

VODAFONE GROUP PUBLIC LTD CO  
Form 6-K  
July 14, 2005

**Form 6-K**

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**Report of Foreign Private Issuer**

**Pursuant to Rules 13a-16 or 15d-16 of  
the Securities Exchange Act of 1934**

Dated July 14, 2005

**VODAFONE GROUP**

**PUBLIC LIMITED COMPANY**

(Exact name of registrant as specified in its charter)

VODAFONE HOUSE, THE CONNECTION, NEWBURY, BERKSHIRE, RG14 2FN, ENGLAND

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F

Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

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Yes \_\_\_\_\_

No ü \_\_\_\_\_

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82 \_\_\_\_\_

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This Report on Form 6-K contains a news release issued by Vodafone Group Plc on July 12, 2005, entitled **IFRS RESULTS FOR THE YEAR ENDED 31 MARCH 2005** .

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**PART I**

12 July 2005

**Embargo: Not for  
publication  
before 07:00 hours  
12 July 2005**

**IFRS RESULTS FOR THE YEAR ENDED 31 MARCH 2005**



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Following the announcement of results under UK GAAP for the year ended 31 March 2005 by Vodafone Group Plc ( Vodafone ) on 24 May 2005, Vodafone today publishes further information for that year under IFRS.

There are no additional significant differences arising between UK GAAP and IFRS from those previously reported for the six months ended 30 September 2004.

Detailed reconciliations between UK GAAP and IFRS for certain of the Group's primary financial statements, together with supplemental financial information containing segmental analysis for the Group and trading results for the Group's mobile business and principal mobile operations are available on the Group's website at [www.vodafone.com/investorrelations/ifrs](http://www.vodafone.com/investorrelations/ifrs).

Vodafone will report solely under IFRS for the six months ending 30 September 2005 and present its first Annual Report under IFRS for the year ending 31 March 2006.

**For further information:**



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## VODAFONE GROUP PLC

### IFRS RESULTS FOR THE YEAR ENDED 31 MARCH 2005

#### CONTENTS

	<b>Page</b>
<b>PART II</b>	
<b>Introduction</b>	3
<b>Consolidated IFRS Primary Statements</b>	
Income Statement	4
Statement of Recognised Income and Expense	5
Balance Sheet	6
Cash Flow Statement	7
<b>Notes to IFRS Financial Information</b>	8
<b>Impact of IFRS on One Vodafone</b>	13
<b>Audit Report From Deloitte &amp; Touche LLP on the IFRS Financial Information</b>	14
<b>Unaudited Proportionate Financial Information</b>	15
<b>Forward Looking Statements</b>	16
<b>PART III</b>	
<b>Reconciliations from UK GAAP to IFRS for Key Performance Measures</b>	17

Detailed reconciliations between UK GAAP and IFRS for certain of the Group's primary financial statements and supplemental IFRS financial information on segmental analyses and mobile trading results are available on the Group's website at [www.vodafone.com/investorrelations/ifrs](http://www.vodafone.com/investorrelations/ifrs).

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**PART II**

## INTRODUCTION

### Background

Vodafone Group Plc and its subsidiaries (together, the Group) are preparing for the adoption of International Financial Reporting Standards (IFRS<sup>1</sup>) as its primary accounting basis, following the adoption of Regulation No. 1606/2002 by the European Parliament on 19 July 2002.

IFRS will apply for the first time in the Group's Annual Report for the year ending 31 March 2006. Consequently, the Group's financial results for the six month period ending 30 September 2005 will be prepared under IFRS.

The Group provided an update of its adoption of IFRS on 20 January 2005, which included IFRS financial information for the six months ended 30 September 2004 and for the year ended 31 March 2004 on a pro forma basis. Additional IFRS segmental information was provided on 18 March 2005.

This press release explains how certain of the Group's previously reported UK GAAP financial information for the year ended 31 March 2005 is reported under IFRS. The IFRS Financial Information includes:

- the Group's consolidated income statement, consolidated statement of recognised income and expense and consolidated cash flow statement, for the year ended 31 March 2005;
- the Group's consolidated balance sheet at 31 March 2005; and
- related notes.

Reconciliations of key performance measures between UK GAAP and IFRS are provided in Part III of this press release. Detailed reconciliations to assist in the understanding of the nature and quantum of differences between UK GAAP and IFRS for certain of the Group's primary financial statements and further supplemental IFRS financial information are available on the Group's website at [www.vodafone.com/investorrelations/ifrs](http://www.vodafone.com/investorrelations/ifrs).

### Principal Differences

The principal differences between UK GAAP and IFRS were set out in the Group's press release issued on 20 January 2005. There are no additional significant reconciling differences between UK GAAP and IFRS included in the IFRS Financial Information as a result of the issue of new standards or pronouncements.

### Basis of Preparation

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Detailed guidance on the basis of preparation of this IFRS Financial Information, and the pro forma information included for the year ended 31 March 2004 is included on pages 8 and 9.

On 14 April 2005, the SEC announced it had adopted proposed amendments to Form 20-F which will allow the Group, in the first year of IFRS adoption, to provide two years of statements of income, changes in shareholders' equity and cash flows prepared in accordance with IFRS, rather than the three years previously required. The Group's financial information prepared on the basis of IFRS provided on 20 January 2005 and 18 March 2005 had been prepared on the assumption that this rule change would be adopted.

### **Audit Opinion**

The consolidated balance sheet as at 31 March 2005, the consolidated income statement, consolidated statement of recognised income and expense and consolidated cash flow statement for the year ended 31 March 2005, as prepared on the basis set out in 'Basis of preparation' on pages 8 and 9, have been audited by Deloitte & Touche LLP. Their audit report to the Board of Directors of the Company is set out on page 14.

(1) References to IFRS throughout this document refer to the application of International Financial Reporting Standards ( IFRS ), including International Accounting Standards ( IAS ) and interpretations issued by the International Accounting Standards Board ( IASB ) and its committees, and as interpreted by any regulatory bodies applicable to the Group.

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## CONSOLIDATED INCOME STATEMENT

For the years ended 31 March

	UK GAAP IFRS format	2005 IFRS adjustments	IFRS	2004 (Unaudited) IFRS (pro forma)
	£m	£m	£m	£m
<b>Revenue</b>	<b>34,133</b>	<b>(60)</b>	<b>34,073</b>	<b>32,492</b>
Cost of sales	(20,753)	(711)	(21,464)	(19,245)
<b>Gross profit</b>	<b>13,380</b>	<b>(771)</b>	<b>12,609</b>	<b>13,247</b>
Selling and distribution expenses	(2,031)	(15)	(2,046)	(2,065)
Administrative expenses	(16,338)	12,812	(3,526)	(3,529)
Share of result in associated undertakings	404	1,576	1,980	1,915
Other income and expense	(315)	(160)	(475)	35
<b>Operating (loss)/profit</b>	<b>(4,900)</b>	<b>13,442</b>	<b>8,542</b>	<b>9,603</b>
Non-operating income and expense	8	(2)	6	13
Investment income	602	195	797	579
Financing costs	(995)	(399)	(1,394)	(1,182)
<b>(Loss)/profit on ordinary activities before taxation</b>	<b>(5,285)</b>	<b>13,236</b>	<b>7,951</b>	<b>9,013</b>
Tax on (loss)/profit on ordinary activities	(1,698)	265	(1,433)	(2,828)
<b>(Loss)/profit for the year on continuing operations</b>	<b>(6,983)</b>	<b>13,501</b>	<b>6,518</b>	<b>6,185</b>
Loss on discontinued operations	-	-	-	(73)
<b>(Loss)/profit for the year</b>	<b>(6,983)</b>	<b>13,501</b>	<b>6,518</b>	<b>6,112</b>
Attributable to:				
Minority interests	557	(449)	108	259
Equity shareholders	(7,540)	13,950	6,410	5,853
(Loss)/earnings per share:				
From continuing operations <sup>(1)</sup>				
Basic			9.68p	8.70p
Diluted			9.65p	8.68p
From continuing and discontinued operations				
Basic	(11.39p)		9.68p	8.60p
Diluted	(11.39p)		9.65p	8.58p

(1) Not provided under UK GAAP.





**CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE****For the year ended 31 March 2005**

	<b>UK GAAP IFRS format £m</b>	<b>IFRS adjustments £m</b>	<b>IFRS £m</b>
Gains on revaluation of available-for-sale investments	-	106	106
Exchange differences on translation of foreign operations	1,451	37	1,488
Actuarial losses on defined benefit pension schemes	-	(102)	(102)
Tax on items taken directly to equity	-	45	45
Net income recognised directly in equity	1,451	86	1,537
(Loss)/profit for the year	(6,983)	13,501	6,518
Total recognised (losses)/gains relating to the year	(5,532)	13,587	8,055
Attributable to:			
Equity shareholders	(6,073)	14,051	7,978
Minority interests	541	(464)	77

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**CONSOLIDATED BALANCE SHEET****As at 31 March 2005**

	UK GAAP IFRS format	IFRS adjustments	IFRS
	£m	£m	£m
<b>Non-current assets</b>			
Intangible assets	83,464	13,675	97,139
Property, plant and equipment	18,398	(947)	17,451
Investments in associated undertakings	19,398	836	20,234
Other investments	852	329	1,181
Deferred tax assets	1,541	100	1,641
Trade and other receivables	249	(28)	221
	<b>123,902</b>	<b>13,965</b>	<b>137,867</b>
<b>Current assets</b>			
Inventory	430	10	440
Taxation recoverable	268	(230)	38
Trade and other receivables	5,334	115	5,449
Cash and cash equivalents	3,666	103	3,769
	<b>9,698</b>	<b>(2)</b>	<b>9,696</b>
<b>Total assets</b>	<b>133,600</b>	<b>13,963</b>	<b>147,563</b>
<b>Equity</b>			
Called up share capital	4,286	-	4,286
Share premium account	52,284	-	52,284
Own shares held	(5,121)	-	(5,121)
Other reserve	99,556	84	99,640
Retained losses	(51,688)	14,399	(37,289)
<b>Total equity shareholders funds</b>	<b>99,317</b>	<b>14,483</b>	<b>113,800</b>
<b>Minority interests</b>	<b>2,818</b>	<b>(2,970)</b>	<b>(152)</b>
<b>Total equity</b>	<b>102,135</b>	<b>11,513</b>	<b>113,648</b>
<b>Non-current liabilities</b>			
Long-term borrowings	11,613	1,577	13,190
Deferred tax liabilities	3,938	1,368	5,306
Post employment benefits <sup>(1)</sup>	(183)	307	124
Provisions for other liabilities and charges	317	2	319
Other payables	749	(359)	390
	<b>16,434</b>	<b>2,895</b>	<b>19,329</b>
<b>Current liabilities</b>			
Short-term borrowings	392	1,611	2,003
Current taxation liabilities	4,759	(406)	4,353
Trade payables and other payables	9,686	(1,684)	8,002
Provisions for other liabilities and charges	194	34	228
	<b>15,031</b>	<b>(445)</b>	<b>14,586</b>
<b>Total equity and liabilities</b>	<b>133,600</b>	<b>13,963</b>	<b>147,563</b>

(1) UK GAAP post employment benefit prepayment and provision presented net, consistent with the IFRS presentation.

## CONSOLIDATED CASH FLOW STATEMENT

For the years ended 31 March

	2005	2004
	UK GAAP IFRS format	IFRS adjustments
	IFRS	IFRS (unaudited) (pro forma)
	£m	£m
<b>Net cash flows from operating activities</b>	<b>11,097</b>	<b>(118)</b>
<b>Cash flows from investing activities</b>		
Purchase of interests in subsidiary undertakings, net of cash acquired	(2,461)	-
Disposal of interests in subsidiary undertakings, net of cash disposed	444	-
Disposal of interests in associated undertakings	-	-
Purchase of intangible fixed assets	(59)	(640)
Purchase of property, plant and equipment	(4,890)	611
Purchase of investments	(19)	-
Disposal of property, plant and equipment	70	(2)
Disposal of investments	22	-
Loans repaid by associated undertakings	(2)	-
Loans to businesses sold or acquired businesses held for sale	110	-
Dividends received from associated undertakings	2,020	(124)
Dividends received from investments	19	-
Interest received	746	(11)
<b>Net cash flows from investing activities</b>	<b>(4,000)</b>	<b>(166)</b>
<b>Cash flows from financing activities</b>		
Issue of ordinary share capital	115	-
(Decrease)/increase in debt	(2,170)	346
Purchase of treasury shares	(4,053)	-
Purchase of own shares in relation to employee share schemes	-	-
Equity dividends paid	(1,991)	-
Dividends paid to minority shareholders in subsidiary undertakings	(74)	42
Interest paid	(1,074)	(58)
Interest element of finance leases	(8)	-
<b>Net cash flows from financing activities</b>	<b>(9,255)</b>	<b>330</b>
<b>Net cash flows in cash and cash equivalents <sup>(1)</sup></b>	<b>(2,158)</b>	<b>46</b>
Cash and cash equivalents at beginning of the year	5,748	61
Exchange gain/(loss) on cash and cash equivalents	29	-
<b>Cash and cash equivalents at end of the year</b>	<b>3,619</b>	<b>107</b>
<b>Net cash flows in cash and cash equivalents <sup>(1)</sup></b>	<b>(2,158)</b>	<b>46</b>
Decrease/(increase) in debt	2,170	(346)
Decrease in debt resulting from cash flows	12	(300)
Net debt acquired on acquisition of subsidiary undertakings	(2)	-
Net debt disposed on disposal of subsidiary undertakings	-	(7)
Translation difference	143	(8)
Premium on repayment of debt	-	-
Other movements	(4)	(339)
Movement in net debt in the year	149	(654)
Opening net debt	(8,488)	(2,102)
<b>Closing net debt <sup>(1)</sup></b>	<b>(8,339)</b>	<b>(2,756)</b>
	<b>10,979</b>	<b>(11,095)</b>
		<b>10,839</b>

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(1) Net debt is defined as long-term borrowings, short term borrowings and mark to market adjustments on financing instruments less cash and cash equivalents. Cash and cash equivalents are stated net of overdrafts.

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## NOTES TO THE IFRS FINANCIAL INFORMATION

### 1) Basis of Preparation

The IFRS Financial Information presented in this document has been prepared by the Group using its best knowledge of the expected International Financial Reporting Standards ( IFRS ) (including International Accounting Standards ( IAS ) and interpretations issued by the International Accounting Standards Board ( IASB ) and its committees, and as interpreted by any regulatory bodies applicable to the Group) and accounting policies that will be applied when the Group prepares its first set of IFRS financial statements as at 31 March 2006.

Therefore, until such time, the possibility that the preliminary opening balance sheet and the IFRS Financial Information presented may require amendment before constituting the final opening balance sheet and final IFRS Financial information cannot be excluded.

On 19 November 2004, the European Commission endorsed an amended version of IAS 39, Financial Instruments: Recognition and Measurement rather than the full version as previously published by the IASB. In accordance with guidance issued by the UK Accounting Standards Board, the full version of IAS 39, as issued by the IASB, has been adopted in the preparation of this financial information.

### IFRS 1 exemptions

IFRS 1, First-time Adoption of International Financial Reporting Standards sets out the procedures that the Group must follow when it adopts IFRS for the first time as the basis for preparing its consolidated financial statements. The Group is required to establish its IFRS accounting policies as at 31 March 2006 and, in general, apply these retrospectively to determine the IFRS opening balance sheet at its date of transition, 1 April 2004.

This standard provides a number of optional exceptions to this general principle. The most significant of these are set out below, together with a description in each case of the exception adopted by the Group.

#### a. Business combinations that occurred before the opening IFRS balance sheet date (IFRS 3, Business Combinations )

The Group has elected not to apply IFRS 3 retrospectively to business combinations that took place before the date of transition. As a result, in the opening balance sheet, goodwill arising from past business combinations (£96,931m) remains as stated under UK GAAP at 31 March 2004.

#### b. Employee Benefits actuarial gains and losses (IAS 19, Employee Benefits )

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The Group has elected to recognise all cumulative actuarial gains and losses in relation to employee benefit schemes at the date of transition. The Group has recognised actuarial gains and losses in full in the period in which they occur in the statement of recognised income and expense in accordance with the amendment to IAS 19, issued on 16 December 2004.

### **c. Share-based Payments (IFRS 2, Share-based Payment )**

The Group has elected to apply IFRS 2 to all relevant share based payment transactions granted but not fully vested at 1 April 2004.

### **d. Financial Instruments (IAS 39, Financial Instruments : Recognition and Measurement and IAS 32, Financial Instruments: Disclosure and Presentation )**

The Group has applied IAS 32 and IAS 39 for all periods presented and has therefore not taken advantage of the exemption in IFRS 1 that would enable the Group to only apply these standards from 1 April 2005.

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**NOTES TO IFRS FINANCIAL INFORMATION (continued)****Unaudited pro forma financial information for the year ended 31 March 2004**

The unaudited pro forma financial information for the year ended 31 March 2004 has been prepared for illustrative purposes only. It has been prepared on the basis that the IFRS transition date is 1 April 2003, with the exception that, other than the reversal of goodwill amortisation reported in the UK GAAP financial statements, the full requirements of accounting for business combinations under IFRS 3 have not been applied.

If IFRS 3 had been adopted in full for the year ended 31 March 2004 and business combinations occurring in the period from 1 April 2003 to 31 March 2004 had been reported accordingly, additional intangible fixed assets and related deferred tax liabilities would have been recognised with a corresponding reduction in goodwill. The income statement would have included amortisation expense, in relation to the recognised finite lived intangible assets and the related deferred tax effects.

Furthermore, were the IFRS transition date to be 1 April 2003, then these additional intangible fixed assets, deferred tax liabilities and related amortisation charge and tax credits would have similarly impacted the consolidated income statement for the year ended 31 March 2005, and the consolidated balance sheet at 31 March 2005.

As a result of the above, the pro forma financial information for the year ended 31 March 2004 is not presented in full accordance with IFRS.

**Presentation of financial information**

The primary statements within the IFRS Financial Information contained in this document have been presented in accordance with IAS 1, Presentation of Financial Statements. However, this format and presentation may require modification when the Group presents its first set of IFRS Financial Statements as at 31 March 2006, in the event that further guidance is issued and as practice develops.

**2) Operating Profit Analysis**

	<b>Year ended 31 March 2005</b>	<b>Pro forma Year ended 31 March 2004 (unaudited) <sup>(4)</sup></b>
	<b>£m</b>	<b>£m</b>
Subsidiary and share of joint venture undertakings operating profit <sup>(1)</sup>	7,139	7,507
Acquired intangible asset amortisation <sup>(2)</sup>	(102)	-

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Share of associate undertakings operating profit	2,667	2,434
Share of associate undertakings interest, tax and minority interest	(687)	(519)
	<b>9,017</b>	9,422
Items not reflecting underlying business performance <sup>(3)</sup>	(475)	181
<b>Operating profit</b>	<b>8,542</b>	9,603

(1) Stated before acquired intangible asset amortisation and items not reflecting underlying business performance.

(2) Acquired intangible asset amortisation relates to intangible assets recognised on acquisitions that occurred after 1 April 2004 in accordance with IFRS 3, Business Combinations . These amounts primarily relate to the purchase of minority interests in Vodafone Japan.

(3) Under UK GAAP, for the year ended 31 March 2005, an impairment charge of £315m was recognised in relation to the impairment of goodwill relating to Vodafone Sweden. The impairment charge increases to £475m under IFRS, principally due to the non-amortisation of goodwill between the Group's transition date to IFRS (1 April 2004) and 31 March 2005.

(4) Please refer to the Basis of Preparation section above.

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**NOTES TO THE IFRS FINANCIAL INFORMATION (continued)****3) Adjusted Group operating profit**

	Year ended 31 March 2005	Pro forma Year ended 31 March 2004 (unaudited)
	£m	£m
<b>Operating profit</b>	<b>8,542</b>	9,603
Items not related to underlying business performance:		
- Other income and expense	475	(35)
- Expected recoveries and provision releases in relation to a contribution tax levy on Vodafone Italy	-	(269)
- Reorganisation costs	-	123
<b>Adjusted Group operating profit</b>	<b>9,017</b>	9,422
Share of result in associated undertakings	(1,980)	(1,915)
Depreciation of property, plant and equipment and amortisation of computer software assets	4,494	4,343
Amortisation of other intangible assets	1,023	191
Loss on disposal of property, plant and equipment	161	86
EBITDA in discontinued operations		66
<b>Group EBITDA <sup>(1)</sup></b>	<b>12,715</b>	12,193

(1) Group EBITDA is not a measure recognised under IFRS but is presented in order to highlight operational performance of the Group. It is stated before items not reflecting underlying business performance.

**4) Adjusted earnings per share**

	Year ended 31 March 2005	Pro forma Year ended 31 March 2004 (unaudited)
	£m	£m
Weighted average number of shares for basic EPS (millions)	66,196	68,096
Weighted average number of shares for diluted EPS (millions)	66,427	68,249
Basic earnings per share	9.68p	8.60p
Diluted basic earnings per share	9.65p	8.58p
Basic earnings per share from continuing operations	9.68p	8.70p
Diluted basic earnings per share from continuing operations	9.65p	8.68p

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Adjusted basic earnings per share from continuing operations	<b>9.62p</b>	8.52p
Adjusted diluted basic earnings per share from continuing operations	<b>9.59p</b>	8.51p

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**NOTES TO THE IFRS FINANCIAL INFORMATION (continued)****4) Adjusted earnings per share (continued)**

	<b>Year ended 31 March 2005</b>	<b>Pro forma Year ended 31 March 2004 (unaudited)</b>
	<b>£m</b>	<b>£m</b>
<b>Earnings for basic and diluted earnings per share</b>	<b>6,410</b>	5,853
Less: result in respect of discontinued operations	-	73
Earnings for basic and diluted earnings per share from continuing operations	<b>6,410</b>	5,926
Items not related to underlying business performance:		