

## 29. Directors and key management compensation

### Directors

Aggregate emoluments of the directors of the Company were as follows:

	2011 £m	2010 £m	2009 £m
Salaries and fees	5	5	4
Incentive schemes	3	3	2
Other benefits <sup>(1)</sup>	1	1	1 <sup>(2)</sup>
	<b>9</b>	<b>9</b>	<b>7</b>

Notes:

(1) Includes the value of the cash allowance taken by some individuals in lieu of pension contributions.

(2) Includes the value of payments in respect of loss of office and relocation to the US.

The aggregate gross pre-tax gain made on the exercise of share options in the year ended 31 March 2011 by directors who served during the year was £nil (2010: £1 million, 2009: £nil).

Further details of directors' emoluments can be found in "Directors' remuneration" on pages 62 to 73.

### Key management compensation

Aggregate compensation for key management, being the directors and members of the Executive Committee, was as follows:

	2011 £m	2010 £m	2009 £m
Short-term employee benefits	18	21	17
Post-employment benefits – defined contribution schemes	1	1	1
Share-based payments	22	20	14
	<b>41</b>	<b>42</b>	<b>32</b>

## 30. Related party transactions

The Group's related parties are its joint ventures (see note 13), associates (see note 14), pension schemes, directors and Executive Committee members. Group contributions to pension schemes are disclosed in note 23. Compensation paid to the Company's Board and members of the Executive Committee is disclosed in note 29.

### Transactions with joint ventures and associates

Related party transactions with the Group's joint ventures and associates primarily comprise fees for the use of products and services including network airtime and access charges, and cash pooling arrangements.

No related party transactions have been entered into during the year which might reasonably affect any decisions made by the users of these consolidated financial statements except as disclosed below. Transactions between the Company and its joint ventures are not material to the extent that they have not been eliminated through proportionate consolidation or disclosed below.

	2011 £m	2010 £m	2009 £m
Sales of goods and services to associates	327	281	205
Purchase of goods and services from associates	171	159	223
Purchase of goods and services from joint ventures	206	194	57
Net interest receivable from joint ventures <sup>(1)</sup>	(14)	(44)	(18)
Trade balances owed:			
by associates	52	24	50
to associates	23	17	18
by joint ventures	27	27	10
to joint ventures	67	40	33
Other balances owed by joint ventures <sup>(1)</sup>	176	751	311

Note:

(1) Amounts arise primarily through Vodafone Italy, Vodafone Hutchison Australia and Indus Towers and represent amounts not eliminated on consolidation. Interest is paid in line with market rates.

Amounts owed by and owed to associates are disclosed within notes 17 and 25. Dividends received from associates are disclosed in the consolidated statement of cash flows.

## Notes to the consolidated financial statements continued

### 30. Related party transactions continued

#### Transactions with directors other than compensation

During the three years ended 31 March 2011, and as of 16 May 2011, neither any director nor any other executive officer, nor any associate of any director or any other executive officer, was indebted to the Company.

During the three years ended 31 March 2011, and as of 16 May 2011, the Company has not been a party to any other material transaction, or proposed transactions, in which any member of the key management personnel (including directors, any other executive officer, senior manager, any spouse or relative of any of the foregoing or any relative of such spouse) had or was to have a direct or indirect material interest.

### 31. Employees

The average employee headcount during the year by nature of activity and by segment is shown below. During the year the Group changed its organisation structure. The information on employees by segment are presented on the revised basis, with prior years amended to conform to the current year presentation.

	2011 Employees	2010 Employees	2009 Employees
<b>By activity:</b>			
Operations	14,171	14,099	13,889
Selling and distribution	28,311	27,398	25,174
Customer care and administration	41,380	43,493	40,034
	<b>83,862</b>	<b>84,990</b>	<b>79,097</b>
<b>By segment:</b>			
Germany	12,594	13,507	13,788
Italy	6,121	6,207	6,247
Spain	4,389	4,326	4,354
UK	8,174	9,766	10,350
Other Europe	18,953	18,582	19,015
<b>Europe</b>	<b>50,231</b>	<b>52,388</b>	<b>53,754</b>
India	10,743	10,132	8,674
Vodacom	7,320	6,833	3,246
Other Africa, Middle East and Asia Pacific	10,896	10,887	9,525
<b>Africa, Middle East and Asia Pacific</b>	<b>28,959</b>	<b>27,852</b>	<b>21,445</b>
Non-Controlled Interests and Common Functions	4,672	4,750	3,898
<b>Total</b>	<b>83,862</b>	<b>84,990</b>	<b>79,097</b>

The cost incurred in respect of these employees (including directors) was:

	2011 £m	2010 £m	2009 £m
Wages and salaries	2,960	3,045	2,607
Social security costs	392	415	379
Share-based payments (note 20)	156	150	128
Other pension costs (note 23)	134	160	113
	<b>3,642</b>	<b>3,770</b>	<b>3,227</b>

### 32. Subsequent events

#### SFR

On 3 April 2011 the Group announced an agreement to sell its entire 44% shareholding in SFR to Vivendi for cash consideration of €7.75 billion (£6.8 billion). The Group will also receive a final dividend from SFR of €200 million (£176 million) on completion of the transaction.

Subject to customary competition authority and regulatory approvals, the transaction is expected to complete during the second calendar quarter of 2011.

At 31 March 2011 the SFR investment had a carrying value of £4.2 billion and was reported within the Non-Controlled Investments and Common Functions segment.