

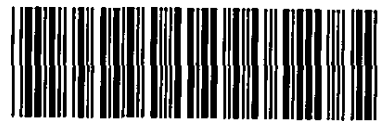
VODAFONE EURO HEDGING TWO

Company No: 4055111

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2015

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VODAFONE EURO HEDGING TWO

Company No: 4055111

STRATEGIC REPORT

The directors in preparing this strategic report, have complied with s414C of the Companies Act 2006

Principal activity and review of business

The principal activity of Vodafone Euro Hedging Two ("the Company") is the holding of intercompany balances associated with management of funding and related treasury matters for the Vodafone Group Plc group of companies ("the Group"). The directors do not anticipate that the business of the Company will change in the foreseeable future. The directors are satisfied with the position and performance of the Company.

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 loss on ordinary activities after taxation of €62,127,000 (2014: €117,578,000). The reduction in the loss for the year was primarily due to lower interest payable, as a result of lower interest rates.

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

Future developments

The directors do not anticipate that the business of the Company will change in the foreseeable future. There have been no subsequent events that would suggest future changes.

The strategic report was approved by the Board on 25 November 2015 and was authorised for issue and signed on its behalf by


Director
P G Stephenson

VODAFONE EURO HEDGING TWO

Company No: 4055111

REPORT OF THE DIRECTORS

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

Future developments

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

Dividends

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

Directors

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

J C Morton

P G Stephenson

N A Wright

Subsequent to the year end, J C Morton resigned as director on 3 August 2015 and A T Raggett was appointed on 3 August 2015

Audit exemption

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

Registered office

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

VODAFONE EURO HEDGING TWO

Company No: 4055111

REPORT OF THE DIRECTORS (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the annual report, strategic 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, 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 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 25 November 2015 and signed on its behalf by



Director, for and on behalf of Vodafone Corporate Secretaries Limited
Secretary

W CHINE

VODAFONE EURO HEDGING TWO
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2015

		2015	2014
	Note	€'000	€'000
Administrative expenses and operating loss	2	(8)	(9)
Net interest payable	3	<u>(85,438)</u>	<u>(151,452)</u>
Loss on ordinary activities before taxation		(85,446)	(151,461)
Tax credit on loss on ordinary activities	4	<u>23,319</u>	<u>33,883</u>
Loss for the year	8	<u><u>(62,127)</u></u>	<u><u>(117,578)</u></u>

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 prepared

All results derive from continuing operations

There is no material difference between the loss on ordinary activities before taxation and the loss for the year stated above and their historical costs equivalents

The accompanying notes are an integral part of these financial statements

VODAFONE EURO HEDGING TWO

Company No: 4055111

BALANCE SHEET

AT 31 MARCH 2015


		2015	2014
	Note	€'000	€'000
CURRENT ASSETS			
Debtors	5	443,298	459,122
Creditors amounts falling due within one year	6	<u>(32,183,157)</u>	<u>(32,136,854)</u>
NET CURRENT LIABILITIES AND NET LIABILITIES		<u>(31,739,859)</u>	<u>(31,677,732)</u>
CAPITAL AND RESERVES			
Called up share capital	7	1,711,580	1,711,580
Share premium account	8	20,244,465	20,244,465
Profit and loss account	8	<u>(53,695,904)</u>	<u>(53,633,777)</u>
TOTAL SHAREHOLDERS' DEFICIT	9	<u>(31,739,859)</u>	<u>(31,677,732)</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 on pages 4 to 11 were approved by the Board on 25 November 2015 and signed on its behalf by

 Director
P G Stephenson

The accompanying notes are an integral part of these financial statements

VODAFONE EURO HEDGING TWO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

1 Statement of accounting policies

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

Basis of preparation

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

The financial statements are prepared in euros as this is the most appropriate functional currency for the Company's operations.

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.

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 year end rates.

All foreign exchange differences are recognised in the profit and loss account.

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.

Cash flow statement

In accordance with the provisions of Financial Reporting Standard 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, and which are publicly available.

2 Administrative expenses and operating loss

As the Company is exempt from audit no audit fees were borne by the Company in the current year (2014: €nil).

The directors did not receive any remuneration from the Company in the financial year (2014: €nil). Their remuneration was paid by Vodafone Group Services Limited.

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

VODAFONE EURO HEDGING TWO

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2015

3 Net interest payable

	2015	2014
	€'000	€'000
Interest payable and similar charges	(86,515)	(153,126)
Interest receivable and similar income	<u>1,077</u>	<u>1,674</u>
	<u>(85,438)</u>	<u>(151,452)</u>

Net interest payable arises from transactions with other group undertakings

4 Tax credit on loss on ordinary activities

	2015	2014
	€'000	€'000
UK corporation tax at 21% (2014 23%)	17,944	34,836
Prior year adjustment	<u>5,375</u>	<u>(953)</u>
Total UK current tax credit	<u>23,319</u>	<u>33,883</u>

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

	2015	2014
	€'000	€'000
Loss on ordinary activities before tax	<u>(85,446)</u>	<u>(151,461)</u>
Tax on loss on ordinary activities before tax at standard rate of 21% (2014 23%)	17,944	34,836
Factors affecting tax charge for the year		
Prior year adjustment	<u>5,375</u>	<u>(953)</u>
Current tax credit for the year	<u>23,319</u>	<u>33,883</u>

With effect from 1 April 2015 the UK corporation tax rate is 20%

VODAFONE EURO HEDGING TWO

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2015

5 Debtors

	2015	2014
	€'000	€'000
Amounts owed by group undertakings	425,354	424,286
Group relief receivable	17,944	34,836
	<u>443,298</u>	<u>459,122</u>

6 Creditors

	2015	2014
	€'000	€'000
Amounts owed to group undertakings	<u>32,183,157</u>	<u>32,136,854</u>

7 Called up share capital

	2015	2014
	€'000	€'000
Allotted, called up and fully paid		
1,711,579,930 (2014 1,711,579,930) ordinary		
shares of €1 each	<u>1,711,580</u>	<u>1,711,580</u>

8 Reserves

	Share premium account	Profit and loss account
	€'000	€'000
1 April 2014	20,244,465	(53,633,777)
Loss for the year	-	(62,127)
31 March 2015	<u>20,244,465</u>	<u>(53,695,904)</u>

VODAFONE EURO HEDGING TWO

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2015

9 Reconciliation of movements in shareholders' deficit

	2015	2014
	€'000	€'000
Loss for the year	(62,127)	(117,578)
Net movement in shareholders' deficit	(62,127)	(117,578)
Opening shareholders' deficit	(31,677,732)	(31,560,154)
Closing shareholders' deficit	(31,739,859)	(31,677,732)

10 Related party disclosures

The Company is a wholly owned subsidiary of Vodafone Group Plc and has taken advantage of the exemption granted by paragraph 3(c) Financial Reporting Standard 8, Related Party Disclosures, not to disclose transactions with Vodafone Group Plc group companies or interests of the Group who are related parties

11 Ultimate parent company

The immediate parent company of Vodafone Euro Hedging Two is Vodafone Worldwide Holdings Limited, a company registered in England and Wales. The ultimate parent company and controlling entity of Vodafone Euro Hedging Two, 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 or from The Company Secretary, Vodafone Group Plc, Vodafone House, The Connection, Newbury, Berkshire, RG14 2FN, England.