

**VODAFONE UK LIMITED**  
**Registered No: 2227940**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2009**

THURSDAY



\*A9H4AH1W\*

A91

28/01/2010

44

COMPANIES HOUSE

# **VODAFONE UK LIMITED**

## **REPORT OF THE DIRECTORS**

The directors submit their annual report and the audited financial statements for the financial year ended 31 March 2009.

### **Principal activity**

The Company's principal activity during the year continued to be that of a holding company.

During the year the Company impaired the investment of Isis Telecommunications Management Limited, Isis Telecommunications Management (North) Limited, Vodafone Specialist Communications Limited, Aspective Limited and Vodafone Distribution Holdings Limited. On the 15 December 2008 the Company acquired the communications systems integration group known as Central Telecommunications Group Limited.

The Company follows Vodafone Group Plc (the "Group") policy in managing its principal risks. Financial risk management is explained in more detail in Note 11 of the financial statements.

### **Results and dividends**

The profit and loss account is set out on page 5 of the financial statements. For the year ended 31 March 2009, there was a profit on ordinary activities after taxation of £23.3 million (2008: £60.6 million).

The directors do not recommend the payment of a dividend (2008 - £nil).

### **Directors**

The directors of the Company, who served throughout the year unless otherwise indicated, are as follows:

M Evans	
M H Bond	
M Brearley	
J H Hext	
J G Laurence	(appointed 1 December 2008)
P J A Kelly	(appointed 8 September 2008)
J M Mundy	
J McCoy	
I A Shepherd	
K A Thomson	(resigned 30 June 2008)

M Evans resigned as a director on 30 June 2009 and was replaced by T Nowak on that date. J McCoy resigned as a director on 1 July 2009 and was replaced by J Campbell on that date. J M Hext resigned as a director on 31 July 2009 and was replaced by S G Langkamp on 1 August 2009. A Thompson was appointed as a director on 1 March 2009.

### **Auditors**

Deloitte LLP are willing to continue in office for the next financial year. In addition the Company had, prior to 1 October 2007, passed an elective resolution dispensing with the requirement to re-appoint its' auditors annually.

### **Registered office**

The registered office of the Company is at Vodafone House, The Connection, Newbury, Berkshire, RG14 2FN, England.

# **VODAFONE UK LIMITED**

## **REPORT OF THE DIRECTORS (CONTINUED)**

### **Directors' statement of responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law of England and Wales 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, 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 proper accounting records that 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 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Indemnification of directors**

In accordance with the Company's Articles of Association and to the extent permitted by the laws of England and Wales, the directors may be granted an indemnity from the Company in respect of liabilities incurred as a result of their office. In respect of those matters for which the directors may not be indemnified, Vodafone Group Plc maintained a directors' and officers' liability insurance policy throughout the financial year. This policy has been renewed for the next financial year. Neither the Company's indemnity nor the insurance provides cover in the event that the director is proven to have acted dishonestly or fraudulently.

### **Statement as to disclosure of information to auditors**

Having made the requisite enquiries, so far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the Company's auditors are unaware, and the directors have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The report of the directors was approved by the Board on the 19 January 2010 and signed on its behalf by:



P R S Howie  
Secretary

# **INDEPENDENT AUDITORS' REPORT**

**to the members of**

## **VODAFONE UK LIMITED**

We have audited the financial statements of Vodafone UK Limited for the financial year ended 31 March 2009 which comprise the profit and loss statement, the balance sheet and the related notes 1 to 13. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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 auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

# **INDEPENDENT AUDITORS' REPORT**

**to the members of**

## **VODAFONE UK LIMITED (CONTINUED)**

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2009 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



Deloitte LLP  
Chartered Accountants and Registered Auditors  
London, UK  
22 January 2010

**VODAFONE UK LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 MARCH 2009**

	Notes	2009 £'000	2008 £'000
Administrative expenses	2	(1,496)	(3,059)
Operating loss	2	<u>(1,496)</u>	<u>(3,059)</u>
Amounts written off investments	5	(25,460)	(2,678)
Net interest receivable	3	69,736	94,794
Profit on ordinary activities before taxation		<u>42,780</u>	<u>89,057</u>
Tax charge on profit on ordinary activities	4	(19,526)	(28,437)
Retained profit for the financial year	9	<u><u>23,254</u></u>	<u><u>60,620</u></u>

All results derive from continuing operations.

The Company has no other recognised gains or losses in the current or preceding year, and therefore no separate Statement of Total Recognised Gains and Losses has been presented.

The accompanying notes are an integral part of these financial statements.

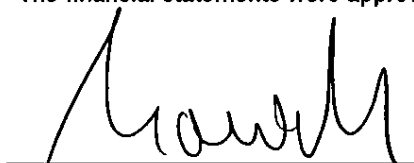
# VODAFONE UK LIMITED

## BALANCE SHEET

AT 31 MARCH 2009

	Notes	2009 £'000	2008 £'000
Fixed assets			
Investments	5	1,057,671	1,063,775
		<u>1,057,671</u>	<u>1,063,775</u>
Current assets			
Debtors	6	3,152,525	3,035,636
Creditors: amounts falling due within one year	7	(1,506,979)	(1,419,448)
NET CURRENT ASSETS		<u>1,645,546</u>	<u>1,616,188</u>
TOTAL ASSETS LESS TOTAL LIABILITIES		<u>2,703,217</u>	<u>2,679,963</u>
CAPITAL AND RESERVES			
Called up share capital	8	1,560,000	1,560,000
Profit and loss account	9	1,143,217	1,119,963
TOTAL SHAREHOLDERS' FUNDS	10	<u>2,703,217</u>	<u>2,679,963</u>

The financial statements were approved by the Board on 19 January 2010, and were signed on its behalf by:

  
 T Nowak Director

The accompanying notes are an integral part of these financial statements.

# **VODAFONE UK LIMITED**

## **NOTES ON THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 MARCH 2009**

#### **1 Statement of accounting policies**

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below. The accounting policies have been applied on a consistent basis during the current and preceding year.

##### **Basis of preparation**

Current unfavourable economic conditions give rise to uncertainty, including inflation, recession, or other changes in economic conditions, which may result in lower mobile telecommunications technology spending. If demand for telecommunication services declines, or consumer or business spending for those products declines, revenues in the Company's subsidiaries may be adversely affected which may affect liquidity. See note 11 for a more detailed discussion of financial risk management.

After reviewing the Company's budget for the next financial year, taking into account reasonably possible changes in trading performance, and other longer term plans, the directors are satisfied that, at the time of approving the financial statements, it is appropriate to adopt the going concern basis in preparing the financial statements.

##### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable UK Accounting Standards.

##### **Investments**

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

##### **Cash flow statement**

In accordance with the provisions of Financial Reporting Standard ("FRS") 1 (Revised), a cash flow statement has not been prepared since the Company is a wholly owned subsidiary of Vodafone Group Plc, a company registered in England and Wales, which prepares consolidated financial statements that include a consolidated cash flow statement, and which are publicly available.

##### **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid, or recovered, using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those which are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.



**VODAFONE UK LIMITED**  
**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2009**

**2 Administrative expenses and operating profit**

Administrative expenses include a management charge of £nil (2008: £3,819) from Vodafone Limited. Audit fees of £2,382 have been borne by Vodafone Limited in the current year. Audit fees of £2,596 were included in the management charge in the prior year. Fees payable to Deloitte LLP and their associates for non-audit services to the Company are not required to be disclosed because the consolidated financial statements of the parent company are required to disclose such fees on a consolidated basis.

The directors did not receive any remuneration from the Company in the financial year (2008: £nil).

There were no employees employed directly by the Company during the current or preceding year.

<b>3 Net interest receivable</b>	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Interest receivable and similar income:		
Group	157,056	210,822
Interest payable and similar charges:		
Group	(87,320)	(116,028)
	<u>69,736</u>	<u>94,794</u>

# VODAFONE UK LIMITED

## NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2009

<b>4 Tax charge on profit on ordinary activities</b>	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
UK corporation tax at 28% (2008: 30%)	19,526	28,437
Prior-year adjustment for under-provision	-	-
<b>Total current tax</b>	<b>19,526</b>	<b>28,437</b>

The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 28% (2008: 30%). The actual tax charge for the current and preceding year differs from the tax charge at the standard rate for the reasons set out in the following reconciliation:

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Profit on ordinary activities before tax	<u>42,780</u>	<u>89,057</u>
Tax on profit on ordinary activities before tax at standard rate of 28% (2008: 30%)	11,978	26,716
Factors affecting tax charge for the year:		
Amounts written off investments	7,129	804
Permanent differences	419	917
Adjustments to tax charge in respect of previous periods	-	-
<b>Current tax charge for the year</b>	<b>19,526</b>	<b>28,437</b>

<b>5 Investments</b>	<b>£'000</b>
Balance at 1 April 2008	1,063,775
Acquisitions	19,356
Amounts written off	(25,460)
<b>Balance at 31 March 2009</b>	<b>1,057,671</b>

# VODAFONE UK LIMITED

## NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2009

#### 5 Investments (continued)

On 15 December 2008, the Company acquired the entire share capital of Central Telecommunications Group Limited and Vodafone Finance Europe (formerly known as Central Telecommunications Limited), companies registered in England and Wales, for total consideration of £18,533,000. Acquisition costs of £823,080 were capitalised in relation to the Central Telecom acquisition. It is the directors' intention that the trade and assets of these newly acquired companies are to be transferred into Vodafone Limited as part of a group rationalisation. On the 25 November 2009, Vodafone Finance Europe (formerly known as Central Telecommunications Limited) was transferred to another Group company for consideration of £1.

During the year the Company impaired the investment of Isis Telecommunications Management Limited and Vodafone Specialist Communications Limited as a result of integrating the trading activities of these entities within Vodafone Limited. The investment is recorded at cost less provision for impairment. There has been a further impairment in Aspective Limited and Vodafone Distribution Holdings Limited.

Investment held	Principal Activity	Holding and Voting Rights %
Aspective Limited	Software consultancy and supply	100
Cellops Limited	Holding company	100
Cellular Operations Limited	Supply of communication products	60
Central Telecommunications Group Limited	Holding company	100
FB Holdings Limited	Holding company	100
Flexphone Limited	Supply of airtime	100
Generation Telecom Limited	Provision of cellular services	100
IES Telecom Limited	Non-trading	100
ISIS Telecommunication Management Limited	Supply of airtime	100
ISIS Telecommunication Management (North) Limited	Non-trading	49
Le Bunt Holdings Limited	Holding company	100
Singlepoint (4U) Limited	Supply of airtime	100
Silver Stream Investments Limited	Holding company	100
Townley Communications Limited	Supply of airtime and sales and hire of telecommunications equipment	100
Vodafone Business Services Limited	Non-trading	100
Vodafone Central Services Limited	Non-trading	100

# VODAFONE UK LIMITED

## NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2009

#### 5 Investments (continued)

Investment held	Principal Activity	Holding and Voting Rights %
Vodafone Distribution Holdings Limited	Holding Company	100
Vodafone Distribution Limited	Non-trading	100
Vodafone Finance Europe (formerly Central Telecommunications Limited)	Non-trading	100
Vodafone Hire Limited	Non-trading equipment	100
Vodafone Leasing Limited	Leasing of cars	100
Vodafone Mobile Commerce Limited	Payment collection	100
Vodafone Multimedia Limited	Non-trading	50
Vodafone Paging (Holdings) Limited	Holding Company	100
Vodafone Property Investments Limited	Investment in and leasing of world HQ	100
Vodafone Specialist Communications Limited (formerly Vodafone Hire Solutions Limited)	Hiring of mobile telecommunications equipment	100
Vodafone UK Content Services Limited	Internet services	100
Vodafone UK Investments Limited	Provision of loans within the Vodafone group of companies	100
Yes Telco Limited	Provision of mobile telecommunications and mobile solutions	100

All shareholdings are in £1 ordinary shares with the exceptions of Vodafone UK Content Services Limited in which Vodafone UK Limited holds both €1 ordinary and €1 5% non-voting fixed rate preference shares and Yes Telco Limited in which Vodafone UK Limited holds £1 redeemable preference shares.

In addition to the investments listed above, the Company is a 33% member of Mobile Takeback UK Limited, a company limited by guarantee. The Company was liquidated during the financial year and each of the members have agreed to contribute £1 each to the assets of the Company as a result of the liquidation process.

With the exception of FB Holdings Limited, Le Bunt Holdings Limited and Silver Stream Investments Limited, which are Guernsey registered companies the remaining companies are registered in England and Wales.

# VODAFONE UK LIMITED

## NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2009

<b>6 Debtors</b>	2009 £'000	2008 £'000
Due within one year:		
Amounts owed by group undertakings	<u>3,152,525</u>	<u>3,035,636</u>
	<u>3,152,525</u>	<u>3,035,636</u>

<b>7 Creditors: amounts falling due within one year</b>	2009 £'000	2008 £'000
Trade creditors	897	897
Amounts owed to Group undertakings	1,482,449	1,386,848
Group relief payable	19,526	28,437
Other creditors	4,107	3,266
	<u>1,506,979</u>	<u>1,419,448</u>

Included within the amounts owed to group undertakings is a total of £52,000,000 payable to FB Holdings Limited and Le Bunt Holdings Limited following the transaction dated 14 August 2003.

<b>8 Called up share capital</b>	2009 £'000	2008 £'000
Authorised:		
1,750,000,000 ordinary shares of £1 each	<u>1,750,000</u>	<u>1,750,000</u>
Alloted, issued and fully paid:		
1,560,000,002 ordinary shares of £1 each	<u>1,560,000</u>	<u>1,560,000</u>

<b>9 Reserves</b>	
Profit and loss account	£'000
Balance at 1 April 2008	1,119,963
Retained profit for the financial year	23,254
Balance at 31 March 2009	<u>1,143,217</u>

# VODAFONE UK LIMITED

## NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2009

#### 10 Shareholders' funds

	Share capital	Profit and loss account	Total
As at 1 April 2008	1,560,000	1,119,963	2,679,963
Movement in financial year	-	23,254	23,254
As at 31 March 2009	<u>1,560,000</u>	<u>1,143,217</u>	<u>2,703,217</u>

#### 11 Financial risk management

The Company follows Group policy to manage its principal risks which include liquidity risk, market risk (interest rate management and foreign exchange management) and credit risk. The Group's treasury function provides a centralised service to the Group, and follows a framework of policies and guidelines authorised and reviewed annually by the Group's management.

The Group's internal auditors review the internal control environment regularly. There has been no significant change during the financial year to the types of financial risks faced by the Company, or the Company's approach to the management of those risks.

Further details of the Group's policies can be found in the Annual Report and Accounts Vodafone Group Plc, which does not form part of this report.

#### 12 Related party transactions

The Company has taken advantage of the exemption granted by paragraph 3(c) of FRS 8, Related Party Disclosures, not to disclose transactions with Vodafone Group Plc group companies or interests of the Group who are related parties.

#### 13 Ultimate parent company

The immediate and ultimate parent company and controlling entity of the Company, (registered number 2227940) and the smallest and largest group which prepares consolidated financial statements and of which the Company forms a part, is Vodafone Group Plc, a Company incorporated in Great Britain and registered in England and Wales. As a wholly owned subsidiary of a company registered in England and Wales, for which Group financial statements are prepared, Vodafone UK Limited has taken advantage of Section 228 of the Companies Act 1985 and has not prepared consolidated financial statements.

A copy of the financial statements of Vodafone Group Plc for the year ended 31 March 2009 may be obtained from the Company's website [www.vodafone.com](http://www.vodafone.com) or from The Company Secretary, Vodafone Group Plc, Vodafone House, The Connection, Newbury, Berkshire, RG14 2FN, England.