

Company Registration Number: 04659719

Cable & Wireless Europe Holdings Limited
Annual Report and Financial Statements
For the Year Ended 31 March 2018



Registered Office
Vodafone House
The Connection
Newbury
Berkshire
RG14 2FN
United Kingdom

Cable & Wireless Europe Holdings Limited

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Cable & Wireless Europe Holdings Limited

Company Information

Directors

Vodafone Enterprise Corporate Secretaries Limited
A H Lentink

Company secretary

Vodafone Enterprise Corporate Secretaries Limited

Registration number

04659719

Registered Office

Vodafone House
The Connection
Newbury
Berkshire
RG14 2FN
United Kingdom

Cable & Wireless Europe Holdings Limited

Directors' Report for the Year Ended 31 March 2018

The Directors present their report and the financial statements for the year ended 31 March 2018.

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 £2,645k predominantly due to net group interest income offset by impairment of investments and amounts written off loans (2017: profit of £379,251k).

The Directors recommend that no final dividend be paid (2017: £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:

Vodafone Enterprise Corporate Secretaries Limited	(Appointed on 31 May 2017)
A H Lentink	(Appointed on 16 November 2018)
Vodafone Corporate Secretaries Limited	(Resigned on 31 May 2017)
Tarek Sayed	(Resigned on 1 May 2018)
Neil Smith	(Resigned on 15 November 2018)

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 (2017: £nil).

Cable & Wireless Europe Holdings Limited

Directors' Report for the Year Ended 31 March 2018 (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 2018.

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.

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Directors' Report for the Year Ended 31 March 2018 (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 20 November 2018 and signed on its behalf by:


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Vodafone Enterprise Corporate Secretaries Limited
Company Secretary

Cable & Wireless Europe Holdings Limited

Income Statement for the Year Ended 31 March 2018

	Note	2018 £ '000	2017 £ '000
Amounts (written off)/ written back to loans		(27,140)	413,679
Impairment of investments		(6,350)	(72,767)
Profit on disposal of investments		-	483
Other expense	5	(25)	(107)
Operating (loss)/ profit		(33,515)	341,288
Finance income	6	44,717	51,128
Finance cost	7	(98)	(4,142)
Profit before income tax		11,104	388,274
Income tax expense	8	(8,459)	(9,023)
<i>Profit for the financial year</i>		<u>2,645</u>	<u>379,251</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.

Cable & Wireless Europe Holdings Limited

Statement of Comprehensive Income for the Year Ended 31 March 2018

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 2018**

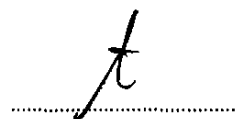
	Note	2018 £ '000	2017 £ '000
Fixed assets			
Investments in subsidiaries	9	21,246	27,544
Current assets			
Trade and other receivables	10	1,187,950	1,167,854
		1,187,950	1,167,854
Creditors: amounts falling due within one year	11	(146,655)	(135,554)
Net current assets		1,041,295	1,032,300
Net assets		<u>1,062,541</u>	<u>1,059,844</u>
Equity			
Ordinary shares	12	-	-
Share premium		1,148,576	1,148,524
Retained earnings		(86,035)	(88,680)
Total shareholders' funds		<u>1,062,541</u>	<u>1,059,844</u>

For the year ending 31 March 2018 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 ~~20 November~~ 2018 and were signed on its behalf:



Vodafone Enterprise Corporate Secretaries Limited
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 2018

	Called up share capital	Share premium	Retained earnings	Total
	£'000	£'000	£'000	£'000
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>
Balance as at 1 April 2017	-	1,148,524	(88,680)	1,059,844
Shares issued during the year	-	52	-	52
Profit for the financial year	-	-	2,645	2,645
Balance as at 31 March 2018	<u>-</u>	<u>1,148,576</u>	<u>(86,035)</u>	<u>1,062,541</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 2018

1. General information

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

The Company is a public 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 ~~20 November~~ 2018.

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 2018 (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.

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.

Cable & Wireless Europe Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)

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

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.

Trade and other receivables

Trade and receivables 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 longer), they are classified as current assets. If not, they are presented as non-current assets. Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using an effective interest method less provision for impairment. Estimates are based on the ageing of the debt balances and historical experience. Receivables are written off when management considers them to be irrecoverable.

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.

Cable & Wireless Europe Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

(continued)

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

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. Creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

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. There are no estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Employees and directors

The Company had no employees during the year (2017: nil). Directors did not receive any emoluments from the Company in respect of their services during the year (2017: £nil).

5. Other expense

	2018	2017
	£'000	£'000
Net foreign exchange loss	(25)	(107)

6. Finance income

	2018	2017
	£'000	£'000
Interest receivable from short term deposits	44,717	51,128

Cable & Wireless Europe Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)

7. Finance cost

	2018 £'000	2017 £'000
Interest payable :Group undertakings	-	(4,141)
Interest payable Bank loans and overdrafts	(98)	(1)
	<u>(98)</u>	<u>(4,142)</u>

8. Income tax expense

	2018 £'000	2017 £'000
UK Corporation Tax charge at 19% (2017: 20%)	(8,473)	(9,376)
Adjustments in respect of prior periods	14	353
Total current tax charge	<u>(8,459)</u>	<u>(9,023)</u>
	-	-
Total tax expense in income statement	<u>(8,459)</u>	<u>(9,023)</u>

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 19% (2017 – 20%) for the reasons set out in the following reconciliation:

	2018 £'000	2017 £'000
Profit before tax	<u>11,104</u>	<u>388,274</u>
Tax charge on profit before income tax at standard rate of 19% (2017 – 20%)	(2,110)	(77,655)
Factors affecting tax charge:		
Permanent differences	(6,363)	68,279
Prior period adjustments	14	353
Income tax charge for the year	<u>(8,459)</u>	<u>(9,023)</u>

The tax rate for the current year is 19%. A further rate reduction to 17% (effectively from 1 April 2020) was substantively enacted on 6 September 2016.

Cable & Wireless Europe Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)

9. Investments in subsidiaries

Shares in group undertakings

	Subsidiary undertakings £'000
Cost	
At 1 April 2017	113,233
Additional Investment	52
At 31 March 2018	<u>113,285</u>
Provision for impairment	
At 1 April 2017	(85,689)
Impairment charge for the year	(6,350)
At 31 March 2018	<u>(92,039)</u>
Net Book Value	
At 31 March 2018	<u>21,246</u>
At 31 March 2017	<u>27,544</u>

On 12 April 2017, the Company's shareholders resolved to acquire ordinary shares in Vodafone Enterprise Bahrain W.L.L. On 5 June 2017, the Company paid £51,928 in return for 480 ordinary shares. The Company's stake in Vodafone Enterprise Bahrain W.L.L. continues to be at 20%.

Details of the subsidiaries as at 31 March 2018 are as follows:

Subsidiary Undertaking	Class	Own- ership	Country of incorporation	Principal activity
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

Cable & Wireless Europe Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)

9. Investments in subsidiaries (continued)

Subsidiary Undertaking	Class	Ownership	Country of incorporation	Principal activity
Cable and Wireless Nominee Limited	Ordinary Shares	100%	United Kingdom	Investment
Vodafone Enterprise France SAS	Ordinary Shares	100%	France	Telecommunications
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 Sweden AB	Ordinary Shares	100%	Sweden	Telecommunications
Cable and Wireless Nominee Limited	Ordinary Shares	100%	United Kingdom	Telecommunications

10. Trade and other receivables

	2018 £'000	2017 £'000
Amounts owed by group undertakings	1,187,950	1,167,854

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

	2018 £'000	2017 £'000
Bank loans and overdrafts	3,198	4,649
Amounts owed to group undertakings	134,984	121,529
Group relief payable	8,473	9,376
	<u>146,655</u>	<u>135,554</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 2018 (continued)

12. Called up share capital

Allotted, called up and fully paid shares	2018		2017	
	No.	£	No.	£
Ordinary share capital of £1 each as on 1 April	100	100	100	100
Issue of ordinary shares at £1 each	1	1	-	-
Ordinary share capital of £1 each as on 31 March	<u>101</u>	<u>101</u>	<u>100</u>	<u>100</u>

On 12 April 2017, the Company resolved and issued 1 ordinary share (at premium) to its parent company Cable and Wireless UK Holdings Limited, for a nominal value of £1 each, in return for a contribution of £51,948.

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 2018 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.