

**Registered No:**  
**2227940**

**VODAFONE UK LIMITED**  
**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED**  
**31 MARCH 2003**



# **VODAFONE UK LIMITED**

## **REPORT OF THE DIRECTORS**

The directors submit their annual report and audited financial statements for the year ended 31 March 2003.

### **Principal activity and review of business**

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

On 31 December 2002 Vodafone UK Content Services Limited (formerly Vizzavi UK Limited) was acquired for consideration of £2.

On 12 March 2003 Vodafone UK Limited acquired 100% interest in FB Holdings Limited and 100% interest in Le Bunt Holdings Limited.

### **Results and dividends**

The profit and loss account is set out on page 9 of the financial statements and shows a profit after taxation of £27.9 million (2002 - £357.9 million).

The directors declared interim dividends totalling 481p per share during the year (2002 462p per share).

### **Directors**

The directors of the company, who served through out the year were as follows:

Mr P R Bamford  
Ms P A Best  
Mr S Brewer  
Mr C S Burke  
Mr G J Darby  
Mr I Gray  
Mr T J Harrabin  
Ms H M Keays  
Mr J N May  
Mr I C Robino

# VODAFONE UK LIMITED

## REPORT OF THE DIRECTORS (CONTINUED)

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	29 July 2002	
Mr N Brocklehurst	1 June 2002	
Mr P M Donovan	1 June 2002	
Mr A N Halford		1 April 2002
Mr D L Jones	1 June 2002	
Mr H A Kuropatwa	1 June 2002	
Mr E Langston	1 April 2002	
Mr I R Maxwell		1 June 2002
Mr N J Read	14 October 2002	
Mr J R Townsend	15 December 2003	

### 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 2003 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.

	Ordinary Shares		Ordinary Share Options			
	31 March 2003	1 April 2002 or later date of appointment	(Note 1)		(Note 2)	
	31 March 2003	1 April 2002 or later date of appointment	31 March 2003	1 April 2002 or later date of appointment	31 March 2003	1 April 2002 or later date of appointment
Mr L H L Batchelor	1,623	0	0	0	360,655	0
Ms P A Best	55,682	51,717	4,286	4,286	828,911	567,800
Mr S Brewer	98,901	2,718	0	0	594,422	288,200
Mr N Brocklehurst	37,886	26,054	13,395	13,395	562,222	340,000
Mr C S Burke	22,406	21,182	13,395	0	594,288	278,400
Mr G J Darby	28,473	24,988	10,456	10,456	1,264,144	789,700
Mr P M Donovan	66,290	18,233	21,022	7,627	991,677	562,900
Mr I Gray	72,727	48,531	0	7,627	884,033	545,700

# 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 2003	1 April 2002 or later date of appointment	31 March 2003	1 April 2002 or later date of appointment	31 March 2003	1 April 2002 or later date of appointment
Mr T J Harrabin	190,551	61,709	23,336	13,287	571,111	465,000
Mr D L Jones	80,229	206,432	13,395	18,951	1,753,611	1,416,500
Ms H M Keays	37,076	33,234	13,395	7,627	547,311	336,200
Mr H A Kuropatwa	41,744	27,291	13,395	7,627	638,866	412,200
Mr E Langston	132,581	112,950	23,336	13,287	932,044	625,600
Mr J N May	21,129	14,583	23,336	7,627	462,855	243,300
Mr N J Read	0	0	0	0	409,836	0
Mr I C Robino	0	0	0	0	398,811	264,700

- (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.

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:

# VODAFONE UK LIMITED

## REPORT OF THE DIRECTORS (CONTINUED)

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

	LTIP		STIP	
	31 March 2003	1 April 2002 or later date of appointment	31 March 2003	1 April 2002 or later date of appointment
Ms P A Best	258,190	89,926	0	0
Mr S Brewer	307,923	89,008	67,457	0
Mr C S Burke	301,902	83,074	0	0
Mr G J Darby	510,140	179,852	193,460	0
Mr P M Donovan	541,692	312,294	0	18,306
Mr I Gray	419,022	244,656	0	0
Mr T J Harrabin	251,394	87,559	0	0
Mr D L Jones	421,666	246,500	0	25,872
Mr H A Kuropatwa	247,183	86,092	0	17,464
Mr E Langston	329,845	114,537	96,944	113,536
Mr J N May	156,016	0	77,730	30,087
Mr I C Robino	0	0	10,166	10,019

Details of these schemes are included in the Board's Report to Shareholders on Directors in Vodafone Group Plc's Annual Report & Accounts for the year ended 31 March 2003. 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 a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining 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 and for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Auditors**

A resolution proposing the reappointment of Deloitte & Touche LLP as auditors to the company will be put to the Annual General Meeting.

On 1 August 2003, Deloitte & Touche, the Company's auditors, transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act 2000. The Company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989.

## VODAFONE UK LIMITED

### REPORT OF THE DIRECTORS (CONTINUED)

#### 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.



S R Scott  
Secretary

9 January 2004

# **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 2003 which comprise the profit and loss account, the balance sheet and the related notes 1 to 15. 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

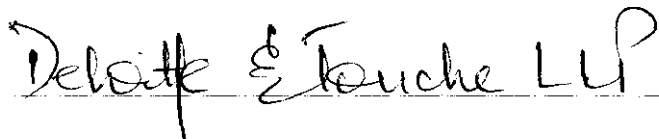
## VODAFONE UK LIMITED (CONTINUED)

### 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 2003 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

9 January 2004

# VODAFONE UK LIMITED

## PROFIT AND LOSS ACCOUNT

### FOR THE YEAR ENDED 31 March 2003

	Notes	2003 £'000	2002 £'000
Operating loss - continuing operations	2	-	-
Profit on disposal of investments	4	-	223,729
Amounts written off investments		-	(85,668)
Profit on ordinary activities before interest		-	138,061
Net interest receivable	5	39,882	272,959
Profit on ordinary activities before taxation		39,882	411,020
Tax charge on profit on ordinary activities	6	(11,965)	(53,147)
Profit on ordinary activities after taxation		27,917	357,873
Equity dividends	7	(7,500,000)	(7,200,000)
Retained loss for the financial year	13	<u>(7,472,083)</u>	<u>(6,842,127)</u>

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 2003

	Notes	2003 £'000	2002 £'000
Fixed assets			
Investments	8	747,664	695,664
Participating interests	8	-	10,000
		<u>747,664</u>	<u>705,664</u>
Current assets			
Debtors	9	29,375,214	22,131,724
		<u>29,375,214</u>	<u>22,131,724</u>
Creditors: amounts falling due within one year	10	(16,457,926)	(1,700,353)
NET CURRENT ASSETS		<u>12,917,288</u>	<u>20,431,371</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		13,664,952	21,137,035
NET ASSETS		<u>13,664,952</u>	<u>21,137,035</u>
CAPITAL AND RESERVES			
Called up share capital	11	1,560,000	1,560,000
Profit and loss account	12	12,104,952	19,577,035
EQUITY SHAREHOLDERS' FUNDS		<u>13,664,952</u>	<u>21,137,035</u>

The financial statements on pages 9 to 21 were approved by the Board of Directors on 9 January 2004, and were signed on its behalf by:



Director

N J Read

# **VODAFONE UK LIMITED**

## **NOTES ON THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 MARCH 2003**

#### **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.

##### **Pensions**

Costs, which are periodically calculated by professionally qualified actuaries, are charged against profits so that the expected costs of providing pensions are recognised during the period in which the benefit is derived from the employees' services.

The cost of the various pension schemes may vary from the funding dependent upon actuarial advice, with any difference between pension cost and funding being treated as an accrual or prepayment.

Vodafone UK Limited continues to report pensions benefits under Statement of Standard Accounting Practice 24 (SSAP 24). Additional disclosure has been made in the financial statements for Financial Reporting Standard 17 (FRS 17), for the transitional phase of the implementation of the Standard.

#### **2 Operating profit**

The auditors remuneration for the year ended 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.

# VODAFONE UK LIMITED

## NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2003

#### 3 Directors

	2003 £'000	2002 £'000
Emoluments	1,871	-
Defined contribution pension payments	139	-

The emoluments of Mr P R Bamford are disclosed in the Annual Report of Vodafone Group Plc. The remaining directors, with the exception of Mr P M Donovan, Mr I Gray and Mr D L Jones are remunerated for their services to Vodafone Limited and their emoluments are disclosed within those financial statements.

In the financial year ended 31 March 2002 no directors received emoluments for their services to Vodafone UK Limited and accordingly no comparators are presented.

	2003 Number	2002 Number
Number of directors in the year who:		
were members of a defined benefit pension scheme	3	-
were members of a defined contribution pension scheme	2	-
exercised share options (including the highest paid director)	-	-
	2003 £'000	2002 £'000
Highest paid director's remuneration	781	-

## VODAFONE UK LIMITED

### NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2003

##### 3 Directors (continued)

The amount of the accrued pension of the highest paid director in the financial year ended 31 March 2003 was £ 11,550 p.a, (2002 - £nil p.a.).

Included in aggregate emoluments is an amount of £552,065 (2002 - £nil), which represents the total payment expected to be made to the trustee of the Vodafone Group Employee Trust for the provisional award of Initial Shares under the terms of the Vodafone Group Short Term Incentive Plan for the year ended 31 March 2003. Further details regarding the incentive plan are set out in the Annual Report and Accounts of Vodafone Group Plc.

11 (2002 - nil ) directors had shares receivable under the Vodafone Group Long Term Incentive Plan.

The company has no employees, other than the directors.

##### 4 Profit on Disposal of Investments

	2003 £'000	2002 £'000
Profit on sale of convertible loan stock to Vodafone Mobile Network Limited (formerly Crickhollow Limited)	-	223,729

##### 5 Net interest receivable

	2003 £'000	2002 £'000
Interest receivable and similar income:		
Group	38,896	52,655
Finance income on Convertible loan stock	-	220,304
Other	986	-
	<u>39,882</u>	<u>272,959</u>

# VODAFONE UK LIMITED

## NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2003

<b>6 Tax charge on profit on ordinary activities</b>	<b>2003</b>	<b>2002</b>
	<b>£'000</b>	<b>£'000</b>
UK corporation tax at 30% (2001 30%)	(11,965)	(51,287)
Adjustments in respect of previous periods	-	(493)
	<u>(11,965)</u>	<u>(51,780)</u>
Deferred taxation - arising from timing differences	-	(1,367)
	<u>(11,965)</u>	<u>(53,147)</u>

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

	<b>2003</b>	<b>2002</b>
	<b>£'000</b>	<b>£'000</b>
Profit on Ordinary activities before tax	39,882	411,020
Tax on profit on ordinary activities before tax at standard rate of 30%	(11,965)	(123,306)
Non-taxable profit on sale of convertible loan	-	67,311
Write down of fixed asset investments	-	(25,893)
Finance income on convertible loan stock	-	32,378
Balancing charge on assets transferred	-	(1,777)
Adjustments to tax charge in respect of previous periods	-	(493)
Current tax charge for the year	<u>(11,965)</u>	<u>(51,780)</u>

<b>7 Equity dividends</b>	<b>2003</b>	<b>2002</b>
	<b>£'000</b>	<b>£'000</b>
Interim dividends paid of £4.81 (2001 - £4.62) per ordinary share	<u>(7,500,000)</u>	<u>(7,200,000)</u>

# VODAFONE UK LIMITED

## NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2003

#### 8 Investments

	Investment in subsidiary company shares	Participating interests	Total
	£'000	£'000	£'000
Balance at 1 April 2002	695,664	10,000	705,664
Acquisitions	42,000	-	42,000
Transfer	10,000	(10,000)	-
Balance at 31 March 2003	<u>747,664</u>	<u>-</u>	<u>747,664</u>

On the 12 March 2003 Vodafone UK Limited purchased 2 £1 Ordinary shares in FB Holdings Limited and 2 £1 Ordinary Shares in Le Bunt Holdings Limited for £52,000,000.

	Principal Activity	Holding and Voting Rights %
Vodafone Distribution Holdings Limited	Holding Company	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 2003**

**8 Investments (continued)**

	Principal Activity	Holding and Voting Rights %
Vodafone Leasing Limited	Leasing of cars	100
Vodafone Mobile Commerce Limited	Payment collection	100
Mobile Takeback Ltd	Mobile Phone recycling	33
Vodafone Hire Solutions Limited	Hiring of mobile telecommunications equipment	100
FB Holdings Limited	Holding company	100
Le Bunt Holdings Limited	Holding company	100
Vodafone UK Content Services Limited	Internet services	100

**9 Debtors**

	2003 £'000	2002 £'000
Due within one year:		
Amounts owed by group undertakings	29,375,214	22,131,664
Other debtors	-	60
	<u>29,375,214</u>	<u>22,131,724</u>

**10 Creditors: amounts falling due within one year**

	2003 £'000	2002 £'000
Trade creditors	5,184	-
Amounts owed to group undertakings	16,440,777	1,668,566
Taxation payable	11,965	30,801
Accruals and deferred income	-	986
	<u>16,457,926</u>	<u>1,700,353</u>

# VODAFONE UK LIMITED

## NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2003

<b>11 Called up share capital</b>	2003 £'000	2002 £'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>
<b>12 Reserves</b>		2003 £'000
Profit and loss account		
Balance at 1 April 2002		19,577,035
Retained loss for the year		(7,472,083)
Balance at 31 March 2003		<u>12,104,952</u>
<b>13 Related party transactions</b>		

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.

## **VODAFONE UK LIMITED**

### **NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2003**

##### **14 Pensions**

The majority of the UK employees of the Company are members of the Vodafone Group Pension Scheme (the "Main Scheme"), operated by Vodafone Group Plc, the ultimate parent company of Vodafone UK Limited. This is a tax approved scheme, the assets of which are held in a separate trustee-administered fund. In addition there is an internally funded unapproved defined benefit plan in place for a small number of senior executives. Vodafone Group Plc also operates a funded unapproved defined contribution scheme for certain senior executives.

The Main Scheme is subject to quarterly funding updates by independent actuaries and to formal actuarial valuations at least every three years. The most recent formal valuation of this scheme was carried out as at 31 March 2001 using market based principles and the projected unit funding method of valuation including allowance for projected earnings growth. The principal actuarial assumptions used in valuing the scheme liabilities are set out in "Disclosures required under SSAP 24" below.

At 31 March 2001, the market value of the Main Scheme of £177m was sufficient to cover 84% of the benefits accrued to members. Against the shortfall at 31 March 2001 the UK companies have already made special lump sum contributions totalling £94m, including a £72m contribution during year ended 31 March 2003. In addition, the UK companies continue to make contributions significantly in excess of the cost of the benefits being earned each year. Using consistent assumptions to those outlined above the updated funding level as at 31 March 2003 has been estimated as 92%.

##### **Disclosures required under SSAP 24**

On the following page is a summary of the principal assumptions used in both the most recent valuations and the pension cost:

**VODAFONE UK LIMITED**  
**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2003**

**14 Pensions (continued)**

	At 31 March 2003
Rate of inflation	2.50%
Rate of increase in salaries	4.50%
Rate of increase in pensions payment	2.50%
Rate of increase in deferred pensions	2.50%
Rate used to discount liabilities – pre-retirement	7.00%
Rate used to discount liabilities – post-retirement	6.00%

**Disclosures required under FRS 17**

The following disclosures are made in accordance with the transitional arrangements detailed in FRS 17.

The Vodafone Group Pension Scheme is a multi-employer scheme whereby UK-based Vodafone Group companies' contributions are affected by a surplus or deficit in the scheme. It is not possible for Vodafone UK Limited to identify its share of the underlying assets and liabilities on a consistent and reasonable basis. Accordingly under FRS 17, the company would account for contributions to the scheme as if it were a defined contribution scheme. The funding policy for the UK scheme is reviewed on a systematic basis in consultation with the independent scheme actuary in order to ensure that the funding contributions from sponsoring employers are appropriate to meet the liabilities of the scheme over the long term. In respect of the UK pension arrangements, the shortfall in assets represents approximately 31% (2002: 24%) of the pension liabilities as derived using assumptions adopted for the purposes of FRS 17. The performance of investment markets around the world over the last three years has been a major contributor to this shortfall.

Normal contributions to the scheme for the period were £26.7m and a special contribution of £57.2m was made to the scheme. The average contribution rate for 2003 was 12% and this level of contribution is expected to continue.

# VODAFONE UK LIMITED

## NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2003

#### 14 Pensions (continued)

##### Information in respect of the scheme as a whole

A full actuarial valuation was carried out at 31 March 2001 and updated to 31 March 2002 and 2003 by a qualified independent actuary. The major assumptions used by the actuary for the update were:

	At 31 March 2003	At 31 March 2002	
Rate of increase in salaries	4.5%	4.5%	Per annum
Rate of increase in deferred pension	2.5%	2.5%	Per annum
Rate of increase in pensions in payment	2.5%	2.5%	Per annum
Discount rate	5.4%	6.0%	Per annum
Inflation assumption	2.5%	2.5%	Per annum

The assets in the Main Scheme and the expected rate of return were:

	Long-term rate of	Value at		
	31 March 2003	31 March 2002	31 March 2003	31 March 2002
			£m	£m
Equities		Per annum	208	206
Bonds		Per annum	56	23
Other		Per annum	-	-
Total market value of assets			264	229
Present value of liabilities			(383)	(301)
Deficit in the Main Scheme before deferred tax			(119)	(72)

## **VODAFONE UK LIMITED**

### **NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2003**

##### **15 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. As a wholly owned direct subsidiary of a company registered in England, 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.