

Company Registration No 1672832

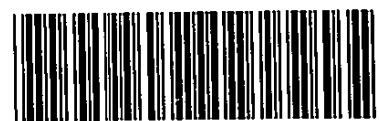
The Eastern Leasing Company Limited

Directors' report and financial statements

31 March 2013

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

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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 act as an investment holding company

Business review

The loss for the year amounts to £10,010,000 (2012 profit of £15,037,000) No change in the Company's activities is envisaged in the foreseeable future

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

Given the support of Vodafone Group Plc, the Directors consider that the Company has access to 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 £25,288,000 (2012 £15,278,000)

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 auditor

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

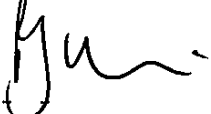
- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's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

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 The Eastern Leasing Company Limited

We have audited the financial statements of The Eastern Leasing Company 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 13. 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

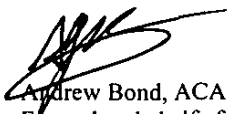
In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor's report to the members of The Eastern Leasing Company 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

Date 27 September 2013

Profit and loss account

For the year ended 31 March 2013

	Note	2013 £'000	2012 £'000
Amounts written back to investments	7	297	5,979
Amounts provided against loans	3	(39,613)	(39,451)
Income from subsidiary	7	-	19,907
Operating loss		(39,316)	(13,565)
Interest receivable and similar income	4	40,888	40,109
Interest payable and similar charges	5	(11,582)	(11,508)
(Loss)/profit on ordinary activities before taxation		(10,010)	15,037
Taxation	6	-	-
(Loss)/profit for the financial year		<u>(10,010)</u>	<u>15,037</u>

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.

Reconciliation of movements in shareholders' funds

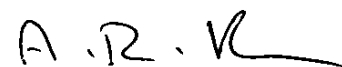
For the year ended 31 March 2013

	2013 £'000	2012 £'000
(Loss)/profit attributable to the members of the company	<u>(10,010)</u>	<u>15,037</u>
Net (reduction)/addition to shareholders' funds	(10,010)	15,037
Opening shareholders' deficit at 1 April	<u>(15,278)</u>	<u>(30,314)</u>
Closing shareholders' deficit at 31 March	<u><u>(25,288)</u></u>	<u><u>(15,278)</u></u>

Balance sheet
as at 31 March 2013

	Note	2013 £'000	2012 £'000
Fixed assets			
Investments	7	<u>77,787</u>	<u>77,490</u>
Current assets			
Debtors	8	176,840	176,263
Creditors amounts falling due within one year	9	<u>(279,915)</u>	<u>(269,031)</u>
Net current liabilities		<u>(103,075)</u>	<u>(92,768)</u>
Net liabilities		<u>(25,288)</u>	<u>(15,278)</u>
Capital and reserves			
Called up equity share capital	10	1	1
Share premium account	11	687,497	687,497
Profit and loss account	11	<u>(712,786)</u>	<u>(702,776)</u>
Total shareholders deficit		<u>(25,288)</u>	<u>(15,278)</u>

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



A R Kinch
 Director

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 Vodafone Group Plc, the Directors consider that the Company has access to 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 £25,288,000 (2012 £15,278,000)

The Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the Company as an individual undertaking and not about its group.

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 13.

Fixed asset investments

Investments in subsidiaries are included in the balance sheet at historical cost less any impairments recognised. Impairment reviews are carried out whenever events or changes in circumstances indicate that the carrying amount of the subsidiary may not be fully recoverable. Impairments are determined by comparing the carrying value of the subsidiary to its recoverable amount, being the higher of the subsidiary's net realisable value and its value in use. Impairments are recognised in the profit and loss account. A reversal of an impairment occurs if the net assets of the investment increases in the following measurement period.

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.

Notes to the financial statements

(continued)

2 Notes to the profit and loss account

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

The Company had no employees during the year (2012 nil)

In the current year, the auditor's remuneration of £3,000 (2012 £2,500) for the audit of these financial statements has been borne by another group company

3 Amounts provided against loans

During the year the directors reviewed the recoverability of intercompany loans to determine if a provision is required. The carrying value of the intercompany receivable was compared to the recoverable amount. This exercise resulted in an increase in the provision of £39,613,000 (2012 £39,451,000)

4 Interest receivable and similar income

	2013	2012
	£'000	£'000
Interest receivable from group undertakings	<u>40,888</u>	<u>40,109</u>

5 Interest payable and other similar charges

	2013	2012
	£'000	£'000
Interest on loans from group undertakings	<u>11,582</u>	<u>11,508</u>

Notes to the financial statements
 (continued)

6 Taxation

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

	2013 £'000	2012 £'000
(Loss)/profit on ordinary activities before taxation	<u>(10,010)</u>	<u>15,037</u>
Corporation tax at standard rate of 24% (2012 26%)	(2,402)	3,910
Permanent differences	9,435	3,527
Group relief claimed without payment	<u>(7,033)</u>	<u>(7,436)</u>
Current tax for the period	<u>-</u>	<u>-</u>

There were no recognised or unrecognised deferred tax balances as at 31 March 2013 or 31 March 2012

With effect from 1 April 2013, the UK corporation tax rate is 23% The standard rate of corporation tax will reduce to 21% on 1 April 2014 and 20% on 1 April 2015 but these further reductions, which were enacted in July 2013, 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)

7 Fixed asset investments

	Subsidiary undertakings £'000
Cost	
At 1 April 2012	<u>2,539,976</u>
At 31 March 2013	<u>2,539,976</u>
Provision for impairment	
At 1 April 2012	2,462,486
Reversal of impairment	<u>(297)</u>
At 31 March 2013	<u>2,462,189</u>
Net book value	
At 31 March 2013	<u>77,787</u>
At 31 March 2012	<u>77,490</u>

The Directors have carried out a review to determine whether there has been an impairment in the carrying values of its fixed asset investments in line with FRS 11 'Impairment of fixed assets and goodwill'. The carrying value of the investment in subsidiary was compared to the recoverable amount. The recoverable amount of the investment was deemed to be the net asset value of the subsidiary and its investments. A valuation based on net asset values was considered to be appropriate as the companies in the group are either dormant, holding or small trading companies. This exercise resulted in a write back of £297,000 (2012 write back of £5,979,000) to reflect the reversal of a previously recognised impairment in the investment in Energis Local Access Limited.

In the prior year, £86,571,276 was received from C&W Global Businesses International SARL, a subsidiary of the Company, following a reduction in its share premium, of which £66,663,848 was treated as a return of capital to the Company and the remaining £19,907,428 was treated as deemed dividend income.

Notes to the financial statements

(continued)

7 Fixed asset investments *(continued)*

Principal subsidiary undertakings

Details of principal operating subsidiary undertakings are given below

Subsidiary undertaking	Class	Ownership	Country of incorporation	Principal activities
Cable & Wireless Global Telecommunication Services Limited	Ordinary	100%	England and Wales	Transfer pricing management
Cable & Wireless Global Network Limited	Ordinary	100%	Ireland	Telecommunication services provider
Cable & Wireless Americas Operations Inc*	Ordinary	100%	USA	Telecommunication services provider
Apollo Submarine Cable Systems Limited*	Ordinary	60%	England and Wales	Telecommunication services provider
Cable & Wireless Global Business Services Pty Limited	Ordinary	100%	Australia	Telecommunication services provider

*Denotes indirect holding

A full list of all subsidiary undertakings will be included with the ultimate parent company's Annual Return

Notes to the financial statements

(continued)

8 Debtors

	2013 £'000	2012 £'000
Amounts falling due within one year.		
Amounts due from group undertakings	<u>176,840</u>	<u>176,263</u>

The amounts due from group undertakings bear interest ranges from LIBOR to LIBOR plus 3.50% (2012 LIBOR to LIBOR plus 3.50%) The loan and any interest accrued thereon are repayable in full upon 30 days written notice

9 Creditors

	2013 £'000	2012 £'000
Amounts falling due within one year:		
Amounts owed to group undertakings	<u>279,915</u>	<u>269,031</u>

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

10 Share capital

Allotted, called up and fully paid:

	No.	2013 £'000	No.	2012 £'000
Ordinary share of £1.00 each	<u>1,002</u>	<u>1,002</u>	<u>1,002</u>	<u>1,002</u>

Notes to the financial statements

(continued)

11 Reserves

	Share premium account £'000	Profit and loss account £'000
At 1 April 2012	687,497	(702,776)
Loss for the year	-	(10,010)
At 31 March 2013	<u>687,497</u>	<u>(712,786)</u>

12 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 Plc, as all of the Company's voting rights are controlled within the Group. There are no transactions with any other related parties.

13 Ultimate parent company and controlling party

The Company's immediate parent company is Cable & 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.

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.