

Company Registration No. 1648524

Cable & Wireless Global Markets Equipment Limited

Directors' report and financial statements

31 March 2013

**Registered Office
Vodafone House
The Connection
Newbury
Berkshire
RG14 2FN**

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COMPANIES HOUSE

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Directors' report

The Directors present their annual report and the audited financial statements for the year ended 31 March 2013

Principal activities and review of developments

The principal activity of the Company is to hold network assets which are used by other Vodafone Group companies. The Company was part of the Cable & Wireless Worldwide group which was purchased by Vodafone Group Plc ("Vodafone") on 27 July 2012. No change in the Company's activities is envisaged in the foreseeable future.

Business review

The Company has met the requirements in section 415A the Companies Act 2006 to take the exemption from the need to present an enhanced business review.

The loss for the year amounts to £138,000 (2012: loss of £140,000).

Given the support of the Vodafone Group, the Directors consider that the Company has sufficient funding to meet its financial needs as they fall due for a period of not less than 12 months from the date of these financial statements. Accordingly, the Directors have prepared the financial statements on a going concern basis, notwithstanding net liabilities of £5,849,000 (2012: £5,711,000).

Dividends

The Directors do not recommend the payment of a dividend (2012: £nil).

Directors of the company

The Directors who held office during the year and subsequent to the year end were:

P S Davis

A R Kinch

All Directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Directors' report

(continued)

Disclosure of information to the auditors

Each of the persons who is a director at the date of approval of this report confirms that

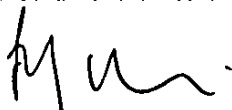
- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Auditor reappointment

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting

On behalf of the Board



P S Davis
Director

Date 27 September 2013

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

The Directors are responsible for preparing the Directors' 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 apply them consistently,
- make judgements 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent Auditor's report to the members of Cable & Wireless Global Markets Equipment Limited

We have audited the financial statements of Cable & Wireless Global Markets Equipment Limited for the year ended 31 March 2013, which comprise the Profit and loss account, the Reconciliation of movements in shareholders' funds, the Balance sheet and the related notes 1 to 12. 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 in respect of the Directors' report and the financial statements (set out on page 3), 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 (APB'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. 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 UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor's report to the members of Cable & Wireless Global Markets Equipment Limited *(continued)*

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 take advantage of the small companies exemption in preparing the directors' report



Andrew Bond ACA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP, Statutory Auditor
Chartered Accountants
Reading, United Kingdom

Date 27 September 2013

Profit and loss account

For the year ended 31 March 2013

| | Note | 2013 £'000 | 2012 £'000 |
|---|------|---------------|---------------|
| Turnover | 2 | 1,270 | 840 |
| Cost of sales | | - | (10) |
| Gross profit | | 1,270 | 830 |
| Operating expenses | 3 | (1,016) | (627) |
| Operating profit | | 254 | 203 |
| Interest payable and similar charges | 4 | (392) | (343) |
| Loss on ordinary activities before taxation | | (138) | (140) |
| Taxation | 5 | - | - |
| Loss for the financial year | | (138) | (140) |

The results for the period are derived entirely from continuing operations

The company has no recognised gains or losses for the year other than the results above. Accordingly, no separate statement of total recognised gains and losses has been presented.

The notes on pages 9 to 14 form an integral part of these financial statements

Reconciliation of movements in shareholders' funds

For the year ended 31 March 2013

| | 2013 £'000 | 2012 £'000 |
|---|-----------------------|-----------------------|
| Loss attributable to the members of the company | <u>(138)</u> | <u>(140)</u> |
| Net reduction to shareholders' funds | (138) | (140) |
| Opening shareholders' deficit at 1 April | <u>(5,711)</u> | <u>(5,571)</u> |
| Closing shareholders' deficit at 31 March | <u><u>(5,849)</u></u> | <u><u>(5,711)</u></u> |

The notes on pages 9 to 14 form an integral part of these financial statements

Balance sheet

as at 31 March 2013

| | Note | 2013 £'000 | 2012 £'000 |
|---|------|-----------------|----------------|
| Fixed assets | | | |
| Tangible assets | 6 | <u>7,313</u> | <u>2,828</u> |
| Current assets | | | |
| Debtors | 7 | 725 | 1,399 |
| Creditors Amounts falling due within one year | 8 | <u>(13,887)</u> | <u>(9,938)</u> |
| Net current liabilities | | <u>(13,162)</u> | <u>(8,539)</u> |
| Net liabilities | | <u>(5,849)</u> | <u>(5,711)</u> |
| Capital and reserves | | | |
| Called up share capital | 9 | 500 | 500 |
| Profit and loss account | 10 | <u>(6,349)</u> | <u>(6,211)</u> |
| Total shareholders deficit | | <u>(5,849)</u> | <u>(5,711)</u> |

These accounts were approved by the Board of Directors on 27 September 2013 and signed on its behalf by



A R Kinch
Director

The notes on pages 9 to 14 form an integral part of these financial statements

Notes to the financial statements

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

The financial statements are prepared in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), and under the historical cost accounting rules

Given the support of the Vodafone Group the Directors consider that the Company has sufficient funding to meet its financial needs as they fall due for a period of not less than 12 months from the date of these financial statements Accordingly the Directors have prepared the financial statements on a going concern basis, notwithstanding net liabilities of £5,849,000 (2012 £5,711,000)

Cash flow statement

Under FRS 1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking A consolidated cash flow statement is included in the financial statements of Vodafone Group Plc in which the Company is consolidated and which are publicly available from the address in note 12

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses The cost of fixed assets includes materials, direct labour and other incremental costs applicable to the design, construction and connection of the telecommunications networks and equipment Where the Company has a legal or constructive obligation to dismantle and remove its assets and restore the relevant sites, a provision is made for the estimated costs of the asset retirement obligation The present value of the asset retirement obligation is capitalised as part of the initial cost of the asset

Depreciation is provided on the difference between the cost of tangible fixed assets and their estimated residual value in equal instalments over the estimated useful life of the assets These lives are

| | |
|---------------------|--------------|
| Plant and equipment | 3 to 5 years |
|---------------------|--------------|

Foreign currencies

Transactions during the year denominated in foreign currency have been translated at the rates of exchange ruling at the dates of the transactions Monetary assets and liabilities denominated in foreign currencies are translated to sterling at the rates of exchange ruling at the balance sheet date The resulting gains or losses are dealt with through the Profit and loss account

Notes to the financial statements
(continued)

1 Accounting policies *(continued)*

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

2 Turnover

Turnover, which excludes discounts and value added tax, comprises income earned from the use of its assets by fellow group companies

3 Operating expenses

| | 2013 £'000 | 2012 £'000 |
|---------------------------------------|---------------|---------------|
| Trading foreign exchange | 11 | 4 |
| Other operating (income)/expenses | (6) | - |
| Depreciation of tangible fixed assets | <u>1,011</u> | <u>623</u> |
| | <u>1,016</u> | <u>627</u> |

The Directors did not receive any emoluments in respect of their services for this Company during the year (2012 £nil)

In the current year and the prior year, the auditor's remuneration of £2,500 (2012 £2,500) for the audit of these financial statements has been borne by another group company

4 Interest payable and similar charges

| | 2013 £'000 | 2012 £'000 |
|---|---------------|---------------|
| Interest on loans from group undertakings | <u>392</u> | <u>343</u> |
| | <u>392</u> | <u>343</u> |

Notes to the financial statements

(continued)

5 Taxation

Analysis of credit/charge for the year

| | 2013 £'000 | 2012 £'000 |
|--------------------|---------------|---------------|
| Current tax | | |
| UK Corporation tax | <u>-</u> | <u>-</u> |

Factors affecting current tax charge for the year

The current tax charge is higher than (2012 - higher than) the standard rate of corporation tax in the UK of 24% (2012 - 26%) The differences are explained below

| | 2013 £'000 | 2012 £'000 |
|--|---------------|---------------|
| Loss on ordinary activities before taxation | <u>(138)</u> | <u>(140)</u> |
| Corporation tax at standard rate of 24% (2012 26%) | <u>(33)</u> | <u>(36)</u> |
| Depreciation in excess of capital allowances | 243 | 162 |
| Group relief claimed without payment | <u>(210)</u> | <u>(126)</u> |
| Current tax for the period | <u>-</u> | <u>-</u> |

A deferred tax asset of £267,000 (2012 £215,000) has not been recognised, as it is considered more likely than not, that suitable future taxable profits will not be available against which the deferred tax asset can be utilised

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. The Government has also announced that it intends to reduce the standard rate of corporation tax to 21% on 1 April 2014 and to 20% on 1 April 2015, but these reductions had not been enacted, or substantively enacted, at the balance sheet date and so do not impact the measurement of deferred tax assets and liabilities in these financial statements

Notes to the financial statements
(continued)

6 Tangible assets

| | Plant and equipment £'000 | Assets under construction £'000 | Total £'000 |
|------------------------------|--|--|------------------------|
| Cost or valuation | | | |
| At 1 April 2012 | 4,073 | 664 | 4,737 |
| Additions | - | 5,496 | 5,496 |
| Transfers between categories | 2,386 | (2,386) | - |
| At 31 March 2013 | 6,459 | 3,774 | 10,233 |
| Depreciation | | | |
| At 1 April 2012 | 1,909 | - | 1,909 |
| Charge for the year | 1,011 | - | 1,011 |
| At 31 March 2013 | 2,920 | - | 2,920 |
| Net book value | | | |
| At 31 March 2013 | 3,539 | 3,774 | 7,313 |
| At 31 March 2012 | 2,164 | 664 | 2,828 |

7 Debtors

| | 2013 £'000 | 2012 £'000 |
|---|-----------------------|-----------------------|
| Amounts falling due within one year: | | |
| Owed by parent undertakings | 193 | 840 |
| Other debtors | 32 | 59 |
| Called up share capital not paid | 500 | 500 |
| | 725 | 1,399 |

Notes to the financial statements
(continued)

8 Creditors

| | 2013 £'000 | 2012 £'000 |
|---|---------------|---------------|
| Amounts falling due within one year: | | |
| Trade creditors | 33 | 116 |
| Amounts owed to fellow group undertakings | 10,427 | 9,766 |
| Other creditors | 6 | 6 |
| Accruals and deferred income | 3,421 | 50 |
| | <u>13,887</u> | <u>9,938</u> |

The amount owed by group undertakings includes a loan payable to Cable & Wireless Europe Holdings Limited of £9,781,000 (2012 £8,239,000) which bears interest at LIBOR plus 3.5%. The loan and any interest accrued thereon become repayable in full on the last day of each borrowing period or immediately upon demand by the lender.

9 Share capital

Allotted and called up shares

| | 2013 | | 2012 | |
|-------------------------------------|------------------|----------------|------------------|----------------|
| | No. | £ | No. | £ |
| Ordinary shares of £1 each 50p paid | <u>1,000,000</u> | <u>500,000</u> | <u>1,000,000</u> | <u>500,000</u> |

Unpaid called up share capital of £500,000 (see note 7) arises since the investment by Cable & Wireless Global Businesses International S a r l comprised £500,000 investment in shares and intercompany loan of £500,000.

10 Reserves

| | Profit and loss account £'000 |
|-------------------|-------------------------------------|
| At 1 April 2012 | (6,211) |
| Loss for the year | (138) |
| At 31 March 2013 | <u>(6,349)</u> |

Notes to the financial statements

(continued)

11 Related party transactions

Under FRS 8, the Company is exempt from the requirement to disclose transactions with wholly owned entities that are part of the Vodafone Group, as all of the Company's voting rights are controlled within the Group. There are no transactions with any other related parties.

12 Ultimate parent company and controlling party

The Company's immediate parent company is The Eastern Leasing Company Limited, a company registered in England and Wales. The immediate parent undertaking then became The Eastern Leasing Company Limited.

The Directors regard Vodafone Group Plc, a company registered in England and Wales, as the ultimate parent company and controlling party.

The smallest and largest group in which the results of the Company are consolidated is that of Vodafone Group Plc, the parent company. The consolidated financial statements of Vodafone Group Plc may be obtained from the Company Secretary, Vodafone Group Plc, Vodafone House, The Connection, Newbury, Berkshire RG14 2FN.