

Solution:

(1)

Let us first prepare the statement in accordance with the Vodafone's method. The section will be prepared as follows:

STATEMENT OF CASH FLOW (ONLY INVESTING ACTIVITIES)	
(Amount in millions of £)	
Name: Vodafone Group Plc	
For: Fiscal 2011	
Particulars	Amount
CASH PROVIDED (USED) BY INVESTING ACTIVITIES	
Purchases:	
Property, Plant & Equipment	(4,350)
Intangibles	(4,290)
Investments	(318)
Interests in subsidiary & ventures	(402)
Disposals:	
Investments	4,467
Property, Plant & Equipment	51
Dividends received from investments	1,424
Dividends received from associates	85
Interest received	1,659
Taxation on Investing Activities	(208)
Net Cash Provided (used) by Operations	(1,882)

(2)

If the Vodafone was to prepare it under U.S. GAAP, then the dividends would have come under operations and interests also. Thus, the statement would become like this:

STATEMENT OF CASH FLOW (ONLY INVESTING ACTIVITIES)	
(Amount in millions of £)	
Name: Vodafone Group Plc	
For: Fiscal 2011	
Particulars	Amount
CASH PROVIDED (USED) BY INVESTING ACTIVITIES	
Purchases:	
Property, Plant & Equipment	(4,350)
Intangibles	(4,290)
Investments	(318)
Interests in subsidiary & ventures	(402)
Disposals:	
Investments	4,467
Property, Plant & Equipment	51
Taxation on Investing Activities	(208)
Net Cash Provided (used) by Operations	(5,050)
