

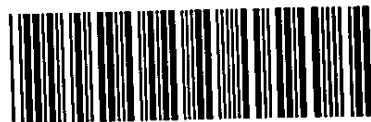
CT NETWORKS LIMITED

Company No: 4102265

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

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CT NETWORKS LIMITED

REPORT OF THE DIRECTORS

The directors submit their annual report and audited financial statements for the year ended 31 March 2010

Principal activity

The Company's principal activity was the provision of communication services throughout the UK

On 1 April 2009, as part of the continued consolidation and rationalisation of the Vodafone UK business, the trade and assets of the Company were transferred into Vodafone-Central Limited (formerly Central Telecom UK Limited). From that date the Company ceased to trade as a separate entity, but its trade and business continued as part of Vodafone-Central Limited. The directors have therefore prepared the financial statements on the basis that the Company is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

The Company follows Vodafone Group Plc (the "Group") policy in managing its principal risks. Financial risk management is explained in more detail in Note 16 of the financial statements.

Results and dividends

The profit and loss account is set out on page 6 of the financial statements. For the year ended 31 March 2010, there was a result on ordinary activities after taxation of £nil (2009: £1,618).

The directors do not recommend the payment of a dividend (2009: £nil).

Directors

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

N Bragg
M G S Cameron (resigned 31 December 2009)
B Harris
P J A Kelly (appointed 30 November 2009)
A D McDougall (resigned 31 December 2009)

B Harris resigned as a director on 30 April 2010 and was replaced by R W H Schafer on that date.

Auditors

Deloitte LLP are willing to continue in office for the next financial year and a resolution to reappoint them will be proposed at the meeting approving the financial statements.

Registered office

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

CT NETWORKS LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006. 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Indemnification of directors

In accordance with the Company's articles of association and to the extent permitted by law, 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 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.

CT NETWORKS LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

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 418(3) of the Companies Act 2006) 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 25 November 2010 and signed on its behalf by



P J B Dawe-Lane
Secretary

INDEPENDENT AUDITORS' REPORT

to the members of

CT NETWORKS LIMITED

We have audited the financial statements of CT Networks Limited for the year ended 31 March 2010 which have been prepared on a basis other than that of a going concern and comprise the profit and loss account, the balance sheet and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

INDEPENDENT AUDITORS' REPORT

to the members of

CT NETWORKS LIMITED (continued)

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 March 2010 and of its result for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Simon Kerton-Johnson
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, UK

25 November 2010

CT NETWORKS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	Year ended 31 March 2010 £	9 months ended 31 March 2009 £
Turnover	1,2,3	-	2,130,428
Operating profit	3	-	4,615
Net interest payable	5	-	(1,695)
Profit on ordinary activities before taxation		-	2,920
Tax charge on profit on ordinary activities	6	-	(1,302)
Profit on ordinary activities after taxation and profit for the year/period	13	-	1,618

All results derive from discontinued operations, as the trade was transferred to Vodafone-Central Limited on 1 April 2009


The Company has no other recognised gains and losses in the current year or preceding period and therefore no separate statement of total recognised gains and losses has been prepared

The accompanying notes are an integral part of these financial statements

CT NETWORKS LIMITED**BALANCE SHEET****AT 31 MARCH 2010**

	Notes	2010 £	2009 £
Fixed assets			
Tangible assets	7	-	21,138
Current assets			
Debtors amounts falling due within one year	8	-	448,219
Cash at bank and in hand		-	168,272
		-	616,491
Creditors amounts falling due within one year	9	(341,375)	(978,386)
NET CURRENT LIABILITIES		(341,375)	(361,895)
TOTAL ASSETS LESS CURRENT LIABILITIES		(341,375)	(340,757)
Deferred taxation	10	-	(618)
NET LIABILITIES		(341,375)	(341,375)
CAPITAL AND RESERVES			
Called up share capital	12	2	2
Reserves	13	(341,377)	(341,377)
TOTAL SHAREHOLDERS' DEFICIT	14	(341,375)	(341,375)

The financial statements were approved by the board on 25th November 2010, and were signed on its behalf by



N Bragg

Director

The accompanying notes are an integral part of these financial statements

CT NETWORKS LIMITED
NOTES ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

1 Statement of accounting policies

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

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK Accounting Standards.

Basis of preparation

As explained in the Directors' Report, the Company transferred its trade, assets and liabilities to another group company on 1 April 2009. Accordingly it ceased to trade as a separate entity on that date although communications systems goods and services continue to be provided within Vodafone Limited. Therefore, as required by Financial Reporting Standard 18 "Accounting Policies", the directors have prepared the financial statements on the basis that the Company is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

Cash flow statement

In accordance with the provisions of 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.

Turnover

Turnover consists of the invoiced value (excluding VAT) for goods and services supplied in the year.

Where material contracts are in progress at the period end, revenue is recognised on a percentage basis to the extent that goods and services have been supplied.

Income from prepaid support contracts is recognised on the basis of the time period to which the contracts relate with any income relating to subsequent periods being shown as deferred income.

Tangible assets

Tangible assets are stated at cost less accumulated depreciation and any provision for impairment.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

CT NETWORKS LIMITED
NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2010

1 Statement of accounting policies (continued)

Depreciation of tangible assets

Depreciation is not provided on freehold land. The cost of other tangible assets is charged so as to write off the cost or valuation of assets, other than assets under construction, using the straight-line method over their estimated useful lives. This was changed to conform with Vodafone Group policy during the prior period, and the useful lives applied are as follows:

Computer equipment	5 years
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Leases

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the periods of the leases.

Assets acquired under hire purchase contract or finance leases, which transfer substantially all the rights and obligations of ownership, are accounted for as though purchased outright. The fair value of the asset at the inception of the lease is included in tangible assets and the capital element of the leasing commitment included in creditors. Finance charges are calculated on an actuarial basis and are allocated over each lease and produce a constant rate of charge on the outstanding balance.

Trade debtors

Trade debtors are accounted for at amounts invoiced. Allowances are maintained for bad and doubtful debts for estimated losses resulting from the inability of customers to make required payments. Estimates are based on the ageing of the debt balances and historical experience. Debtors are written off when management deems them not to be recoverable.

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.

CT NETWORKS LIMITED

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

2 Turnover

The Company operates in one class of business, being the provision of communication services throughout the UK and arises wholly in the UK

3 Operating profit

	Year ended 31 March 2010 £	9 months ended 31 March 2009 £
Turnover	-	2,130,428
Cost of Sales	-	(1,491,950)
Gross profit	-	638,478
Administrative expenses	-	(633,863)
Operating profit	-	4,615

Operating profit has been arrived at after charging

	Year ended 31 March 2010 £	9 months ended 31 March 2009 £
Depreciation of owned tangible assets	-	1,446
Payments under operating leases	-	75
Other assets	-	75

Audit fees of £2,106 (2009 £2,140) have been borne, and not recharged, by Vodafone-Central Limited in the current year

The directors did not receive any remuneration from the Company in the financial year/period (2009 £nil)

CT NETWORKS LIMITED

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

4 Employees

The average number of persons directly employed (including directors) by the Company during the year/period was

	Year ended 31 March 2010	9 months ended 31 March 2009
Sales	-	10
Technical support and Administration	-	6
	<u>-</u>	<u>16</u>

The costs incurred in respect of employees (including directors) were

	Year ended 31 March 2010 £	9 months ended 31 March 2009 £
Wages and salaries	-	486,658
Social security costs	-	56,949
	<u>-</u>	<u>543,607</u>

5 Net interest payable

	Year ended 31 March 2010 £	9 months ended 31 March 2009 £
Interest receivable and similar income		
Bank interest	-	331
Interest payable and similar charges		
Bank interest	-	(153)
Other interest payable	-	(1,420)
Bank charges	-	(453)
Net interest payable	<u>-</u>	<u>(1,695)</u>

CT NETWORKS LIMITED
NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2010

6 Tax charge on profit on ordinary activities

	Year ended 31 March 2010 £	9 months ended 31 March 2009 £
UK corporation tax at 28% (2009 28%)	-	(684)
Deferred tax charge - current year	-	(531)
Deferred tax charge - prior year	-	(87)
Total tax charge	<u>-</u>	<u>(1,302)</u>

The elements of deferred taxation are shown in Note 10 to the financial statements

The standard rate of tax for the year/period, based on the UK standard rate of corporation tax, is 28% (2009 28%) The actual tax charge for the current year and previous period differs from the tax charge at the standard rate for the reasons set out in the following reconciliation

	Year ended 31 March 2010 £	9 months ended 31 March 2009 £
Profit on ordinary activities before tax	<u>-</u>	<u>2,920</u>
Tax charge on profit on ordinary activities before tax at standard rate of 28% (2009 28%)	-	(818)
Factors affecting tax charge for the year/period		
Accelerated capital allowances	-	531
Other permanent differences	-	(397)
Current tax charge for the year/period	<u>-</u>	<u>(684)</u>

CT NETWORKS LIMITED
NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2010

7 Tangible assets

	Computer equipment £
Cost	
1 April 2009	22,979
Additions	-
Transfer to Vodafone-Central Limited	(22,979)
At 31 March 2010	<u>-</u>
Accumulated depreciation	
1 April 2009	1,841
Charge for the period	-
Transfer to Vodafone-Central Limited	(1,841)
At 31 March 2010	<u>-</u>
Net book value	
At 31 March 2010	<u>-</u>
At 31 March 2009	<u>21,138</u>

8 Debtors: amounts falling due within one year

	2010 £	2009 £
Trade debtors	-	201,547
Amounts owed by group undertakings	-	25,335
Group relief recoverable	-	146,443
Other debtors	-	74,894
	<u>-</u>	<u>448,219</u>

CT NETWORKS LIMITED

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

9 Creditors' amounts falling due within one year

	2010	2009
	£	£
Trade creditors	-	147,366
Amounts owed to group undertakings	341,375	639,185
Group relief payable	-	684
Taxation and social security costs	-	11,694
Other creditors	-	69,497
Accruals and deferred income	-	109,960
	<u>341,375</u>	<u>978,386</u>

10 Deferred taxation

	2010	2009
	£	£
The elements of deferred taxation are as follows		
Accelerated capital allowances	-	(618)
Liability at end of year/period	<u>-</u>	<u>(618)</u>

Deferred tax assets and liabilities have not been discounted. The movements in the deferred taxation balances were as follows

	2010	2009
	£	£
Liability at beginning of year/period	(618)	-
Amount charged to profit and loss account	-	(618)
Transfer to Vodafone-Central Limited	618	-
Liability at end of year/period	<u>-</u>	<u>(618)</u>

The rate of 28% (2009: 28%) has been used to calculate the above deferred tax liability

CT NETWORKS LIMITED
NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2010

11 Operating leases

Commitments to non-cancellable operating lease payments within one year are as follows

	2010 assets £	2009 assets £
In respect of leases expiring		
Within one year	-	88,130
Between two to five years	-	687,890
After five years	-	-
	<u>-</u>	<u>776,020</u>

Commitments on operating leases were transferred to Vodafone-Central Limited on 1 April 2009 along with the trade, assets and liabilities of the Company

12 Called up share capital

	2010 £	2009 £
Allotted, issued and fully paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

The concept of authorised share capital was repealed by the Companies Act 2006 with effect from 1 October 2009 and on 11 December 2009 the Company passed a special resolution dis-applying the existing provisions of its Memorandum of Association from applying to its Articles of Association

13 Reserves

	Profit and loss account £
Balance at 1 April 2009	(341,377)
Result for the financial year	-
Balance at 31 March 2010	<u>(341,377)</u>

CT NETWORKS LIMITED

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

14 Reconciliation of movement in shareholders' deficit

	2010	2009
	£	£
Opening shareholders' deficit	(341,375)	(342,993)
Profit for the financial year/period	-	1,618
Closing shareholders' deficit	<u>(341,375)</u>	<u>(341,375)</u>

15 Transfer of trade

On 1 April 2009, the assets and liabilities of CT Networks Limited were transferred to Vodafone-Central Limited for a total consideration of £341,375 in the form of intercompany debt. No significant fair value adjustments were made to the net assets or liabilities acquired.

	£
<i>Book value and fair value of assets and liabilities transferred</i>	
Tangible assets	21,138
Cash at bank and in hand	168,272
Debtors	448,219
Creditors	(978,386)
Deferred tax	(618)
Net liabilities transferred	<u>(341,375)</u>
Goodwill	-
Consideration (satisfied by intercompany loan)	<u>(341,375)</u>

CT NETWORKS LIMITED

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

16 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 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 of Vodafone Group Plc, which does not form part of this report.

17 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.

18 Ultimate parent company

The immediate parent company of CT Networks Limited (company number 4102265) is Vodafone-Central Limited (formerly Central Telecom UK Limited), a company registered in England and Wales. The ultimate parent company and controlling entity of CT Networks 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 registered in England and Wales.

A copy of the financial statements of Vodafone Group Plc for the year ended 31 March 2010 may be obtained from the Company's website www.vodafone.com or from The Company Secretary, Vodafone Group Plc, Vodafone House, The Connection, Newbury, Berkshire RG14 2FN, England.