

CELLOPS LIMITED
ACCOUNTS
YEAR ENDED 31 MARCH 2003

Company Registration Number: 3942192



CELLOPS LIMITED

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CELLOPS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

S Brewer
E Langston
N J Read

COMPANY SECRETARY

L Emetulu

REGISTERED OFFICE

Century Road
Hillmead
Swindon
Wiltshire
SN5 5DR

AUDITORS

Solomon Hare LLP
Chartered Accountants
Oakfield House
Oakfield Grove
Clifton
Bristol
BS8 2BN

DIRECTORS' REPORT**FOR THE YEAR ENDED 31 MARCH 2003**

The directors present their annual report together with the audited accounts of the company for the year ended 31 March 2003.

PRINCIPAL ACTIVITIES

The principal activity of the company is that of a holding company. No dividend was paid during the year (2002: £nil).

SIGNIFICANT EVENTS

On 12 March 2003, the company became a wholly owned subsidiary of Vodafone Group Plc.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors of the company during the year were:

S Brewer (appointed 12 March 2003)
E Langston (appointed 12 March 2003)
N J Read (appointed 12 March 2003)
N S G Bunter (resigned 12 March 2003)
R A Lee (resigned 12 March 2003)

The beneficial interests of the directors serving at the year end are set out below:

No director had any interest in the ordinary shares of the Company. Their interests in the share capital of the ultimate parent undertaking, Vodafone Group Plc are as follows:

	Ordinary Shares		Ordinary Share Options (Note 1)		Ordinary Share Options (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
S Brewer	98,901	2,718	-	-	594,422	288,200
E Langston	132,496	112,866	23,336	13,287	932,044	625,600
N J Read	-	-	-	-	409,836	-

Note 1 The options are granted under the Vodafone Group 1988 Sharesave Scheme and the Vodafone Group Plc Savings Related Share Option Scheme.

Note 2 The options are granted under the Vodafone Group 1988 Company Share Option Scheme, The Vodafone Group Plc Executive Share Option Scheme, the Vodafone Group 1998 Executive Share Option Scheme, the Vodafone Group Plc 1999 Long Term Stock Incentive Plan and the Vodafone Group Plc Share Option Scheme.

DIRECTORS' REPORT (CONTINUED)**FOR THE YEAR ENDED 31 MARCH 2003****DIRECTORS AND DIRECTORS' INTERESTS (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 Long Term Incentive Plan ("LTIP") and the Vodafone Group Short Term Incentive Plan ("STIP").

	LTIP		STIP	
	31 March 2003	1 April 2002 or later date of appointment	31 March 2003	1 April 2002 or later date of appointment
S Brewer	307,923	89,008	67,457	-
E Langston	329,845	114,537	96,944	113,536

STATEMENT OF DIRECTORS' RESPONSIBILITIES


Company law requires the directors to prepare accounts for each financial year which 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 year. In preparing those accounts, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the accounts on the going concern basis unless it is inappropriate 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 accounts 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.

AUDITORS

On 1 October 2002, Solomon Hare, the company's auditor, transferred its entire business to Solomon Hare LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act 2000. The directors consented to treating the appointment of Solomon Hare as extending to Solomon Hare LLP with effect from 1 October 2002.

ON BEHALF OF THE BOARD
.....
N J Read
Director

8 September 2003

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CELLOPS LIMITED

We have audited the accounts of Cellops Limited for the year ended 31 March 2003 set out on pages 5 to 8. These accounts have been prepared under the historical cost convention and 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 auditor's 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 accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, 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 and consider the implications for our report if we become aware of any apparent misstatements within it.

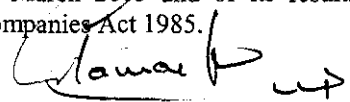
Basis of audit opinion

We conducted our audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 March 2003 and of its results for the year and have been properly prepared in accordance with the Companies Act 1985.



Solomon Hare LLP
Chartered Accountants
Registered Auditors
Oakfield House
Oakfield Grove
Clifton
Bristol
BS8 2BN

8 September 2003

CELLOPS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2003**

	Note	2003	2002
		£	£
Operating profit		-	-
Income from shares in associated undertakings		-	-
		<hr/>	<hr/>
Retained profit after tax		-	-
		<hr/>	<hr/>

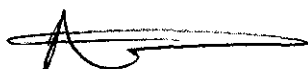
There are no recognised gains or losses other than those included above.

The notes on page 7 to 8 form part of these accounts.

CELLOPS LIMITED**BALANCE SHEET****AS AT 31 MARCH 2003**

	Note	2003 £	2002 £
Fixed assets			
Investment	3	4,596,936	4,596,936
Current assets			
Cash at bank	250	250	
Creditors: Amounts falling due within one year			
Amounts due to associated company	(4,597,086)	(4,597,086)	
Net current liabilities		(4,596,836)	(4,596,836)
Net assets		100	100
Capital and reserves			
Called-up equity share capital	4	100	100
Profit and loss account		-	-
Equity shareholders' funds		100	100

Approved by the board on 8 September 2003

N J Read
Director

The notes on page 7 to 8 form part of these accounts.

**NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2003****1 ACCOUNTING POLICIES**

The following accounting policies have been applied in dealing with items which are considered material in relation to the company's accounts.

Basis of preparation

The accounts have been prepared in accordance with applicable accounting standards and under historical cost convention.

Cash flow statement

As a small company, advantage has been taken of the exemption conferred by FRS1 not to prepare a cash flow statement.

Investments

Investments are stated at cost less provision for any impairment in value.

2 DIVIDEND

No dividend was paid, or is proposed, for the year (2002: Nil)

3 INVESTMENT

	2003	2002
	£	£
Cost and net book value		
At 1 April 2002	4,596,936	4,597,086
Disposals in year	-	(150)
At 31 March 2003	<u>4,596,936</u>	<u>4,596,936</u>

**NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2003****3 INVESTMENT (CONTINUED)****Investment in associated undertaking**

The company owns 39.99% (2002: 39.99%) of the issued £1 ordinary shares of Cellular Operations Limited, an unlisted company registered in England and Wales, whose activity is the promotion and sales of mobile telephones and the resale of cellular airtime. The following information has been extracted from the audited accounts of Cellular Operations Limited for the year ended 31 March 2003:

	2003	2002
	£	£
Called up share capital	150,000	150,000
Aggregate capital and reserves	(38,570,296)	(18,222,047)
Loss after tax for the year	<u>(20,348,249)</u>	<u>(12,522,580)</u>

4 SHARE CAPITAL**Authorised share capital:**

	2003	2002
	£	£
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called up and paid:</i>		
Issue of ordinary shares	<u>100</u>	<u>100</u>

5 RELATED PARTY TRANSACTIONS

The ultimate controlling parties until the 12 March 2003 were Mr N S G Bunter and Mr R A Lee who were directors of both the company and Cellular Operations Limited.

At the year end there is an amount of £4,597,086 (2002:£4,597,086) due from the company to Cellular Operations Limited.

6 ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is Vodafone Group Plc.

Copies of that company's financial statements can be obtained from the Company Secretary, Vodafone House, The Connection, Newbury, Berkshire, England RG14 2FN.