Options	Weighted average fair value at grant date
	thousands	€	thousands	€
1 April	5,032	1 06	6,522	1 07
Granted during the year	1,217	1 79	968	1 35
Forfeited during the year	(285)	1 26	(33)	1 15
Exercised during the year	(2,042)	0 94	(2,425)	0 94
31 March	3,922	1 33	5,032	1 06

The expense recognised in the period arising from transactions accounted for as equity-settled share-based payment transactions is €2.5m (2012: €2.2m). The total amount of the share-based payments reserve at 31 March 2013 is €1.3m (2012: €4.2m).

**17. Pensions**

**Defined benefit schemes**

*Vodafone Group Plc Pension Scheme*

The Vodafone Group Plc Pension Scheme covers a number of UK-based employers within the Vodafone Group. Individual companies' contributions, including the impact of any surplus or deficit overall within the scheme, are set at a common level as a percentage of the pensionable payroll of each individual employer, and do not depend upon that employer's share of any such surplus or deficit. As a result it is not possible for Vodafone Group Services Limited to identify its share of the underlying assets and liabilities on a consistent and reasonable basis. The Vodafone Group Plc Pension Scheme is closed to new entrants and has been closed to future accrual for existing members since 31 March 2010. The most recent formal triennial valuation of the scheme was carried out as at 31 March 2010 and valued scheme assets at £1,076m and scheme liabilities at £1,243m. This represents a funding ratio of 87% and deficit of £158m.

## VODAFONE GLOBAL ENTERPRISE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 MARCH 2013

##### 17. Pensions (continued)

Since the formal valuation the UK companies made a deficit correction contribution to the Scheme of £15.0m in line with the agreed recovery plan in place. The funding position on an FRS 17 basis was calculated to be a deficit of £318m (2012: £226m) representing a funding ratio of 81% at 31 March 2013 (2012: 84%).

Accordingly as permitted by FRS 17, the Company accounted for contributions to the scheme as if it were a defined contribution scheme. The Company had no contributions payable for the years ended 31 March 2013 and 31 March 2012.

The full disclosures in respect of the defined benefit scheme are available in the Vodafone Group plc financial statements.

The total amount charged to the profit and loss account is as follows:

	2013 €'000	2012 €'000
<i>Defined benefit schemes</i>		
Vodafone Group Pension Scheme		
– deficit correction contributions	2,344	2,147
Internally Funded Unapproved Defined Benefit Plan	341	347
<i>Defined contribution schemes</i>		
Vodafone UK Defined Contribution Pension Plan		
– normal contributions	16,594	17,861
Total amount charged to the profit and loss account	19,279	20,355

##### Defined contribution schemes

###### *Vodafone UK Defined Contribution Pension Plan*

The Company operates a registered defined contribution arrangement (the Vodafone UK Defined Contribution Pension Plan) which all employees are eligible to join.

Defined contribution pension costs charged to the profit and loss account were €6.7m (2012: €5.0m).

##### 18. Related party disclosures

The Company has taken advantage of the exemption offered by paragraph 3(c) of FRS 8, Related Party Disclosures, not to disclose transactions with Vodafone Group Plc group companies or interests of the Group who are related parties.

## VODAFONE GLOBAL ENTERPRISE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 MARCH 2013

##### 19 Provisions

	Reorganisation €'000	Loss on contracts €'000	Total €'000
At 1 April 2012	-	-	-
Amount charged to profit and loss account	2,729	5,516	8,245
As at 31 March 2013	2,729	5,516	8,245

Loss provisions on contracts are present obligations arising under external customer contracts where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The loss provisions are recognised in the profit and loss when it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Reorganisation provisions at 31 March 2013 relate to the directors' best estimate of the reorganisation costs regarding the restructuring of business units within the Company and are expected to be utilised within the forthcoming year. The provision is recognised when the Company has a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan.

##### 20. Ultimate parent company

The immediate and ultimate parent company and controlling entity of Vodafone Global Enterprise 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 which is incorporated in Great Britain and registered in England and Wales, for which group 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 2013 may be obtained from the group 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.