

Registered No:
2227940

VODAFONE UK LIMITED
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31 MARCH 2004



VODAFONE UK LIMITED

REPORT OF THE DIRECTORS

The Directors submit their annual report and audited financial statements for the year ended 31 March 2004.

Principal activity and review of business

The Company's principal activity during the year continued to be that of a holding company to FB Holdings Limited, Le Bunt Holdings Limited, Vodafone Distribution Limited, Vodafone Distribution Holdings Limited, Vodafone Paging (Holdings) Limited, Vodafone Multimedia Limited, Vodafone Central Services Limited, Vodafone UK Content Services Limited, Vodafone UK Investments Limited, Vodafone Property Investments Limited, Vodafone Mobile Commerce Limited, Vodafone Leasing Limited, Vodafone Specialist Communications Limited (formerly Vodafone Hire Solutions Limited) and IES Telecom Limited.

On 14 August 2003, the Company acquired from FB Holdings Limited and Le Bunt Holdings Limited the share capital in respect of Cellops Limited and Cellular Operations Limited for consideration of £52,000,000.

On 22 September 2003 the Company purchased 2 £1 Ordinary shares in Vodafone Business Services Limited for £10,000,000.

On 22 September 2003 the Company purchased 10,000 £1 Ordinary shares in Singlepoint (4U) Limited for £407,532,500.

On 6 January 2004 the Company capitalised £145,000 in respect of legal fees in connection with the acquisition of the Cellops group of companies.

On 16 January 2004 the Company purchased 1 £1 Ordinary shares in Generation Telecom Limited for £3,656,450.

Results and dividends

The profit and loss account is set out on page 8 of the financial statements and shows a profit after taxation of £27.2 million (2003 - £27.9 million).

The Directors declared interim dividends totalling 256p per share during the year (2003: 481p per share).

VODAFONE UK LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

Directors

The Directors of the Company, who served through out the year were as follows:

Mr P R Bamford
Mr L H L Batchelor
Ms P A Best
Mr N Brocklehurst
Mr C S Burke
Mr G J Darby
Mr P M Donovan
Mr I Gray
Mr T J Harrabin
Mr D L Jones
Ms H M Keays
Mr H A Kuropatwa
Mr E Langston
Mr N J Read

Changes in Directors during the year and since the year end were as follows:

	Date of appointment	Date of resignation
Mr L H L Batchelor		1 September 2004
Mr S Brewer		22 August 2003
Mr N Brocklehurst		1 June 2004
Mr C S Burke		31 July 2004
Mr P Chesworth	1 August 2004	
Mr G J Darby		1 April 2004
Ms H M Keays		31 August 2004
Mr J N May		22 March 2004
Mr W T Morrow	1 February 2004	
Mr I C Robino		31 March 2004
Mr E Tournon	10 January 2005	
Mr J R Townsend	15 December 2003	13 January 2005

Directors' interests in the shares of Vodafone Group Plc

Given below are details of the interests in the ordinary shares of Vodafone Group Plc at 31 March 2004 of Directors of the Company.

The shareholdings and share options in Vodafone Group Plc of Mr P R Bamford are disclosed in the Annual Report of Vodafone Group Plc.

VODAFONE UK LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

Directors' interests in the shares of Vodafone Group Plc (continued)

	Ordinary Shares		Ordinary Share Options			
			(Note 1)		(Note 2)	
	31 March 2004	1 April 2003 or later date of appointment	31 March 2004	1 April 2003 or later date of appointment	31 March 2004	1 April 2003 or later date of appointment
Mr L H L Batchelor	4,019	1,623	-	-	553,527	360,655
Ms P A Best	58,506	55,682	4,286	4,286	770,399	828,911
Mr N Brocklehurst	40,814	37,886	13,395	13,395	735,806	562,222
Mr C S Burke	4,751	22,406	13,395	13,395	836,971	594,288
Mr G J Darby	31,044	28,473	9,706	10,456	1,680,391	1,264,144
Mr P M Donovan	95,425	66,290	13,395	13,395	1,334,689	991,677
Mr I Gray	94,958	72,727	-	-	1,154,699	884,033
Mr T J Harrabin	192,963	190,551	23,336	23,336	750,817	571,111
Mr D L Jones	410,589	80,229	13,395	13,395	1,503,299	1,753,611
Ms H M Keays	41,488	37,076	13,395	13,395	711,420	547,311
Mr H A Kuropatwa	44,156	41,744	13,395	13,395	820,199	638,866
Mr E Langston	300,701	132,581	23,336	23,336	982,886	932,044
Mr W T Morrow	78,650	79,570	-	-	3,017,290	3,017,290
Mr N J Read	-	-	9,706	-	629,961	409,836
Mr I C Robino	6,073	-	-	-	503,087	398,811
Mr J R Townsend	100,354	99,800	-	-	602,583	471,766

(1) Options granted under the terms of the Vodafone Group Plc Savings Related Share Option Scheme and the Vodafone Group 1998 Sharesave Scheme.

(2) Options granted under the terms of the Vodafone Group Plc Executive Share Option Scheme, the Vodafone Group Plc Share Option Scheme, the Vodafone Group 1998 Executive Share Option Scheme, the Vodafone Group 1998 Company Share Option Scheme and the Vodafone Group Plc 1999 Long Term Stock Incentive Plan

VODAFONE UK LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

Directors' interests in the shares of Vodafone Group Plc (continued)

In addition to the above interests in the ordinary shares and share options of Vodafone Group Plc, the following directors also had beneficial interests in shares receivable under the Vodafone Group's Long Term Incentive Plan ("LTIP") and Vodafone Group's Short Term Incentive Plan ("STIP") as shown:

	LTIP		STIP	
	31 March 2004	1 April 2003 or later date of appointment	31 March 2004	1 April 2003 or later date of appointment
Ms P A Best	409,155	258,190	0	0
Mr C S Burke	478,936	301,902	0	0
Mr G J Darby	815,112	510,140	484,175	193,460
Mr P M Donovan	718,444	541,692	319,932	0
Mr I Gray	558,057	419,022	238,841	0
Mr T J Harrabin	385,349	251,394	0	0
Mr D L Jones	560,050	421,666	248,258	0
Mr H A Kuropatwa	378,571	247,183	0	0
Mr E Langston	507,413	329,845	0	96,944
Mr N J Read	58,052	0	0	0
Mr I C Robino	0	0	0	10,166
Mr J R Townsend	0	0	108,173	107,796

Details of these schemes are included in the Board's Report to Shareholders on Directors in Vodafone Group Plc's Annual Report and Accounts for the year ended 31 March 2004. None of the Directors held beneficial interests in the shares of Vodafone UK Limited or in the shares of any other Group Company in the current or preceding financial year, except as noted above.

VODAFONE UK LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

Statement of Directors' responsibilities

United Kingdom Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The Company has passed an elective resolution under Section 386(1) of the Companies Act 1985 to dispense with the obligation to appoint auditors annually.

Registered Office

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

Approved by the Board of Directors and signed on behalf of the Board.



P R S Howie
Secretary

26 January 2005

INDEPENDENT AUDITORS' REPORT

to the members of

VODAFONE UK LIMITED

We have audited the financial statements of Vodafone UK Limited for the year ended 31 March 2004 which comprise the profit and loss account, 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

As described in the statement of directors' responsibilities, the Company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 if, in our opinion, the Directors' report is not consistent with the financial statements, if 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 transactions with the Company is not disclosed.

We read the Directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards 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.

INDEPENDENT AUDITORS' REPORT

to the members of

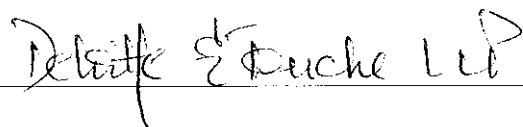
VODAFONE UK LIMITED (CONTINUED)

Basis of audit opinion (continued)

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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31 March 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

27 January 2005

VODAFONE UK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2004

	Notes	2004 £'000	2003 £'000
Operating profit - continuing operations	2	-	-
Profit on ordinary activities before interest		<hr/> -	<hr/> -
Net interest receivable	4	38,903	39,882
Profit on ordinary activities before taxation		<hr/> 38,903	<hr/> 39,882
Tax charge on profit on ordinary activities	5	(11,671)	(11,965)
Profit on ordinary activities after taxation		<hr/> 27,232	<hr/> 27,917
Equity dividends	6	(4,000,000)	(7,500,000)
Retained loss for the financial year	11	<hr/> <hr/> (3,972,768)	<hr/> <hr/> (7,472,083)

There are no recognised gains or losses, or movements on shareholders' funds, in the current financial year and preceding financial year, other than the result for the year.

All results derive from continuing operations.

VODAFONE UK LIMITED

BALANCE SHEET

AT 31 MARCH 2004

	Notes	2004 £'000	2003 £'000
Fixed assets			
Investments	7	1,220,998	747,664
		<u>1,220,998</u>	<u>747,664</u>
Current assets			
Debtors	8	10,283,017	29,375,214
		<u>10,283,017</u>	<u>29,375,214</u>
Creditors: amounts falling due within one year	9	(1,811,831)	(16,457,926)
NET CURRENT ASSETS		<u>8,471,186</u>	<u>12,917,288</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		9,692,184	13,664,952
NET ASSETS		<u>9,692,184</u>	<u>13,664,952</u>
CAPITAL AND RESERVES			
Called up share capital	10	1,560,000	1,560,000
Profit and loss account	11	8,132,184	12,104,952
EQUITY SHAREHOLDERS' FUNDS		<u>9,692,184</u>	<u>13,664,952</u>

The financial statements on pages 8 to 15 were approved by the Board of Directors on 26 January 2005, and were signed on its behalf by:


 Director
 E Langston

VODAFONE UK LIMITED

NOTES ON THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2004

1 Accounting policies

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies, all of which have been applied consistently during the current and prior year covered by the financial information in this report, are described below.

Accounting convention

The financial statements have been prepared under the historical cost convention.

Investments

The investments held as fixed assets are valued at cost less provision for any impairment.

Cash flow

The Company is not required under Financial Reporting Standard 1 to prepare a cash flow statement as the company is a wholly owned subsidiary of Vodafone Group Plc which publishes a consolidated cash flow statement.

Deferred Taxation

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 current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those which are included in the 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 2004

2 Operating profit

The auditors remuneration for the years ended 31 March 2004 and 31 March 2003 is disclosed in the financial statements of Vodafone Limited. It is not practical to allocate the remuneration between the subsidiaries of the UK business.

3 Directors

The Company does not employ any personnel (2003: none).

The emoluments of Mr P R Bamford are disclosed in the Annual Report of Vodafone Group Plc. The remaining directors are remunerated for their services to Vodafone Limited and their emoluments are disclosed within those financial statements. It is not practicable to determine how much has been paid in respect of their services to Vodafone UK Limited.

4 Net interest receivable

	2004 £'000	2003 £'000
Interest receivable and similar income:		
Group	38,903	38,896
Other	-	986
	<u>38,903</u>	<u>39,882</u>

5 Tax charge on profit on ordinary activities

	2004 £'000	2003 £'000
UK corporation tax at 30% (2003: 30%)	(11,671)	(11,965)
Adjustments in respect of previous periods	-	-
	<u>(11,671)</u>	<u>(11,965)</u>
Deferred taxation - arising from timing differences	-	-
	<u>(11,671)</u>	<u>(11,965)</u>

The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 30%.

VODAFONE UK LIMITED

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2004

6 Equity dividends	2004	2003
	£'000	£'000
Interim dividends paid of £2.56 (2003 - £4.81) per ordinary share	(4,000,000)	(7,500,000)

7 Investments	£'000
Balance at 1 April 2003	747,664
Acquisitions	473,334
Balance at 31 March 2004	<u>1,220,998</u>

On 14 August 2003, the Company acquired from FB Holdings Limited and Le Bunt Holdings Limited the share capital in respect of Cellops Limited and Cellular Operations Limited for consideration of £52,000,000.

On 22 September 2003 the Company purchased 2 £1 Ordinary shares in Vodafone Business Services Limited for £10,000,000.

On 22 September 2003 the Company purchased 10,000 £1 Ordinary shares in Singlepoint (4U) Limited for £407,532,500.

On 6 January 2004 the Company capitalised £145,000 in respect of legal fees in connection with the acquisition of the Cellops group of companies.

On 16 January 2004 the Company purchased 1 £1 Ordinary shares in Generation Telecom Limited for £3,656,450.

VODAFONE UK LIMITED

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2004

7 Investments (continued)

	Principal Activity	Holding and Voting Rights %
Cellops Limited	Non-trading	100
Cellular Operations Limited	Supply of communication products	60
FB Holdings Limited	Holding company	100
Le Bunt Holdings Limited	Holding company	100
Mobile Takeback Ltd	Mobile Phone recycling	33
Singlepoint (4U) Limited	Supply of airtime	100
Vodafone Business Services Limited	Supply of communication products	100
<i>Vodafone Distribution Holdings Limited</i>	<i>Holding Company</i>	100
Vodafone Multimedia Limited	Non-trading	50
Vodafone Paging (Holdings) Limited	Holding Company	100
Vodafone UK Investments Limited	Provision of loans within the Vodafone group of companies	100
Vodafone Property Investments Limited	Construction of new world HQ	100
Vodafone Central Services Limited	Non-trading	100
IES Telecommunications Limited	Non-trading	100
Vodafone Distribution Ltd	Purchasing and distribution	100

VODAFONE UK LIMITED

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2004

7 Investments (continued)

Vodafone Leasing Limited	Leasing of cars	100
Vodafone Mobile Commerce Limited	Payment collection	100
Vodafone Specialist Communications Limited (formerly Vodafone Hire Solutions Limited)	Hiring of mobile telecommunications equipment	100
Vodafone UK Content Services Limited	Internet services	100

8 Debtors

	2004 £'000	2003 £'000
Due within one year:		
Amounts owed by group undertakings	10,283,017	29,375,214
	<u>10,283,017</u>	<u>29,375,214</u>

9 Creditors: amounts falling due within one year

	2004 £'000	2003 £'000
Trade creditors	2,813	5,184
Amounts owed to group undertakings	1,797,347	16,440,777
Taxation payable	11,671	11,965
	<u>1,811,831</u>	<u>16,457,926</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 in note 7 above.

VODAFONE UK LIMITED

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2004

10 Called up share capital	2004	2003
	£'000	£'000
Authorised:		
1,750,000,000 ordinary shares of £1 each	<u>1,750,000</u>	<u>1,750,000</u>
Allotted and fully paid:		
1,560,000,002 ordinary shares of £1 each	<u>1,560,000</u>	<u>1,560,000</u>
11 Reserves		2004
		£'000
Profit and loss account		
Balance at 1 April 2003		12,104,952
Retained loss for the year		(3,972,768)
Balance at 31 March 2004		<u>8,132,184</u>

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 of Vodafone UK Limited 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 England and Wales. As a wholly owned direct subsidiary of a company registered in England and Wales, for which Group accounts are prepared, Vodafone UK Limited has taken advantage of Section 228 of the Companies Act 1985 and has not prepared consolidated accounts. Accordingly these financial statements present the results of the Company and not its group.

A copy of the financial statements of Vodafone Group Plc may be obtained from the Company Secretary, Vodafone Group Plc, Vodafone House, The Connection, Newbury, Berkshire, RG14 2FN, England.