

VODAFONE UK LIMITED
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31 MARCH 2001
REGISTERED No: 2227940



VODAFONE UK LIMITED

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VODAFONE UK LIMITED

DIRECTORS' REPORT

The directors submit their annual report and audited financial statements for the year ended 31 March 2001.

Ultimate parent company

On 28 July 2000, the company's ultimate parent company changed its name from Vodafone AirTouch Plc to Vodafone Group Plc.

Review of business and future prospects

In August 2000, as part of an internal group reorganisation, the company disposed of its 100% interest in Vodafone Limited to another Group company, Shadowfax Limited for £28.9 billion.

Using funds received from Shadowfax Limited, Vodafone UK Limited issued loans of £22.9 billion to Vodafone Group Plc. At 31 March 2001 the amount outstanding was £16 billion.

On 1 September 2000, Vodafone UK Limited invested in convertible loan stock issued by Vodafone Limited with a nominal value of £6.3 billion to allow Vodafone Limited to fund expenditure on the 3G licence.

On 15 September 2000, Vodafone UK Limited subscribed for 26,357,247 ordinary shares of £1 each for £200 million in Vodafone UK Investments Limited.

On 29 March 2001, Vodafone UK Limited purchased from Vodafone Retail Limited 176 ordinary £1.00 shares in IES Telecom Limited and 206 shares in Talkland Telecommunications Limited (being the whole of their respective issued share capitals) for consideration of £1 and £200 respectively, which was settled through inter company balances.

On 29 March 2001, Vodafone UK Limited agreed in principle to acquire a 20% interest in Vizzavi UK Limited through an application for 200 ordinary shares of 1 Euro each for a consideration of 200 Euros, to be settled through intercompany balances.

The Company's principal activity remained that of a holding company to Vodafone Distribution Limited, Vodafone Paging (Holdings) Limited, Vodafone Multimedia Limited (formerly Vodafone Value Added and Data Services Limited), Vodafone Central Services Limited, Vodafone UK Investments Limited and Vodafone Property Investments Limited.

The Company will continue to act as a holding company.

Post Balance Sheet events

On 21 November 2001, Vodafone UK Limited sold the convertible loan stock issued by Vodafone Limited, to Crickhollow Limited for £6.5 billion. The profit on this sale was £224 million.

VODAFONE UK LIMITED

DIRECTORS' REPORT (CONTINUED)

Results and dividends

The profit and loss account is set out on page 9 of the financial statements and shows a profit on ordinary activities after taxation of £27,023 million (2000 - £1,311 million).

The directors declared and paid interim dividends totaling 89p per share during the year (2000 – 33.7p per share).

The retained profit for the year was £25,635 million (2000 - £784 million).

Directors

The directors of the Company are as follows:

P R Bamford	
I Gray	
D L Jones	(resigned 1 October 2001)
A N Halford	
Lord MacLaurin of Knebworth	
Professor Sir Alec Broers	(resigned 31 March 2001)
T J Harrabin	
P M Donovan	(resigned 1 October 2001)
P A Best	
I C Robino	(appointed 1 October 2000)
M C Pinches	(appointed 12 January 2001)
G J Darby	(appointed 13 February 2001)
I Maxwell	(appointed 1 May 2001)
S Brewer	(appointed 1 October 2001)
C S Burke	(appointed 5 November 2001)
J N May	(appointed 5 November 2001)

The following directors also served during the year:

C C Gent	(resigned 24 May 2000)
A P Harper	(resigned 12 January 2001)
K R McGeorge	(resigned 12 January 2001)
A G Ward	(resigned 12 January 2001)
J R Miller	(resigned 31 August 2000)

VODAFONE UK LIMITED

DIRECTORS' REPORT (CONTINUED)

Directors' Interests in the shares of Vodafone Group Plc

The directors' interests in the ordinary shares of Vodafone Group Plc at the end of the year are set out below. Details of their interests at 1 April 2000, or date of appointment if later, are shown in brackets.

Vodafone Group Plc Ordinary Shares of US\$0.10

	Ordinary Shares held 31 March 2001	Ordinary Share Options (note 1)	Ordinary Share Options (note 2)
P A Best	44,127 (19,600)	24,596 (20,310)	433,700 (383,500)
G J Darby	- (-)	- (-)	- (-)
P M Donovan	8,224 (2,024)	4,286 (-)	320,500 (202,100)
I Gray	14,500 (8,349)	4,490 (4,490)	427,400 (339,000)
A N Halford	12,395 (6,174)	4,490 (4,490)	192,400 (125,500)
T J Harrabin	51,773 (25,969)	7,466 (20,310)	334,400 (278,000)
D L Jones	133,166 (98,790)	16,946 (42,195)	1,330,600 (1,249,000)
M C Pinches	406,344 (405,074)	9,935 (9,935)	841,200 (841,200)
I C Robino	- (-)	- (-)	188,500 (188,500)

1. The options are granted under the Vodafone Group Plc Savings Related Share Option Scheme and/or the Vodafone Group 1998 Sharesave Scheme.
2. The options are granted under the Vodafone Group Plc Executive Share Option Scheme, the Vodafone Group Plc Share Option Scheme, the Vodafone Group 1998 Executive Share Option Scheme and the Vodafone Group 1998 Company Share Option Scheme.

The interests in the ordinary shares of Vodafone Group Plc of P R Bamford and Lord MacLaurin are disclosed in the Annual Report and Accounts of Vodafone Group Plc for the year ended 31 March 2001.

None of the directors who served during the year had any interest in the shares of either Vodafone UK Limited or other Group companies.

VODAFONE UK LIMITED

DIRECTORS' REPORT (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 Group's Long Term Incentive Plan ("LTIP") and Short Term Incentive Plan ("STIP") as shown:

	LTIP		STIP	
	31 March 2001	1 April 2000 or date of appointment if later	31 March 2001	1 April 2000 or date of appointment if later
P M Donovan	145,163	74,278	18,121	-
D L Jones	149,559	93,514	56,578	30,816
A N Halford	-	-	22,024	5,087
I Gray	149,721	65,550	13,692	13,626
M C Pinches	-	-	36,218	36,119

Details of these schemes are included in the Report to the Remuneration Committee in Vodafone Group Plc's Annual Report and Accounts for the year ended 31 March 2001.

Employee involvement and commitment

Employee involvement and commitment is encouraged throughout the company and is the responsibility of the Board of Directors.

Regular contact and exchanges of information between managers and staff is maintained through team briefings, internal newsletters, company notices and informally via social functions.

Team briefing, which complements other forms of management communication, is a systematic method of staff communication providing a structured approach to ensure that all levels in the organisation are kept up-to-date, thereby increasing employee involvement.

The directors of the company are committed to the principle of employee share participation and have continued during the year various Vodafone Group Plc Savings Related Share Option Schemes. These schemes provide employees with the opportunity to acquire Vodafone shares on an advantageous basis and they are operated with tax benefits under Inland Revenue approved share scheme arrangements. There is a high level of employee participation.

Disabled persons

The company is very conscious of the difficulties experienced by the disabled as regards to recruitment, continuity of employment, training, development and promotion. Its attitude concerning the employment of disabled persons is the same as that relating to all other staff. Individual circumstances are sympathetically taken into account.

Creditor payment terms

It is the company's normal practice to agree terms of transactions, including payment terms, with suppliers and provided suppliers perform in accordance with the agreed terms it is the company's policy that payment is made accordingly.

VODAFONE UK LIMITED

DIRECTORS' REPORT (CONTINUED)

Auditors

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

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 then 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 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 systems of internal financial controls and for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Registered office

The registered office of the Company is at The Courtyard, 2- 4 London Road, Newbury, Berkshire RG14 1JX, England.

By Order of the Board



S R Scott
Secretary

31 JANUARY 2002

VODAFONE UK LIMITED

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 2001 which comprise the profit and loss account, the balance sheet and the related notes 1 to 21. These financial statements have been prepared under the accounting policies set out there in.

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 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.

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.

VODAFONE UK LIMITED

INDEPENDENT AUDITORS' REPORT

to the members of

VODAFONE UK LIMITED

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 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche
Chartered Accountants and Registered Auditors
Hill House
1 Little New Street
London
EC4A 3TR

31 January. 2002

VODAFONE UK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2001

	Note	2001 £'000	2000 £'000
Turnover		20,464	7,422
Administration expenses		(20,012)	(7,007)
Write down of fixed asset investments	10	(588,768)	-
OPERATING PROFIT	1	(588,316)	415
Profit on Disposal of investments	4	27,400,000	-
Income from investments	5	15,042	1,310,690
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		26,826,726	1,311,105
Net interest receivable/(payable)	6	195,145	(224)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		27,021,871	1,310,881
Tax credit/(charge) on profit on ordinary activities	7	1,248	(60)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		27,023,119	1,310,821
Equity dividends	8	(1,388,000)	(526,330)
RETAINED PROFIT FOR THE FINANCIAL YEAR		25,635,119	784,491

The Company's results are derived from continuing operations.

There are no recognised gains or losses nor movement in shareholders' funds in this or previous financial years, other than the retained profit for the year.

VODAFONE UK LIMITED

BALANCE SHEET

AT 31 MARCH 2001

	Note	2001 £'000	2000 £'000
FIXED ASSETS			
Tangible assets	9	25,436	623
Investments	10	781,232	2,670,000
Investment in parent company shares	11	56	134
Participating Interests	12	10,000	-
		<u>816,724</u>	<u>2,670,757</u>
CURRENT ASSETS			
Debtors	13	22,788,263	791,480
Convertible loan	14	6,055,967	-
CREDITORS : amounts falling due within one year	15	<u>(1,681,344)</u>	<u>(1,117,746)</u>
NET CURRENT ASSETS/(LIABILITIES)		27,162,886	(326,266)
TOTAL ASSETS LESS CURRENT LIABILITIES		27,979,610	2,344,491
NET ASSETS		<u>27,979,610</u>	<u>2,344,491</u>
CAPITAL AND RESERVES			
Called up share capital	17	1,560,000	1,560,000
Profit and loss account	18	26,419,610	784,491
EQUITY SHAREHOLDER'S FUNDS		<u>27,979,610</u>	<u>2,344,491</u>

The financial statements were approved by the Board of Directors on **31 JANUARY** 2002, and were signed on its behalf by:



..... Director
I C Robino

VODAFONE UK LIMITED

STATEMENT OF ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with United Kingdom applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Turnover

Turnover represents the invoiced value, excluding sales taxes of services and goods supplied by the company.

Investments

The investments held as fixed assets are valued at cost except where, in the opinion of the Directors, there has been a permanent diminution in value.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of tangible fixed assets includes directly attributable overheads incurred in the acquisition, establishment and installation of the asset.

Depreciation of tangible fixed assets

The cost of tangible fixed assets is written off from the time they are brought into use, by equal installments over their expected useful lives as follows:

Plant and machinery	10 years
Computer equipment	3-5 years
Furniture and fittings	10 years
Motor vehicles	4 years

Deferred taxation

Provision is made for deferred taxation only where there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

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 benefit is derived from the employees' services.

VODAFONE UK LIMITED

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Pensions (continued)

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.

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.

VODAFONE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

	2001 £'000	2000 £'000
1. Operating profit		
Operating profit has been arrived at after charging:		
- Depreciation of tangible fixed assets	198	51
- Auditors' remuneration		
- audit work	4	4
- non-audit services	<u>2,958</u>	<u>29</u>
2. Employees	2001 Number	2000 Number
Average number of employees – (including directors) during the year – Administration	<u>74</u>	<u>18</u>
As of 1 February 2001 all Vodafone UK Limited's employees were transferred to Vodafone Limited. The figures below cover the whole period.		
	2001 £'000	2000 £'000
The cost incurred in respect of these employees (including directors):		
Wages and salaries	6,272	3,780
Social Security costs	709	167
Other pension costs	<u>916</u>	<u>373</u>
	<u>7,897</u>	<u>4,320</u>
3. Directors	2001 £'000	2000 £'000
Total emoluments in aggregate	<u>2,296</u>	<u>401</u>
Highest paid director's remuneration	<u>219</u>	<u>213</u>
Number of directors in the year who:	Number	Number
- were Members of a defined benefit pension scheme	3	3
- were Members of a defined contribution pension scheme	-	1
- Exercised options	3	3

The amount of the accrued pension of the highest paid director at 31 March 2001 is £6,807 per annum (2000 – £3,732).

VODAFONE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Directors (continued)

The emoluments of P R Bamford and Lord MacLaurin are disclosed in the Annual Report & Accounts of Vodafone Group Plc for the year ended 31 March 2001.

Included in aggregate emoluments is an amount of £515,747, 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 2000/2001 financial year. Further details regarding the incentive plan are set out in the Annual Report and Accounts of Vodafone Group Plc.

4. Profit on Disposal of Investments	2001 £'000	2000 £'000
Sale of Vodafone Limited	27,400,000	-
5. Income from investments	2001 £'000	2000 £'000
Dividends received from subsidiary undertakings	15,042	1,310,690
6. Interest receivable/(payable)	2001 £'000	2000 £'000
Interest receivable and similar income		
- Group	13,056	-
- Finance income on convertible loan stock	193,547	-
Interest payable and similar charges		
- Group	(3,684)	(196)
- Bank loans and overdraft	(7,774)	(28)
	(11,458)	(224)
Net Interest receivable/(payable)	195,145	(224)
7. Tax credit/(charge) on profit on ordinary activities	2001 £'000	2000 £'000
Corporation tax (credit)/charge on profit for the year		
At 30% (2000: 30%)	(1,217)	60
Prior year adjustment	(31)	-
	(1,248)	60

VODAFONE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Equity dividends

	2001 £'000	2000 £'000
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Interim dividends paid 89p (2000:33.7p) per ordinary share	1,388,000	526,330
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9. Tangible fixed assets

	Computer Equipment £'000	Projects in Progress £'000	Plant, Machinery, Fixtures & Fittings £'000	Motor Vehicles £'000	TOTAL £'000
COST					
1 April 2000	52	400	59	259	770
Additions	129	24,295	88	270	24,782
Transfers from group companies	66	13	30	251	360
31 March 2001	247	24,708	177	780	25,912
ACCUMULATED DEPRECIATION					
1 April 2000	17	-	7	123	147
Charge for the year	43	-	18	137	198
Transfers from group companies	28	-	9	94	131
31 March 2001	88	-	34	354	476
Net Book value at 31 March 2001	159	24,708	143	426	25,436
Net Book value at 31 March 2000	35	400	52	136	623

10. Investments £'000

At 1 April 2000	2,670,000
Additions	200,000
Disposals	(1,500,000)
Write Down of Investments	(588,768)
At 31 March 2001	781,232

VODAFONE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Investments (Continued)

In August 2000, as part of an internal reorganisation, the company disposed of its 100% interest in Vodafone Limited to another Group company, Shadowfax Limited for £28.9 billion.

On 15 September 2000, Vodafone UK Limited subscribed for 26,357,247 ordinary shares of £1 each for £200 million in Vodafone UK Investments Limited.

On 29 March 2001, Vodafone UK Limited purchased from Vodafone Retail Limited 176 ordinary £1.00 shares in IES Telecom Limited and 206 shares in Talkland Telecommunications Limited (being the whole of their respective issued share capitals) for consideration of £1 and £200 respectively, which was settled through inter company balances.

On 29 March 2001, Vodafone UK Limited agreed in principle to acquire a 20% interest in Vizzavi UK Limited through an application for 200 ordinary shares of 1 Euro each for a consideration of 200 Euros, to be settled through intercompany balances.

An impairment review was performed in line with FRS11 "Impairment of fixed assets and goodwill", following which it was decided that the recoverable value of some of the company's investments be reduced to their net book value.

The Company's subsidiaries during the year which are incorporated and registered in England are:

	Principal Activity	Holding and voting rights %
Vodafone Distribution Limited	Holding company	100%
Vodafone Multimedia Limited	Supply of value added services & packet radio network operator	100%
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	Provision of Central Services	100%
IES Telecom Limited	Non Trading	100%
Talkland Telecommunications Limited	Purchasing and distribution	100%

VODAFONE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. Investment in parent company shares

	£'000
Cost:	
At 1 April 2000	134
Additions	-
Amortised in the profit and loss account	(78)
Balance at 31 March 2001	<u>56</u>

The Vodafone Group operates a Qualifying Employee Share Ownership Trust, the Vodafone Group Plc Qualifying Employee Ownership Trust, which may acquire shares from Vodafone Group Plc for later distribution to employees in accordance with the terms of the Vodafone Group Savings Related Share Option Scheme. The investment in parent company shares represents the unamortised cost of contributions made to the Trust by the company. At 31 March 2001 the trust held 72,711 shares in Vodafone Group Plc to satisfy options held by the company's employees and these shares had a market value of £140,332. The dividend rights in respect of these shares have been waived.

12. Participating Interests

	£'000
Cost:	
At 1 April 2000	-
Additions	10,000
Balance at 31 March 2001	<u>10,000</u>

13. Debtors

	2001 £'000	2000 £'000
Due within one year:		
Trade Debtors	45	-
Amounts owed by group undertakings	22,787,369	791,360
Amounts owed by associate undertakings	404	-
Other debtors	364	99
Prepayments	7	-
	<u>22,788,189</u>	<u>791,459</u>
Due after one year:		
Prepayments	74	21
	<u>22,788,263</u>	<u>791,480</u>

VODAFONE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Convertible loan stock

On 1 September 2000, the company purchased convertible loan stock from Vodafone Limited with a nominal value of £6,285 million at a discount of 6.72% to allow Vodafone Limited to fund expenditure on the 3G licence. The holder has an option to convert the unsecured loan stock on 30 November 2001 or to convert or redeem the unsecured loan stock on 31 December 2021 into 62,850,000 fixed rate non redeemable cumulative preference shares of £100. Unless previously redeemed or converted, the loan stock will be redeemed at par on 31 December 2021, together with accrued interest thereon. The loan stock bears interest from 30 November 2001 at LIBOR plus 0.21% per annum. At 31 March 2001 the amount outstanding was £6,056m.

15. Creditors: amounts falling due within one year	2001 £'000	2000 £'000
Bank overdraft	-	33
Trade creditors	-	77
Amounts owed to group undertakings	1,661,435	1,114,853
Accruals and deferred income	19,909	2,783
	<u>1,681,344</u>	<u>1,117,746</u>

Included in the amounts owed to group undertakings is an interest free loan of £1.1 billion between Vodafone Cellular Limited and Vodafone UK Limited which is repayable on demand.

16. Deferred taxation

	2001 Provided £'000	2001 Unprovided £'000	2000 Provided £'000	2000 Unprovided £'000
Accelerated capital allowances	-	410	-	(5)
Short term timing differences	-	38	-	40
Deferred tax asset	<u>-</u>	<u>448</u>	<u>-</u>	<u>35</u>

17. Called up share capital	2001 £'000	2000 £'000
Authorised: 1,750,000,000 ordinary shares of £1 each (2000 : 1,750,000,000 ordinary shares of £1 each)	<u>1,750,000</u>	<u>1,750,000</u>
Called up, allotted and fully paid: 1,560,000,002 ordinary shares of £1 each (2000 : 1,560,000,002 ordinary shares of £1 each)	<u>1,560,000</u>	<u>1,560,000</u>

VODAFONE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. Profit and loss account

	£'000
At 1 April 2000	784,491
Retained profit for the financial year	25,635,119
At 31 March 2001	<u>26,419,610</u>

19. Pensions

Vodafone Group Plc, the ultimate parent company of Vodafone UK Limited operates a number of pension schemes for the benefit of the employees of its subsidiary companies. The schemes are funded defined benefit schemes, the assets of which are held in separate trustee administered funds.

The schemes are subject to triennial valuations by independent actuaries. The last valuations were carried out as at 1 April 1999 using the projected unit credit method of valuation in which allowance is made for projected earnings growth.

The results of the latest actuarial valuation of the schemes are disclosed in the financial statements of Vodafone Group Plc.

The pension cost for the Company amounted to £916,000 (2000 - £373,000).

An amount of £74,000 (2000:£21,000) is included in prepayments due after more than one year. This represents the surplus of the amounts funded to the accumulated pension costs.

20. Related party disclosures

The Company has taken advantage of the exemption granted by paragraph 3 [c] of FRS8, Related Party Disclosures, not to disclose transactions with Vodafone Group Plc group companies or interests of the group which are related parties.

21. Ultimate parent company

The immediate and ultimate parent company and controlling entity of Vodafone UK Limited is Vodafone Group Plc, which is incorporated in England. As a wholly owned subsidiary of a company registered in England, for which Group accounts are prepared, the Company has taken advantage of Section 228 of the Companies Act 1985 and has not prepared consolidated accounts.

A copy of the financial statements of Vodafone Group Plc for the year ended 31 March 2001 may be obtained from the Company Secretary, Vodafone Group Plc, The Courtyard, 2-4 London Road, Newbury, Berkshire RG14 1JX, England.

On 28 July 2000, the company's ultimate parent company changed its name from Vodafone AirTouch Plc to Vodafone Group Plc.

VODAFONE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22. Post Balance Sheet Events

On 21 November 2001, Vodafone UK Limited sold the convertible loan stock issued by Vodafone Limited, to Crickhollow Limited for £6.5 billion. The profit on this sale was £224 million.