



The Board of Directors
CK Hutchison Holdings Limited
(incorporated in the Cayman Islands with limited liability)
48th Floor, Cheung Kong Center
2 Queen's Road Central,
Hong Kong

24 September 2024

Dear Ladies and Gentlemen,

Vodafone UK Business – Statement of adjustments

Proposed transactions in relation to establishment of a joint venture in mobile telecommunications operations in the UK

We refer to our accountants' report dated 24 September 2024, addressed to the directors of CK Hutchison Holdings Limited (the "**Company**") on the historical financial information as at and for each of the years ended 31 March 2022, 2023 and 2024 of the Vodafone UK Business ("**Historical Financial Information**") for inclusion in the circular of the Company dated 24 September 2024 (the "**Circular**") in connection with the major transactions in relation to the transactions and steps contemplated under a contribution agreement, including the joint venture establishment, the grant and the possible exercise of the options including the possible acquisition and disposal of Vodafone securities, as applicable under a shareholders' agreement.

We attach hereto a statement, initialled by us for the purpose of identification, which sets out the adjustments made to the audited Underlying Financial Statements in arriving at the Historical Financial Information upon which our report was given and the reasons for making such adjustments. We report that in our opinion only such adjustments have been made to the combined income statement and the combined statement of comprehensive income for each of the years ended 31 March 2022, 2023 and 2024 and the combined statement of financial position as at 31 March 2022, 2023 and 2024 as are necessary, and that no other adjustments have been made thereto.

This letter is provided solely pursuant to paragraph 4.14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and is not to be used for any other purpose.

Yours faithfully,

A handwritten signature in black ink that reads "PricewaterhouseCoopers LLP". The signature is written in a cursive, flowing style.

PricewaterhouseCoopers LLP
Chartered Accountants
Reading

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STATEMENT OF ADJUSTMENTS

IN RELATION TO THE PREPARATION OF THE HISTORICAL FINANCIAL
INFORMATION OF THE VODAFONE UK BUSINESS INCLUDED IN THE
ACCOUNTANTS' REPORT SET OUT IN THE CIRCULAR OF CK HUTCHISON
HOLDINGS LIMITED DATED 24 SEPTEMBER 2024

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I. GENERAL INFORMATION

CK Hutchison Holdings Limited (the “Company”), Brilliant Design Limited (“Hutchison”), CK Hutchison Group Telecom Holdings Limited (“CKHGTH”), Vodafone International Operations Limited (“Vodafone”), Vodafone Group Plc (“Vodafone TopCo”, together with its subsidiaries, the “Vodafone Group”) and Vodafone UK Trading Holdings Limited (“MergeCo”) entered into a contribution agreement on 14 June 2023 (the “Contribution Agreement”), pursuant to which the parties have conditionally agreed on the transaction to combine Vodafone’s and Hutchison’s respective telecommunications operations in the UK into MergeCo. Immediately following the closing of the transactions under the Contribution Agreement (the “Closing”), the issued share capital of MergeCo will be owned 51% by Vodafone and 49% by Hutchison.

The transactions and steps contemplated under the Contribution Agreement, including the joint venture establishment, the grant and the possible exercise of the options to be granted pursuant to the Shareholders’ Agreement (as defined below) including the possible acquisition and disposal of Vodafone securities, as applicable under a shareholders’ agreement to be entered into between Hutchison, CKHGTH, Vodafone, Vodafone TopCo and MergeCo at Closing (the “Shareholders’ Agreement”) is hereunder defined as the “Transaction”. The Transaction is subject to regulatory and shareholder approvals.

The Vodafone Group’s telecommunications operations in the UK (the “Vodafone UK Business”), which are the subject of the Transaction, comprise the entirety of the Vodafone Group’s 100% interest in Vodafone Limited (“Vodafone UK”), Talkmobile Limited, Vodafone Enterprise U.K., Energis Communications Limited and Thus Group Holdings Limited; and the Vodafone Group’s 25% interest in Digital Mobile Spectrum Limited (collectively the “Perimeter Entities”).

The principal activity of the Vodafone UK Business is the provision of telecommunication services in the UK through its mobile and fixed networks.

II. BASIS OF PREPARATION OF THE HISTORICAL FINANCIAL INFORMATION

The Vodafone UK Business represents a collection of economic activities which represents a business under International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The Perimeter Entities, forming the Vodafone UK Business, were under the common control and management of the Vodafone Group and have been managed as a single business by the Vodafone Group throughout the years ended 31 March 2022, 2023 and 2024.

The historical financial information presents the financial track record of the Vodafone UK Business as at 31 March 2022, 2023 and 2024 and for each of the years ended 31 March 2022, 2023 and 2024 (the “Historical Financial Information”) and is prepared solely for the purpose of inclusion in the Circular.

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II. BASIS OF PREPARATION OF THE HISTORICAL FINANCIAL INFORMATION (CONTINUED)

The underlying financial statements of the Vodafone UK Business, which comprise the combined statement of financial position as at 31 March 2022, 2023 and 2024, and the combined income statement, the combined statement of comprehensive income, the combined statement of changes in equity and the combined statement of cash flows for the years ended 31 March 2022, 2023 and 2024 and notes to these combined financial statements (the “Underlying Financial Statements”), on which the Historical Financial Information is based, were drawn up from the consolidated financial statements of the Vodafone Group and related accounting records unless otherwise stated, and were prepared under the Vodafone Group’s accounting policies at and for the year ended 31 March 2024 and in accordance with IFRS. The Underlying Financial Statements were audited by Ernst & Young LLP in accordance with International Standards on Auditing (UK) issued by the Financial Reporting Council in the UK (“ISAs (UK)”). ISAs (UK) are based on the International Standards on Auditing (“ISAs”) of the same titles that have been issued by the International Auditing and Assurance Standards Board, published by the International Federation of Accountants.

The Historical Financial Information, which comprises the combined statement of financial position as at 31 March 2022, 2023 and 2024, and the combined income statement, the combined statement of comprehensive income, the combined statement of changes in equity and the combined statement of cash flows for each of the years ended 31 March 2022, 2023 and 2024 and material accounting policy information and other explanatory information as set out in Appendix II to the Circular, has been prepared in accordance with IFRS and drawn up applying the accounting policies which are materially consistent with the accounting policies of the Company and its subsidiaries. A summary of material accounting policies of the Company and its subsidiaries is set out in the consolidated financial statements of the Company for the year ended 31 December 2023.

III. BASIS OF PREPARATION OF THE STATEMENT OF ADJUSTMENTS

The Historical Financial Information has been prepared based on the audited Underlying Financial Statements and adjusted to reflect the applicable accounting policies of the Company and its subsidiaries.

This statement of adjustments reconciles from the audited Underlying Financial Statements to the Historical Financial Information as presented in the accountants’ report set out in Appendix II of the Circular.

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IV. STATEMENT OF ADJUSTMENTS (CONTINUED)

A. ADJUSTMENTS TO THE COMBINED INCOME STATEMENT AND THE COMBINED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024

Financial statement line item per Underlying Financial Statements	Audited Underlying Financial Statements £'m	(a) Presentational adjustment £'m	(b) Adjustment on useful lives of telecommunications licences £'m	(c) Adjustment on determining transaction price of customer contracts £'m	(d) Adjustment on assets impairment £'m	Historical Financial Information £'m	Financial statement line item per Historical Financial Information as presented in the accountants' report set out in Appendix II of the Circular
Revenue	5,864.4	-	-	(3.2)	-	5,861.2	Revenue
Cost of sales	(3,928.6)	3,913.7	-	-	-	(14.9)	Cost of inventories sold
Gross profit	1,935.8	3,913.7	-	(3.2)	-	5,846.3	N/A
Selling and distribution expenses	(497.9)	497.9	-	-	-	-	N/A
Administrative expenses	(1,254.3)	1,254.3	-	-	-	-	N/A
Net impairment losses on financial and contract assets	(142.9)	142.9	-	-	-	-	N/A
N/A	-	(560.2)	-	-	-	(560.2)	Staff costs
N/A	-	(1,188.4)	-	-	-	(1,188.4)	Expensed customer acquisition and retention costs
N/A	-	(1,780.8)	81.4	-	168.4	(1,531.0)	Depreciation and amortisation
N/A	-	(2,283.5)	-	-	-	(2,283.5)	Other expenses and losses
N/A	-	14.1	-	-	140.4	154.5	Other income and gains
Operating profit	40.7	10.0	81.4	(3.2)	308.8	437.7	N/A
Finance income	132.9	(10.0)	-	-	-	122.9	Finance income
Finance costs	(97.8)	-	-	-	-	(97.8)	Interest expenses and other finance costs
Profit before taxation	75.8	-	81.4	(3.2)	308.8	462.8	Profit before tax
Income tax charge	(31.8)	31.8	-	-	-	-	N/A
N/A	-	(2.7)	-	-	-	(2.7)	Current tax charge
N/A	-	(29.1)	(20.4)	0.8	(77.2)	(125.9)	Deferred tax charge
Profit for the financial year	44.0	-	61.0	(2.4)	231.6	334.2	Profit after tax
Other comprehensive income/(expenses):							Other comprehensive income (loss):
<i>Items that may be reclassified to the combined income statement in subsequent years:</i>							<i>Items that may be reclassified to profit or loss:</i>
Trade receivables held at fair value through other comprehensive income ("FVOCI"):							Trade receivables held at fair value through other comprehensive income ("FVOCI"):
Net gains on trade receivables at FVOCI	4.9	-	-	-	-	4.9	Net gains
Related income tax	(1.2)	-	-	-	-	(1.2)	Related income tax charge
Cash flow hedges:							Cash flow hedges:
Net losses on cash flow hedges	(8.4)	-	-	-	-	(8.4)	Net losses
Related income tax	2.1	-	-	-	-	2.1	Related income tax credit
Total items that may be reclassified to the combined income statement in subsequent years	(2.6)	-	-	-	-	(2.6)	
<i>Items that will not be reclassified to the combined income statement in subsequent years:</i>							<i>Items that will not be reclassified to profit or loss:</i>
Defined benefit pension schemes:							Defined benefit pension schemes:
Actuarial losses in the value of defined benefit pension schemes	(85.6)	-	-	-	-	(85.6)	Actuarial losses
Related income tax	22.1	-	-	-	-	22.1	Related income tax credit
Total items that will not be reclassified to the combined income statement in subsequent years	(63.5)	-	-	-	-	(63.5)	
Other comprehensive income/(expense)	(66.1)	-	-	-	-	(66.1)	Other comprehensive income (loss)
Total comprehensive income/(expense) for the financial year	(22.1)	-	61.0	(2.4)	231.6	268.1	Total comprehensive income

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IV. STATEMENT OF ADJUSTMENTS (CONTINUED)

B. ADJUSTMENTS TO THE COMBINED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

Financial statement line item per Underlying Financial Statements	Audited Underlying Financial Statements £'m	(a) Presentational adjustment £'m	(b) Adjustment on useful lives of telecommunications licences £'m	(c) Adjustment on determining transaction price of customer contracts £'m	(d) Adjustment on assets impairment £'m	Historical Financial Information £'m	Financial statement line item per Historical Financial Information as presented in the accountants' report set out in Appendix II of the Circular
Non-current assets							Non-current assets
Property, plant and equipment	3,855.2	(1,059.7)	-	-	(894.1)	1,901.4	Fixed assets
N/A	-	1,627.5	-	-	(490.6)	1,136.9	Right-of-use assets
Other intangible assets	1,413.5	(567.8)	5,181.0	-	(2,379.3)	3,647.4	Telecommunications licences
Goodwill	648.1	-	-	-	(648.1)	-	Goodwill
Deferred tax assets	1,697.6	-	(1,295.3)	(8.1)	941.0	1,335.2	Deferred tax assets
Trade and other receivables	446.8	138.3	-	-	-	585.1	Other non-current assets
Post-employment benefits	138.3	(138.3)	-	-	-	-	N/A
Total non-current assets	8,199.5	-	3,885.7	(8.1)	(3,471.1)	8,606.0	Total non-current assets
Current assets							Current assets
Cash and cash equivalents	74.8	-	-	-	-	74.8	Cash and cash equivalents
Inventories	128.0	-	-	-	-	128.0	Inventories
Trade and other receivables	4,178.1	-	-	32.5	-	4,210.6	Trade receivables and other current assets
Total current assets	4,380.9	-	-	32.5	-	4,413.4	Total current assets
Total assets	12,580.4	-	3,885.7	24.4	(3,471.1)	13,019.4	Total assets
Equity							Equity
Net parent's investment	6,735.9	-	3,885.7	24.4	(3,471.1)	7,174.9	Net parent's investment
Total equity	6,735.9	-	3,885.7	24.4	(3,471.1)	7,174.9	Total equity
Non-current liabilities							Non-current liabilities
Lease liabilities	1,163.2	-	-	-	-	1,163.2	Lease liabilities
Post-employment benefits	6.5	-	-	-	-	6.5	Pension obligations
Trade and other payables	97.5	169.3	-	-	-	266.8	Other non-current liabilities
Provisions	169.3	(169.3)	-	-	-	-	N/A
Total non-current liabilities	1,436.5	-	-	-	-	1,436.5	Total non-current liabilities
Current liabilities							Current liabilities
Loans due to RemainCo	1,823.6	-	-	-	-	1,823.6	Loans due to RemainCo and other debts
Current tax liabilities	3.7	-	-	-	-	3.7	Current tax liabilities
Lease liabilities	522.5	-	-	-	-	522.5	Lease liabilities
Trade and other payables	2,041.3	16.9	-	-	-	2,058.2	Trade payables and other current liabilities
Provisions	16.9	(16.9)	-	-	-	-	N/A
Total current liabilities	4,408.0	-	-	-	-	4,408.0	Total current liabilities
Total equity and liabilities	12,580.4	-	3,885.7	24.4	(3,471.1)	13,019.4	Total equity and liabilities

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IV. STATEMENT OF ADJUSTMENTS (CONTINUED)

C. ADJUSTMENTS TO THE COMBINED INCOME STATEMENT AND THE COMBINED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

Financial statement line item per Underlying Financial Statements	Audited Underlying Financial Statements £m	(a) Presentational adjustment £m	(b) Adjustment on useful lives of telecommunications licences £m	(c) Adjustment on determining transaction price of customer contracts £m	(d) Adjustment on assets impairment £m	Historical Financial Information £m	Financial statement line item per Historical Financial Information as presented in the accountants' report set out in Appendix II of the Circular
Revenue	5,820.9	-	-	8.3	-	5,829.2	Revenue
Cost of sales	(4,035.4)	4,021.8	-	-	-	(13.6)	Cost of inventories sold
Gross profit	1,785.5	4,021.8	-	8.3	-	5,815.6	N/A
Selling and distribution expenses	(482.3)	482.3	-	-	-	-	N/A
Administrative expenses	(1,157.7)	1,157.7	-	-	-	-	N/A
Net impairment losses on financial and contract assets	(181.1)	181.1	-	-	-	-	N/A
N/A	-	(518.2)	-	-	-	(518.2)	Staff costs
N/A	-	(1,345.4)	-	-	-	(1,345.4)	Expensed customer acquisition and retention costs
N/A	-	(1,733.4)	94.9	-	(11.5)	(1,650.0)	Depreciation and amortisation
N/A	-	(2,235.4)	-	-	(4,088.8)	(6,324.2)	Other expenses and losses
Operating loss	(35.6)	10.5	94.9	8.3	(4,100.3)	(4,022.2)	N/A
Finance income	58.4	(10.5)	-	-	-	47.9	Finance income
Finance costs	(42.5)	-	-	-	-	(42.5)	Interest expenses and other finance costs
Loss before taxation	(19.7)	-	94.9	8.3	(4,100.3)	(4,016.8)	Loss before tax
Income tax credit	8.4	(8.4)	-	-	-	-	N/A
N/A	-	59.6	-	-	-	59.6	Current tax credit
N/A	-	(51.2)	(23.7)	(2.0)	1,025.1	948.2	Deferred tax credit
Loss for the financial year	(11.3)	-	71.2	6.3	(3,075.2)	(3,009.0)	Loss after tax
Other comprehensive income/(expenses):							Other comprehensive income (loss)
<i>Items that may be reclassified to the combined income statement in subsequent years:</i>							
Trade receivables held at fair value through other comprehensive income ("FVOCI")							Trade receivables held at fair value through other comprehensive income ("FVOCI")
Net losses on trade receivables at FVOCI	(3.3)	-	-	-	-	(3.3)	Net losses
Related income tax	0.7	-	-	-	-	0.7	Related income tax credit
Cash flow hedges:							Cash flow hedges
Net losses on cash flow hedges	(5.2)	-	-	-	-	(5.2)	Net losses
Related income tax	1.3	-	-	-	-	1.3	Related income tax credit
Total items that may be reclassified to the combined income statement in subsequent years	(6.5)	-	-	-	-	(6.5)	Net losses
<i>Items that will not be reclassified to the combined income statement in subsequent years:</i>							
Defined benefit pension schemes:							
Actuarial losses in the value of defined benefit pension schemes	(202.1)	-	-	-	-	(202.1)	Defined benefit pension schemes
Related income tax	49.7	-	-	-	-	49.7	Actuarial losses
Total items that will not be reclassified to the combined income statement in subsequent years	(152.4)	-	-	-	-	(152.4)	Related income tax
Other comprehensive income/(expense)	(158.9)	-	-	-	-	(158.9)	Other comprehensive income (loss)
Total comprehensive income/(expense) for the financial year	(170.2)	-	71.2	6.3	(3,075.2)	(3,167.9)	Total comprehensive income (loss)

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IV. STATEMENT OF ADJUSTMENTS (CONTINUED)

D. ADJUSTMENTS TO THE COMBINED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

Financial statement line item per Underlying Financial Statements	Audited Underlying Financial Statements £'m	(a) Presentational adjustment £'m	(b) Adjustment on useful lives of telecommunications licences £'m	(c) Adjustment on determining transaction price of customer contracts £'m	(d) Adjustment on assets impairment £'m	Historical Financial Information £'m	Financial statement line item per Historical Financial Information as presented in the accountants' report set out in Appendix II of the Circular
Non-current assets							Non-current assets
Property, plant and equipment	3,742.6	(993.5)	-	-	(1,001.8)	1,747.3	Fixed assets
N/A	-	1,560.8	-	-	(608.5)	952.3	Right-of-use assets
Other intangible assets	1,494.4	(567.3)	5,099.6	-	(2,462.5)	3,564.2	Telecommunications licences
Goodwill	648.1	-	(1,274.9)	(8.9)	(648.1)	-	Goodwill
Deferred tax assets	1,703.7	-	-	-	1,018.2	1,438.1	Deferred tax assets
Trade and other receivables	496.5	214.2	-	-	-	710.7	Other non-current assets
Post-employment benefits	214.2	(214.2)	-	-	-	-	N/A
Total non-current assets	8,299.5	-	3,824.7	(8.9)	(3,702.7)	8,412.6	Total non-current assets
Current assets							Current assets
Cash and cash equivalents	12.1	-	-	-	-	12.1	Cash and cash equivalents
Current tax assets	59.6	(59.6)	-	-	-	-	N/A
Inventories	150.0	-	-	-	-	150.0	Inventories
Trade and other receivables	4,161.0	59.6	-	35.7	-	4,256.3	Trade receivables and other current assets
Total current assets	4,382.7	-	-	35.7	-	4,418.4	Total current assets
Total assets	12,682.2	-	3,824.7	26.8	(3,702.7)	12,831.0	Total assets
Equity							Equity
Net parent's investment	6,739.9	-	3,824.7	26.8	(3,702.7)	6,888.7	Net parent's investment
Total equity	6,739.9	-	3,824.7	26.8	(3,702.7)	6,888.7	Total equity
Non-current liabilities							Non-current liabilities
Lease liabilities	1,214.9	-	-	-	-	1,214.9	Lease liabilities
Post-employment benefits	6.5	-	-	-	-	6.5	Pension obligations
Trade and other payables	114.7	150.2	-	-	-	264.9	Other non-current liabilities
Provisions	150.2	(150.2)	-	-	-	-	N/A
Total non-current liabilities	1,486.3	-	-	-	-	1,486.3	Total non-current liabilities
Current liabilities							Current liabilities
Loans due to RemainCo	1,847.4	2.0	-	-	-	1,849.4	Loans due to RemainCo and other debts
Lease liabilities	518.9	-	-	-	-	518.9	Lease liabilities
Trade and other payables	2,076.9	10.8	-	-	-	2,087.7	Trade payables and other current liabilities
Provisions	12.8	(12.8)	-	-	-	-	N/A
Total current liabilities	4,456.0	-	-	-	-	4,456.0	Total current liabilities
Total equity and liabilities	12,682.2	-	3,824.7	26.8	(3,702.7)	12,831.0	Total equity and liabilities

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IV. STATEMENT OF ADJUSTMENTS (CONTINUED)

E. ADJUSTMENTS TO THE COMBINED INCOME STATEMENT AND THE COMBINED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

Financial statement line item per Underlying Financial Statements	Audited Underlying Financial Statements £m	(a) Presentational adjustment £m	(b) Adjustment on useful lives of telecommunications licences £m	(c) Adjustment on determining transaction price of customer contracts £m	(d) Adjustment on assets impairment £m	Historical Financial Information £m	Financial statement line item per Historical Financial Information as presented in the accountants' report set out in Appendix II of the Circular
Revenue	5,549.7	-	-	23.6	-	5,573.3	Revenue
Cost of sales	(4,124.3)	4,113.1	-	-	-	(11.2)	Cost of inventories sold
Gross profit	1,425.4	4,113.1	-	23.6	-	5,562.1	N/A
Selling and distribution expenses	(505.5)	505.5	-	-	-	-	N/A
Administrative expenses	(1,115.5)	1,115.5	-	-	-	-	N/A
Net impairment losses on financial and contract assets	(140.5)	140.5	-	-	-	-	N/A
N/A	-	(472.7)	-	-	-	(472.7)	Staff costs
N/A	-	(1,270.5)	-	-	95.6	(1,270.5)	Expensed customer acquisition and retention costs
N/A	-	(1,924.0)	352.3	-	-	(1,476.1)	Depreciation and amortisation
N/A	-	(2,207.2)	-	-	1,707.0	(2,207.2)	Other expenses and losses
N/A	-	-	-	-	-	1,707.0	Other income and gains
Operating loss	(336.1)	0.2	352.3	23.6	1,802.6	1,842.6	N/A
Finance income	6.0	(0.2)	-	-	-	5.8	Finance income
Finance costs	(34.5)	-	-	-	-	(34.5)	Interest expenses and other finance costs
Loss before taxation	(364.6)	-	352.3	23.6	1,802.6	1,813.9	Profit before tax
Income tax credit	489.3	(489.3)	-	-	-	-	N/A
N/A	-	(12.5)	-	-	-	(12.5)	Current tax charge
N/A	-	501.8	(367.2)	(6.2)	(344.2)	(215.8)	Deferred tax charge
Profit for the financial year	124.7	-	(14.9)	17.4	1,458.4	1,585.6	Profit after tax
Other comprehensive income/(expense):							Other comprehensive income (loss)
<i>Items that may be reclassified to the combined income statement in subsequent years:</i>							<i>Items that may be reclassified to profit or loss:</i>
Trade receivables held at fair value through other comprehensive income ("FVOCI"):							Trade receivables held at fair value through other comprehensive income ("FVOCI"):
Net gains on trade receivables at FVOCI	8.4	-	-	-	-	8.4	Net gains
Related income tax	(2.1)	-	-	-	-	(2.1)	Related income tax charge
Cash flow hedges							Cash flow hedges:
Net gains on cash flow hedges	9.7	-	-	-	-	9.7	Net gains
Related income tax	(1.9)	-	-	-	-	(1.9)	Related income tax charge
Total items that may be reclassified to the combined income statement in subsequent years	14.1	-	-	-	-	14.1	
<i>Items that will not be reclassified to the combined income statement in subsequent years:</i>							<i>Items that will not be reclassified to profit or loss:</i>
Defined benefit pension schemes:							Defined benefit pension schemes:
Actuarial gains in the value of defined benefit pension schemes	461.9	-	-	-	-	461.9	Actuarial gains
Related income tax	(106.6)	-	-	-	-	(106.6)	Related income tax charge
Total items that will not be reclassified to the combined income statement in subsequent years	355.3	-	-	-	-	355.3	
Other comprehensive income	369.4	-	-	-	-	369.4	Other comprehensive income
Total comprehensive income for the financial year	494.1	-	(14.9)	17.4	1,458.4	1,955.0	Total comprehensive income

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IV. STATEMENT OF ADJUSTMENTS (CONTINUED)

F. ADJUSTMENTS TO THE COMBINED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

Financial statement line item per Underlying Financial Statements	Audited Underlying Financial Statements £m	(a) Presentational adjustment £m	(b) Adjustment on useful lives of telecommunications licences £m	(c) Adjustment on determining transaction price of customer contracts £m	(d) Adjustment on assets impairment £m	Historical Financial Information £m	Financial statement line item per Historical Financial Information as presented in the accountants' report set out in Appendix II of the Circular
Non-current assets							Non-current assets
Property, plant and equipment	3,734.8	(1,059.6)	-	-	18.6	2,693.8	Fixed assets
N/A	-	1,550.8	-	-	48.8	1,599.6	Right-of-use assets
Other intangible assets	1,513.2	(491.2)	5,004.7	-	(39.9)	5,986.8	Telecommunications licences
Goodwill	648.1	-	(1,251.2)	(6.9)	(648.1)	-	Goodwill
Deferred tax assets	1,703.4	-	-	-	(6.9)	438.4	Deferred tax assets
Trade and other receivables	627.9	406.6	-	-	-	1,034.5	Other non-current assets
Post-employment benefits	406.6	(406.6)	-	-	-	-	N/A
Total non-current assets	8,634.0	-	3,753.5	(6.9)	(627.5)	11,753.1	Total non-current assets
Current assets							Current assets
Cash and cash equivalents	11.2	-	-	-	-	11.2	Cash and cash equivalents
Inventories	112.1	-	-	-	-	112.1	Inventories
Trade and other receivables	3,952.3	-	-	27.4	-	3,979.7	Trade receivables and other current assets
Total current assets	4,075.6	-	-	27.4	-	4,103.0	Total current assets
Total assets	12,709.6	-	3,753.5	20.5	(627.5)	15,856.1	Total assets
Equity							Equity
Net parent's investment	6,997.9	-	3,753.5	20.5	(627.5)	10,144.4	Net parent's investment
Total equity	6,997.9	-	3,753.5	20.5	(627.5)	10,144.4	Total equity
Non-current liabilities							Non-current liabilities
Lease liabilities	1,262.4	-	-	-	-	1,262.4	Lease liabilities
Post-employment benefits	6.3	-	-	-	-	6.3	Pension obligations
Trade and other payables	83.6	169.4	-	-	-	253.0	Other non-current liabilities
Provisions	169.4	(169.4)	-	-	-	-	N/A
Total non-current liabilities	1,521.7	-	-	-	-	1,521.7	Total non-current liabilities
Current liabilities							Current liabilities
Loans due to RemainCo	1,713.4	1.7	-	-	-	1,715.1	Loans due to RemainCo and other debts
Current tax liabilities	12.6	-	-	-	-	12.6	Current tax liabilities
Lease liabilities	507.8	-	-	-	-	507.8	Lease liabilities
Trade and other payables	1,940.8	13.7	-	-	-	1,954.5	Trade payables and other current liabilities
Provisions	15.4	(15.4)	-	-	-	-	N/A
Total current liabilities	4,190.0	-	-	-	-	4,190.0	Total current liabilities
Total equity and liabilities	12,709.6	-	3,753.5	20.5	(627.5)	15,856.1	Total equity and liabilities

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IV. STATEMENT OF ADJUSTMENTS (CONTINUED)

G. ADJUSTMENTS TO THE COMBINED STATEMENT OF FINANCIAL POSITION AS AT 1 APRIL 2021

Financial statement line item per Underlying Financial Statements	Audited Underlying Financial Statements £m	(a) Presentational adjustment £m	(b) Adjustment on useful lives of telecommunications licences £m	(c) Adjusting transaction price of customer contracts £m	(d) Adjustment on assets impairment £m	Historical Financial Information £m	Financial statement line item per Historical Financial Information as presented in the accountants' report set out in Appendix II of the Circular
Non-current assets							Non-current assets
Property, plant and equipment	3,966.0	(1,285.7)	-	-	(432.1)	2,248.2	Fixed assets
N/A		1,713.8	-	-	(305.1)	1,408.7	Right-of-use assets
Other intangible assets	1,606.0	(428.1)	4,652.4	-	(1,037.9)	4,792.4	Telecommunications licences
Goodwill	648.1	-	(884.0)	(0.7)	(648.1)	-	Goodwill
Deferred tax assets	1,312.7	-	-	-	337.3	765.3	Deferred tax assets
Trade and other receivables	466.2	50.9	-	-	-	517.1	Other non-current assets
Post-employment benefits	50.9	(50.9)	-	-	-	-	N/A
Total non-current assets	8,049.9	-	3,768.4	(0.7)	(2,085.9)	9,731.7	Total non-current assets
Current assets							Current assets
Cash and cash equivalents	10.2	-	-	-	-	10.2	Cash and cash equivalents
Inventories	142.1	-	-	-	-	142.1	Inventories
Trade and other receivables	4,203.7	-	-	3.8	-	4,207.5	Trade receivables and other current assets
Total current assets	4,356.0	-	-	3.8	-	4,359.8	Total current assets
Total assets	12,405.9	-	3,768.4	3.1	(2,085.9)	14,091.5	Total assets
Equity							Equity
Net parent's investment	6,376.6	-	3,768.4	3.1	(2,085.9)	8,062.2	Net parent's investment
Total equity	6,376.6	-	3,768.4	3.1	(2,085.9)	8,062.2	Total equity
Non-current liabilities							Non-current liabilities
Lease liabilities	1,495.5	-	-	-	-	1,495.5	Lease liabilities
Post-employment benefits	133.1	-	-	-	-	133.1	Pension obligations
Trade and other payables	24.7	156.6	-	-	-	181.3	Other non-current liabilities
Provisions	156.6	(156.6)	-	-	-	-	N/A
Total non-current liabilities	1,809.9	-	-	-	-	1,809.9	Total non-current liabilities
Current liabilities							Current liabilities
Loans due to RemainCo	1,705.2	10.8	-	-	-	1,716.0	Loans due to RemainCo and other debts
Current tax liabilities	42.3	-	-	-	-	42.3	Current tax liabilities
Lease liabilities	473.8	-	-	-	-	473.8	Lease liabilities
Trade and other payables	1,987.3	-	-	-	-	1,987.3	Trade payables and other current liabilities
Provisions	10.8	(10.8)	-	-	-	-	N/A
Total current liabilities	4,219.4	-	-	-	-	4,219.4	Total current liabilities
Total equity and liabilities	12,405.9	-	3,768.4	3.1	(2,085.9)	14,091.5	Total equity and liabilities

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IV. STATEMENT OF ADJUSTMENTS (CONTINUED)

Notes

(a) Presentational adjustment

This adjustment aligns the presentation of the combined income statement, the combined statement of comprehensive income and the combined statement of financial position per the audited Underlying Financial Statements to conform with the presentation of the Historical Financial Information.

(b) Judgemental adjustment on useful lives of telecommunications licences

This adjustment reflects the difference between the useful lives of the telecommunications licences as assessed by the management of the Vodafone UK Business and the Company. Telecommunications licences are determined to have a definite useful life and are amortised over a period ranging from 16 years to 20 years in the Underlying Financial Statements, but under the Company's accounting policies such telecommunication licences are determined to have an indefinite useful life. Consequently, no amortisation has been accounted for in the Historical Financial Information.

This adjustment impacts the carrying amount of the telecommunications licences in the combined statement of financial position due to the reversal of the amortisation for the periods where the useful lives are different. As it also results in a change in temporary differences, the adjustment includes the relevant deferred tax impact.

IFRS requires an annual impairment test of intangible assets that have an indefinite useful life. The impact of this adjustment on the annual impairment test has been addressed in note (d).

(c) Judgemental adjustment on determining transaction price of customer contracts

This adjustment reflects the timing differences in determining the transaction price of customer contracts by the management of the Vodafone UK Business and the Company. IFRS requires the transaction price to include some or all of the variable amounts only to the extent that it is highly probable that a significant reversal in the amount of the cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Due to different judgements by the management of the Vodafone UK Business and the Company on the risk of reversal of variable consideration, certain annual price increase elements of multi-year customer contracts are included in revenue in the Underlying Financial Statements after they become effective. In the Historical Financial Information, these price increase elements are considered part of the transaction price at the inception of the customer contract.

This adjustment impacts the carrying amount of the contract assets in the combined statement of financial position. As it also results in a change in temporary differences, the adjustment includes the relevant deferred tax impact.

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IV. STATEMENT OF ADJUSTMENTS (CONTINUED)

Notes (continued)

(d) Judgemental adjustment on assets impairment

This adjustment arises from the difference, i.e. headroom or shortfall, in the amount between the carrying amount of the cash-generating unit ("CGU") in relation to the Vodafone UK Business and its recoverable amount calculated by the management of the Vodafone UK Business and the Company under their respective accounting policies, which primarily is attributable to the differences in determining (i) the carrying amount of the CGU due to the judgemental adjustment on useful lives of telecommunications licences discussed in note (b) above and (ii) the recoverable amount of the CGU due to the key inputs (discount rate and long-term growth rate) adopted by the management of the Vodafone UK Business and the Company to estimate the fair value less costs of disposal amount.

This adjustment impacts the carrying amounts of certain non-current assets in the combined statement of financial position. As it also results in a change in temporary differences, the adjustment includes the relevant deferred tax impact.

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