

**Registered No:**  
**4201716**

**VODAFONE LEASING LIMITED**  
**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED**  
**31 MARCH 2005**



## **VODAFONE LEASING LIMITED**

### **REPORT OF THE DIRECTORS**

The Directors submit their annual report and the audited financial statements for the year ended 31 March 2005.

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

The principal activity has been to provide motor vehicle hire purchase to other group companies. The Directors expect this activity to continue.

#### **Results and dividends**

The profit and loss account is set out on page 5 of the financial statements. For the year ended 31 March 2005, there was a profit on ordinary activities after taxation of £137,000 (2004 - £263,000).

The Directors do not recommend the payment of a dividend (2004 - £nil).

#### **Directors**

The Directors of the Company who served throughout the year were as follows:

Mr E Langston  
Mr N J Read  
Mr W T Morrow

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

	Date of appointment	Date of resignation
Mr G J Darby		1 April 2004
Mr E Tournon	10 January 2005	
Mr J R Townsend		13 January 2005

#### **Directors' interests in the shares of Vodafone Group Plc**

The shareholdings and share options in Vodafone Group Plc of the Directors are disclosed in the Annual Report and Accounts of Vodafone UK Limited.

None of the Directors held beneficial interests in the shares of Vodafone Leasing Limited or in the shares of any other Group Company in the current or preceding financial year, except as noted in the Annual Report of Vodafone UK Limited.

## VODAFONE LEASING 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 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 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 passed an elective resolution under section 386(1) of the Companies Act 1985 to dispense with re-appointment of 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.

  
for and on behalf of  
Vodafone Corporate Secretaries Ltd  
Secretary

20 September 2005

## **INDEPENDENT AUDITORS' REPORT**

**to the members of**

### **VODAFONE LEASING LIMITED**

We have audited the financial statements of Vodafone Leasing Limited for the year ended 31 March 2005 which comprise the profit and loss account, the balance sheet, and the related notes 1 to 12. 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**

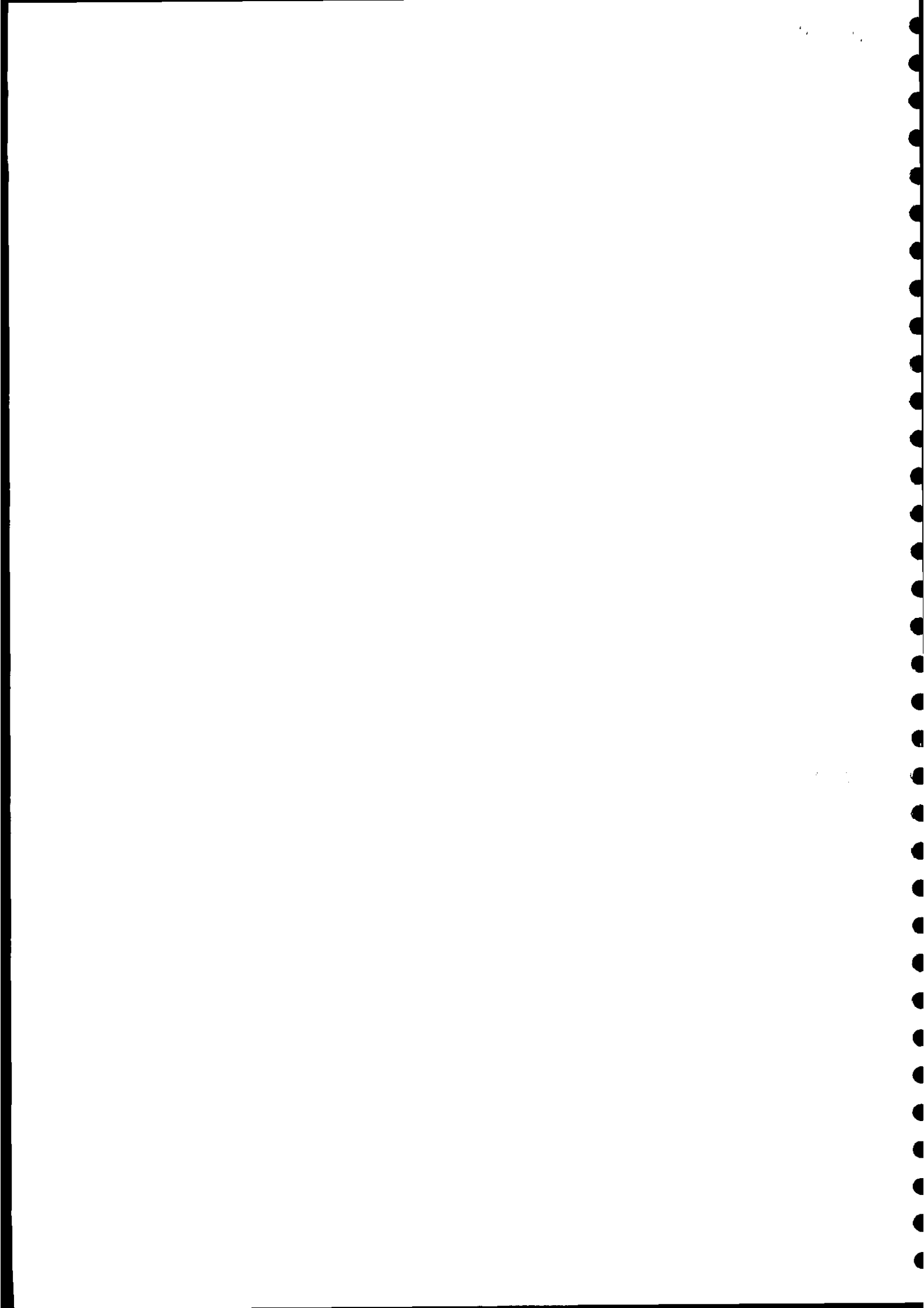
As described in the statement of directors' responsibilities, the Company's Directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant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

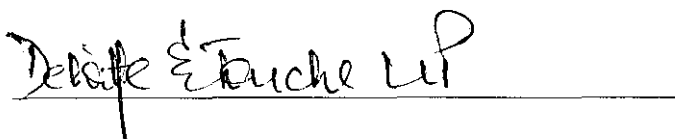
## VODAFONE LEASING LIMITED

### 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 2005 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

4<sup>th</sup> October 2005

# VODAFONE LEASING LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2005

	Notes	2005 £'000	2004 £'000
Gross earnings under hire purchase agreements	2	720	531
Operating profit - continuing operations	2	664	375
Net interest payable	5	(468)	-
Profit on ordinary activities before taxation		<u>196</u>	<u>375</u>
Tax on profit on ordinary activities	6	(59)	(112)
Profit on ordinary activities after taxation and retained profit for the financial year	10	<u><u>137</u></u>	<u><u>263</u></u>

All activities relate to continuing operations.

There are no recognised gains or losses in the current financial year and preceding financial year, other than the profit for the year, and accordingly no Statement of Total Recognised Gains and Losses is required. There have been no movements in shareholders' funds other than the retained profit for the year.


# VODAFONE LEASING LIMITED

## BALANCE SHEET

AT 31 MARCH 2005

	Notes	2005 £'000	2004 £'000
<b>CURRENT ASSETS</b>			
Debtors			
- due within one year	7	5,547	3,470
- due after one year	7	7,498	5,857
		<u>13,045</u>	<u>9,327</u>
<b>CURRENT LIABILITIES</b>			
Creditors: amounts falling due within one year	8	(12,505)	(8,924)
<b>NET CURRENT ASSETS</b>		<u>540</u>	<u>403</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>540</u>	<u>403</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	100	100
Profit and loss account	10	440	303
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>		<u>540</u>	<u>403</u>

The financial statements on pages 5 to 11 were approved by the Board of Directors on 20 September 2005 and were signed on its behalf by:



N J Read

Director



**VODAFONE LEASING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2005**

**1 Accounting policies**

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

**Accounting convention**

The financial statements have been prepared under the historical cost convention, in accordance with applicable accounting standards.

**Gross earnings under hire purchase agreements**

Gross earnings under hire purchase agreements consist of interest receivable from other group companies, and is recognised as services are provided.

**Leases**

Assets are leased to other group companies under hire purchase agreements, which transfer substantially all the rights and obligations of ownership to the lessee. The fair value of the asset at the inception of the lease is included in debtors. The capital element of the hire purchase agreement charge to the lessee is offset against the outstanding debtor. Income from the finance charge element is calculated on an actuarial basis and allocated over each lease to produce a constant rate of income from the outstanding balance.

**Taxation**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences that exist at the balance sheet date and that result in an obligation to pay more tax, or a right to pay less tax in the future. The deferred tax is measured at the rate expected to apply in the periods in which the timing differences are expected to reverse, based on the tax rates and laws that are enacted or substantively enacted at the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure on taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no binding commitment to sell the asset. 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.

**Cash flow**

In accordance with the provisions of Financial Reporting Standard 1 (Revised), a cash flow statement has not been prepared since the Company is a wholly owned subsidiary of Vodafone Group Plc, a company incorporated in Great Britain, which prepares consolidated accounts that include a consolidated cash flow and which are publicly available

# VODAFONE LEASING LIMITED

## NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2005

<b>2 Operating profit</b>	2005 £'000	2004 £'000
Gross earnings under hire purchase agreements	720	531
Administrative expenses	(56)	(156)
Operating profit	664	375

Administrative expenses include a Management Charge of £56,085 (2004 - £156,211) from Vodafone Limited. The auditors' remuneration is included in this management charge in the current year, and was borne by Vodafone Limited in the previous year.

### 3 Employees

There were no employees directly employed by the Company during the year or the prior year.

### 4 Directors

None of the Directors were paid emoluments for their services as Directors of Vodafone Leasing Limited during the year (2004 - £nil). All of the Directors of Vodafone Leasing Limited who served during the year are remunerated for their services by Vodafone Limited and their emoluments are disclosed within those financial statements. It is not considered practical to allocate their remuneration between the Group companies of which they are Directors.

<b>5 Net interest payable</b>	2005 £'000	2004 £'000
Interest receivable and similar income: Group	4	-
Interest payable and similar charges: Group	(472)	-
	(468)	-

# VODAFONE LEASING LIMITED

## NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2005

<b>6 Tax on profit on ordinary activities</b>	2005	2004
	£'000	£'000

The tax charge comprises:

UK corporation tax	59	112
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There is no difference between the current tax charge shown above and the amounts calculated by applying the standard rate of UK corporation tax to the profit before tax. This is as follows:

	2005	2004
	£'000	£'000
Profit on ordinary activities before taxation	196	375
Tax on profit on ordinary activities at standard UK corporation tax rate of 30% (2004 - 30%)	59	112
Current tax charge for the year	59	112

## 7 Debtors

	2005	2004
	£'000	£'000
Amounts falling due within one year:		
Amounts receivable from group undertakings under hire purchase contracts	4,876	3,101
Other debtors	157	28
Amounts owed by group undertakings	414	241
Share capital not paid	100	100
	5,547	3,470

Amounts falling due after more than one year:

Amounts receivable from group undertakings under hire purchase contracts	7,498	5,857
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# VODAFONE LEASING LIMITED

## NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2005

#### 7 Debtors (continued)

The rentals receivable in the financial year in respect of hire purchase contracts was £4,876,000 (2004 - £3,101,000).

The cost of assets acquired for the purpose of letting under hire purchase contracts was £22,486,000 (2004 - £13,254,000).

#### 8 Creditors: amounts falling due within one year

	2005 £'000	2004 £'000
Amounts owed to parent undertaking	130	17
Amounts owed to group undertakings	12,239	8,739
Corporation tax	59	112
Other creditors	77	56
	<u>12,505</u>	<u>8,924</u>

#### 9 Called up share capital

	2005 £'000	2004 £'000
Authorised:		
5,000,000,000 ordinary shares of £1 each	<u>5,000,000</u>	<u>5,000,000</u>
Called up and allotted:		
100,000 ordinary shares of £1 each, unpaid	<u>100</u>	<u>100</u>

#### 10 Reserves

	2005 £'000
Profit and loss account	
Balance at 1 April 2004	303
Retained profit for the year	137
Balance at 31 March 2005	<u>440</u>

## **VODAFONE LEASING LIMITED**

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

#### **FOR THE YEAR ENDED 31 MARCH 2005**

##### **11 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.

##### **12 Ultimate parent company**

The immediate parent company of Vodafone Leasing Limited is Vodafone UK Limited, a company incorporated in Great Britain. The ultimate parent company and controlling entity of Vodafone Leasing 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 Great Britain.

A copy of the financial statements of Vodafone Group Plc and Vodafone UK Limited for the year ended 31 March 2005 may be obtained from The Company Secretary, Vodafone Group Plc, Vodafone House, The Connection, Newbury, Berkshire, RG14 2FN, England.