

Company Registration Number: 04659719

Cable & Wireless Europe Holdings Limited

Annual Report and Financial Statements

For the Year Ended 31 March 2017

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

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Company Registration Number: 04659719

Cable & Wireless Europe Holdings Limited

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Cable & Wireless Europe Holdings Limited

Company Information

Directors

Vodafone Enterprise Corporate Secretaries Limited

T Sayed

N Smith

Company secretary

Vodafone Enterprise Corporate Secretaries Limited

Registration number

04659719

Registered office

Vodafone House

The Connection

Newbury

Berkshire,

England

RG14 2FN

Cable & Wireless Europe Holdings Limited

Directors' Report for the Year Ended 31 March 2017

The Directors present their report and the financial statements for the year ended 31 March 2017.

Principal activity and review of developments

The principal activity of the Company is to act as an investment holding company. No change in the Company's activities is envisaged in the foreseeable future.

The Company has taken advantage of the exemption in Companies Act 2006 to not present a Strategic Report.

Results and dividends

The profit for the year of £379,251,000 predominantly arose due to reversal of provision on loans receivable and net group interest income, offset by impairment of investments (2016: profit of £259,560,000 arose due to write back to loans and net group interest income, offset by loss on disposal of investments).

The Directors recommend that no final dividend be paid (2016: £nil).

Financial position and liquidity

The Directors consider that the Company has access to sufficient funding to meet its financial needs as they fall due for a period 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.

Directors of the company

The Directors, who held office during the year and up to the date of signing the financial statements, are as follows:

N Smith	
T Sayed	(Appointed on 14 December 2016)
Vodafone Enterprise Corporate Secretaries Limited	(Appointed on 31 May 2017)
Vodafone Corporate Secretaries Limited	(Resigned on 31 May 2017)
R Mullock	(Resigned on 14 December 2016)

Risks and Uncertainties

The Directors have assessed the risks that the company is exposed to and have not identified any material risks. 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.

Registered office

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

Political and charitable donation

There are no political or charitable donations made by the entity during the year (2016: £nil).

Cable & Wireless Europe Holdings Limited

Directors' Report for the Year Ended 31 March 2017 (continued)

Financial risk management

The Company follows Group policy to manage its principal financial 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 treasury service to the Company, 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 on financial risk management can be found in the annual report and financial statements of Vodafone Group Plc for the year ended 31 March 2017.

Statement of Directors' Responsibilities

The Directors are responsible for preparing 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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, including FRS 101 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 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 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.

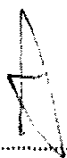
Cable & Wireless Europe Holdings Limited

Directors' Report for the Year Ended 31 March 2017 (continued)

Events occurring after balance sheet date

The Company will closely monitor progress in relation to the impending exit of Great Britain from the membership of the European Union and regularly review the impact as part of the overall Group strategy.

Approved by the Board on 23/11/ 2017 and signed on its behalf by:



.....
Vodafone Enterprise Corporate Secretaries Limited
Company secretary

Cable & Wireless Europe Holdings Limited**Income Statement for the Year Ended 31 March 2017**

	Note	2017 £'000	2016 £'000
Amounts written back to loans		413,679	231,056
Impairment of investments		(72,767)	-
Profit/(loss) on disposal of investments		483	(4,716)
Other (expense)/income	5	(107)	11,603
Operating profit		<u>341,288</u>	<u>237,943</u>
Finance income	6	51,128	34,259
Finance cost	7	<u>(4,142)</u>	<u>(4,325)</u>
Profit before income tax		388,274	267,877
Income tax expense	8	<u>(9,023)</u>	<u>(8,317)</u>
Profit for the financial year		<u><u>379,251</u></u>	<u><u>259,560</u></u>

The above results for the year are derived entirely from continuing operations.

There are no material differences between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical costs equivalents.

The notes on pages 9 to 16 form an integral part of these financial statements.

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Cable & Wireless Europe Holdings Limited

Statement of Comprehensive Income for the Year Ended 31 March 2017

The Company has not recognised any other comprehensive income/ (expense) and therefore no separate statement of comprehensive income has been prepared in respect of either year.

The notes on pages 9 to 16 form an integral part of these financial statements.

Cable & Wireless Europe Holdings Limited**Statement of Financial Position as at 31 March 2017**

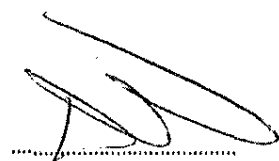
	Note	2017 £'000	2016 £'000
Fixed assets			
Investments	9	27,544	102,248
Current assets			
Debtors	10	1,167,854	1,221,457
Cash at bank and in hand		-	870
		1,167,854	1,222,327
Creditors: amounts falling due within one year	11	(135,554)	(643,982)
Net current assets		1,032,300	578,345
Net assets		1,059,844	680,593
Equity			
Called up share capital	12	-	-
Share premium		1,148,524	1,148,524
Retained earnings		(88,680)	(467,931)
Total shareholders' funds		1,059,844	680,593

For the year ending 31 March 2017 the Company was entitled to exemption under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the Company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for (a) ensuring the Company keeps accounting records which comply with section 386 of the Companies Act 2006, and (b) preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year, and of its profit and loss for the financial year, in accordance with the requirements of section 393 of the Act, and which otherwise comply with the requirement of Companies Act relating to accounts, so far as applicable to the Company.

The financial statements on pages 5 to 16 were authorised for issue by the board of directors on 23/11/2017 and were signed on its behalf:



T Sayed

Director

The notes on pages 9 to 16 form an integral part of these financial statements.

Cable & Wireless Europe Holdings Limited

Statement of Changes in Equity for the Year Ended 31 March 2017

	Called up share capital	Share premium	Retained earnings	Total
	£ '000	£'000	£'000	£'000
Balance as at 1 April 2015	-	1,148,524	(727,491)	421,033
Profit for the financial year	-	-	259,560	259,560
Balance as at 31 March 2016	<u>-</u>	<u>1,148,524</u>	<u>(467,931)</u>	<u>680,593</u>
Balance as at 1 April 2016	-	1,148,524	(467,931)	680,593
Profit for the financial year	-	-	379,251	379,251
Balance as at 31 March 2017	<u>-</u>	<u>1,148,524</u>	<u>(88,680)</u>	<u>1,059,844</u>

The notes on pages 9 to 16 form an integral part of these financial statements.

Cable & Wireless Europe Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

1. General information

The principal activity of the Company is to act as an investment holding company.

The Company is a private limited company limited by shares incorporated in United Kingdom and domiciled in England.

The address of its registered office is:

Vodafone House
The Connection
Newbury
Berkshire
RG14 2FN

Company Registration Number: 04659719

These financial statements were authorised for issue by the Board on 23/11/17 2017.

2. Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention as modified by derivative financial assets and liabilities measured at fair value through profit or loss and in accordance with the UK Companies Act 2006, as applicable to companies using FRS 101.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The Company's functional and presentational currency is Pounds sterling '£'.

Cash flow statement

Under IAS 7, 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 14.

Cable & Wireless Europe Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2017 (continued)

2. Summary of significant accounting policies and key accounting estimates (continued)

Summary of disclosure exemptions

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1;
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows)
 - 16 (statement of compliance with all IFRS),
 - 38A (requirement for minimum of two primary statements, including cash flow statements),
 - 38B-D (additional comparative information),
 - 40A-D (requirements for a third statement of financial position)
 - 111 (cash flow statement information), and
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

Going concern

The financial statements have been prepared on a going concern basis. 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. The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' report on page 2.

Exemption from preparing Group Financial Statements

The financial statements contain information about Cable and Wireless Europe Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it is included by full consolidation in the consolidated financial statements of its ultimate parent, Vodafone Group Plc, a company incorporated in United Kingdom.

Cable & Wireless Europe Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2017 (continued)

2. Summary of significant accounting policies and key accounting estimates (continued)

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Income tax expense

The tax expense for the period comprises of current tax only. Tax is recognised in the income statement, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Investments in subsidiaries

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 the income statement.

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 the income statement.

Debtors

Debtors are amounts due from Vodafone Group Companies for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if larger), they are disclosed as current assets, if not, they are presented as non-current assets.

Cable & Wireless Europe Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

(continued)

2. Summary of significant accounting policies and key accounting estimates (continued)

Cash and cash equivalents

Cash and cash equivalents include cash in hand less bank overdrafts. In the balance sheet, bank overdrafts are shown within creditors in current liabilities.

Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below,

(a) Impairment of amounts owed by group undertakings

The company makes an estimate of the recoverable value of these debtors. When assessing impairment of these debtors, management considers factors including aging profile of debtors, historical experience and the level of group support.

(b) Impairment of investment in subsidiary

In making the judgement for impairment of investment in subsidiary, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and short-term business outlook for the subsidiary, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

4. Employees and directors

The company had no employees during the year (2016: nil). Directors did not receive any emoluments from the company in respect of their services during the year (2016: Nil).

Cable & Wireless Europe Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2017 (continued)

5. Other (expense)/ income

	2017 £'000	2016 £'000
Net foreign exchange (loss) /gain	(107)	11,603

6. Finance income

	2017 £'000	2016 £'000
Interest receivable: Group undertakings	51,128	34,259

7. Finance cost

	2017 £'000	2016 £'000
Interest payable: Group undertakings	(4,141)	(4,316)
Interest payable: Bank loans and overdrafts	(1)	(9)
	(4,142)	(4,325)

8. Income Tax

Current taxation	2017 £'000	2016 £'000
UK Corporation Tax	9,376	8,307
UK corporation tax adjustment to prior periods	(353)	10
	9,023	8,317
Foreign tax	-	79
Double tax relief	-	(79)
	-	-
Total current income tax	9,023	8,317

The actual tax charge for the current and previous year differs from the tax charge at the standard rate of corporation tax in the UK of 20% (2016: 20%) for the reasons set out in the following reconciliation:

	2017 £'000	2016 £'000
Profit before tax	388,274	267,877
Corporate tax at standard rate of 20%. (2016: 20%)	77,655	53,575

Factors affecting tax charge for the year:

Increase/ (Decrease) from effect of prior year adjustments	(353)	10
Decrease from effect of income exempt from taxation	(68,279)	(45,268)
Increase arising from overseas tax suffered	-	79
Decrease from effect of double tax relief	-	(79)
Total tax charge	9,023	8,317

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and 17% (effective from 1 April 2020) were enacted in Finance Act (No. 2) 2015 and Finance Act 2016 respectively.

Cable & Wireless Europe Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2017 (continued)

9. Investments in subsidiaries

	Subsidiary undertakings £'000
Shares in group undertakings	
Cost	
At 1 April 2016	115,170
Disposals	(1,937)
At 31 March 2017	<u>113,233</u>
Provision for impairment	
At 1 April 2016	(12,922)
Impairment charge for the year	(72,767)
At 31 March 2017	<u>(85,689)</u>
Net Book Value	
At 31 March 2017	<u>27,544</u>
At 31 March 2016	<u>102,248</u>

The disposal of £1,937K reflects the liquidation of subsidiary European Networks BV during the year. The impairment charge for the year of £72,767K (2016: Enil) is mainly due to subsidiary Vodafone Enterprise Spain SLU.

Details of the subsidiaries as at 31 March 2017 are as follows:

Subsidiary Undertaking	Class	Ownership	Country of incorporation	Principal activity
Ipergy Communications NV *	Ordinary Shares	100%	Belgium	Telecommunications
Vodafone Belgium SA/NV	Ordinary shares	100%	Belgium	Telecommunications
Vodafone Enterprise Luxembourg S.A.	Ordinary Shares	100%	Luxembourg	Telecommunications
Vodafone Enterprise Austria GmbH	Ordinary Shares	100%	Austria	Telecommunications
Vodafone Enterprise Denmark A/S	Ordinary Shares	100%	Denmark	Telecommunications
Vodafone Enterprise Europe (UK) Limited	Ordinary Shares	100%	United Kingdom	Telecommunications
Vodafone Enterprise Europe (UK) Limited - Czech Branch *	Ordinary Shares	100%	Czech Republic	Telecommunications
Vodafone Enterprise Europe (UK) Limited - Dubai Branch *	Ordinary Shares	100%	U.A.E	Telecommunications
Vodafone Enterprise France SAS	Ordinary Shares	100%	France	Telecommunications

Cable & Wireless Europe Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2017 (continued)

9. Investments in subsidiaries (continued)

Subsidiary Undertaking	Class	Ownership	Country of Incorporation	Principal activity
Vodafone Enterprise Italy S.r.L	Ordinary Shares	100%	Italy	Telecommunications
Vodafone Enterprise Netherlands B.V	Ordinary Shares	100%	Netherlands	Telecommunications
Vodafone Enterprise Spain SLU	Ordinary Shares	100%	Spain	Telecommunications
Vodafone Enterprise Spain SLU, - Portugal Branch *	Ordinary Shares	100%	Portugal	Telecommunications
Vodafone Enterprise Sweden AB	Ordinary Shares	100%	Sweden	Telecommunications
Cable and Wireless Nominee Limited	Ordinary Shares	100%	United Kingdom	Telecommunications
Vodafone Enterprise Bahrain W.L.L.	Ordinary Shares	20%	Bahrain	Telecommunications

*Denotes indirect holdings

10. Debtors

	2017 £'000	2016 £'000
Amounts owed by group undertakings	1,167,854	1,221,457
	<u>1,167,854</u>	<u>1,221,457</u>

The amounts due from group undertakings bear interest of LIBOR plus 3.50%. The loans and any interest accrued thereon are repayable in full on the last day of each borrowing period or immediately upon demand.

11. Creditors: amount falling due within one year

	2017 £'000	2016 £'000
Bank loans and overdrafts	4,649	-
Amounts owed to group undertakings	121,529	635,675
Group relief payable	9,376	8,307
	<u>135,554</u>	<u>643,982</u>

The amounts due to group undertakings are unsecured and bear interest of LIBOR. The loans and any interest accrued thereon become repayable in full on the last day of each borrowing period or immediately upon demand of the lender.

Cable & Wireless Europe Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2017 (continued)

12. Called up share capital

Allotted, called up and fully paid shares

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

13. Related party disclosures

The Company has taken advantage of the exemption granted under paragraphs 8 'FRS 101', reduced disclosure, Related Party Disclosures, not to disclose transactions with Vodafone Group Plc group companies.

14. Controlling parties

The Company's immediate parent company is Cable and Wireless UK Holdings Limited, a company registered in England and Wales. The Directors regard Vodafone Group Plc, a company registered in England and Wales, as the ultimate parent company and controlling party.

A copy of the financial statements of Vodafone Group Plc for the year ended 31 March 2017 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.

15. Events after the end of the reporting period

The Company will closely monitor progress in relation to the impending exit of Great Britain from membership of the European Union and regularly review the impact as part of the Group's overall strategy.