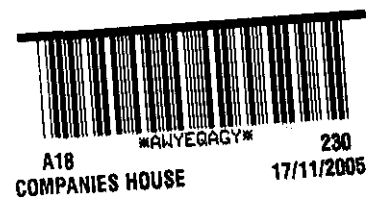


O2 Credit Vouchers Limited

Annual Report and Financial Statements for the year ended 31 March 2005



O2 Credit Vouchers Limited

Contents

Directors and adviser	2
Directors' report	3
Independent auditors' report to the members of O2 Credit Vouchers Limited	6
Profit and loss accounts	7
Balance sheets	8
Notes to the financial statements	9

O2 Credit Vouchers Limited

Directors and adviser

Directors

C Fletcher Smith
R Harwood
I Clarke

Secretary and registered office

O2 Secretaries Limited
Wellington Street
Slough
Berkshire SL1 1YP

Registered auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

O2 Credit Vouchers Limited

Directors' report

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

Principal activities

The principal activity of O2 Credit Vouchers Limited (the "Company") during the year is the selling of mobile phone credit vouchers to O2 (UK) Limited.

Business review and future developments

This Company commenced trading in November 2003. The Company's function is solely for the purposes of complying with the new VAT regulations in regards to the treatment of prepay paper vouchers.

Results and proposed dividends

The Company's profit for the financial year after taxation was £1,430,000 (2004: loss of £710,000).

The Directors do not recommend the payment of a dividend for the year ended 31 March 2005 (2004: £nil).

Directors and secretaries

The Directors who held office during the year were as follows:

C Fletcher Smith

R Harwood

I Clarke

The Secretary who held office during the year was O2 Secretaries Limited.

Beneficial interests

Directors' interests in the ordinary shares of O2 plc

Following the Scheme of Arrangement of mmO2 plc dated 12 January 2005 (the "Scheme") becoming effective on 14 March 2005, O2 plc became the ultimate holding company of mmO2 plc. In addition, as part of the capital reorganisation forming the Scheme, all options and awards granted over mmO2 plc shares under the various employee share schemes were automatically rolled over into options and awards over an identical number of O2 plc shares. There was no change to option prices, the number of shares under option/award or the length of the vesting period. Consequently the share interests of the Directors and their immediate families shown below, reflect those as at 31 March 2005 in the ordinary shares of 0.1 pence each in the share capital of O2 plc and as at 1 April 2004 of such share interests in the ordinary shares of 0.1 pence each in the share capital of mmO2 plc.

The Register of Directors' Interests indicated that the Directors who held office at the end of the financial year had the following interests in O2 plc's ordinary shares of 0.1 pence each.

	At 1 April 2004	Acquired	Disposed	At 31 March 2005
I Clarke	1,573	210	-	1,783
C Fletcher Smith	6,744	1,438	-	8,182
R Harwood	7,397	1,438	-	8,835

O2 Credit Vouchers Limited

Directors' report - continued

The Register of Directors' Interests indicated that the Directors who held office at the end of the financial year had the following interests in mmO2 plc's deferred shares of £1 each.

	At 1 April 2004	Acquired	Disposed	At 31 March 2005
C Fletcher Smith	-	20	20	-
R Harwood	-	20	20	-

Executive Share Options

The table below shows the options granted under the O2 Share Option Plan. Vesting is subject to the satisfaction of certain performance criteria as detailed in the O2 plc annual report.

	At 1 April 2004	Granted	Exercised	Lapsed	At 31 March 2005	Exercise price	Dates between which exercisable
I Clarke	89,655	-	-	-	89,655	87p	23/11/04-22/11/11
I Clarke	97,826	-	-	-	97,826	46p	25/7/05-24/7/12
C Fletcher Smith	137,931	-	102,068	-	35,863	87p	23/11/04-22/11/11
C Fletcher Smith	133,695	-	-	-	133,695	46p	25/7/05-24/7/12
R Harwood	61,956	-	-	-	61,956	46p	25/7/05-24/7/12

Sharesave Options

The table below shows the options over O2 plc ordinary shares held by Directors during the year, through their participation in the O2 Sharesave Plan:

	At 1 April 2004	Granted	Exercised	Lapsed	At 31 March 2005	Exercise price	Dates between which exercisable
I Clarke	2,595	-	-	-	2,595	73.2p	14/2/05-13/8/05
I Clarke	11,198	-	-	-	11,198	44p	13/2/06-12/8/06
I Clarke	-	3,130	-	-	3,130	91.6p	1/2/08-31/7/08
C Fletcher Smith	21,477	-	-	-	21,477	44p	13/2/06-12/8/06
R Harwood	21,477	-	-	-	21,477	44p	13/2/06-12/8/06

The closing market price of O2 plc shares at 31 March 2005 was 119.25p and the range in mmO2 plc and O2 plc shares (as applicable) from 1 April 2004 to that date was 84.25p to 131.25p.

Performance Share Plan

Under the O2 plc Performance Share Plan ("PSP"), C Fletcher Smith has been granted contingent awards of 113,766 shares (2004: 60,141), R Harwood has been granted contingent awards of 29,260 shares (2004: 11,132) and I Clarke has been granted contingent awards of 51,886 shares (2004: 51,886). Entitlement to these shares at the end of a three-year period is dependent upon the continued employment of the participant by O2 plc or one of its subsidiaries, and is subject to the satisfaction of certain performance criteria as detailed in the O2 plc annual report.

Restricted Share Plan

Under the O2 Restricted Share Scheme ("RSP"), I Clarke has a contingent award of 67,222 shares (2004: Nil). Entitlement to these shares at the end of a three-year period is dependent upon the continued employment of the participant by O2 plc or one of its subsidiaries, and is subject to the satisfaction of certain performance criteria as detailed in the O2 plc annual report.

O2 Credit Vouchers Limited

Directors' report - continued

Non-beneficial interests

At 31 March 2005, I Clarke, C Fletcher Smith and R Harwood all had a non-beneficial interest in 956,316 shares held in trust by Hill Samuel Offshore Trust Company Limited as trustee of the PSP and RSP.

Statement of Directors' responsibilities

Company law requires the Directors to prepare financial statements for each financial year that 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. The Directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.


The Directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 March 2005 and that applicable accounting standards have been followed.

The Directors are responsible for keeping proper accounting records that 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 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

Pursuant to a shareholders' resolution under Section 386 of the Companies Act 1985, the Company is not obliged to re-appoint its auditors annually.

By order of the board



Authorised signatory
for and on behalf of O2 Secretaries Limited
Company Secretary
9 November 2005

O2 Credit Vouchers Limited

Independent auditors' report to the members of O2 Credit Vouchers Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

The Directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of Directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 to you 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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the Directors' report.

Basis of audit opinion

We conducted our audit in accordance with 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 judgments 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs 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.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
9 November 2005

O2 Credit Vouchers Limited

Profit and loss accounts for the year ended 31 March

	Note	2005 £'000	2004 £'000
Turnover		80,497	3,510
Cost of Sales		<u>(79,067)</u>	<u>(4,220)</u>
Gross profit/(loss)		1,430	(710)
Operating expenses		<u>-</u>	<u>-</u>
Profit/(loss) on ordinary activities before taxation		1,430	(710)
Taxation on loss on ordinary activities	4	<u>-</u>	<u>-</u>
Profit/(loss) for the financial year		<u>1,430</u>	<u>(710)</u>

Profit on ordinary activities before taxation for the current year derived entirely from continuing activities.

There were no other gains and losses other than the profit/(loss) shown above.

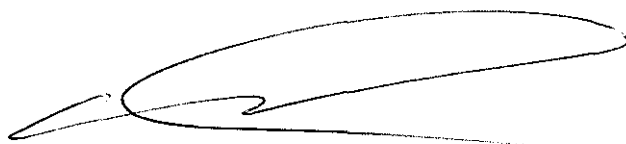
There are no material differences between the profit on ordinary activities before taxation and retained profit for the year stated above and their historical cost equivalents.

O2 Credit Vouchers Limited

Balance sheets at 31 March

	Note	2005 £'000	2004 £'000
Current assets			
Debtors	5	<u>106,367</u>	<u>3,649</u>
Total current assets		106,367	3,649
Creditors: amounts falling due within one year	6	<u>(105,647)</u>	<u>(4,359)</u>
Net current assets/(liabilities)		<u>720</u>	<u>(710)</u>
Capital and reserves			
Called up share capital	7	-	-
Profit and loss account	8	<u>720</u>	<u>(710)</u>
Total equity shareholder's funds	9	<u>720</u>	<u>(710)</u>

The financial statements were approved by the board of Directors on 9 November 2005 and signed on its behalf by Christopher Fletcher Smith.



Director

The notes on pages 9 to 11 form an integral part of these financial statements

O2 Credit Vouchers Limited

Notes to the financial statements

Accounting policies

Accounting conventions

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom ("UK GAAP"). A summary of the more important accounting policies, which have been applied consistently, is set out below.

Turnover

Turnover is stated net of value-added tax and is wholly in respect of services provided in the United Kingdom.

Debtors

Debtors are stated at estimated net realisable value. Net realisable value is the invoiced amount less provisions for bad and doubtful debtors. Provisions are made specifically against debtors where there is evidence of a dispute or an inability to pay. An additional provision is made based on an analysis of balances by age, previous losses experienced, and general economic conditions.

Deferred taxation

Deferred tax is provided in full on all 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 current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the 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 is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates substantively enacted at the balance sheet date.

Cash flow statement

The Company is a wholly-owned subsidiary of O2 plc. The cash flows of the Company are therefore included in the consolidated financial statements of O2 plc for the year ended 31 March 2005, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 - "Cash Flow Statements (Revised)".

1. Auditors' remuneration

Auditors' remuneration for the year ended 31 March 2005 was borne by a fellow group company, O2 (UK) Limited.

2. Directors' emoluments

No emoluments were paid in the year ended 31 March 2005 to the Directors of the Company for their services to the Company. The Directors are employees of O2 Holdings Limited and are remunerated for their services to the group as a whole (2004: £nil).

3. Employee information

The average monthly number of persons employed by the Company, including executive Directors, during the year was nil (2004: £nil).

O2 Credit Vouchers Limited

Notes to the financial statements

4. Taxation on profit on ordinary activities

	2005 £'000	2004 £'000
Tax on profit on ordinary activities:		
Current tax:		
United Kingdom corporation tax at 30% (2004: 30%)	-	-
Total tax on loss on ordinary activities	-	-

The tax assessed for the year varied from the amount computed by applying the corporation tax rate to the profit/(loss) on ordinary activities before taxation. The differences were attributable to the following factors:

	2005 £'000	2004 £'000
Profit/(loss) on ordinary activities before tax	1,430	(710)
Expected tax charge/(credit) on ordinary activities at 30%	429	(213)
Group relief (claimed)/surrendered, not paid	(429)	213
Current taxation charged/(credited) to the profit and loss account	-	-

5. Debtors

	2005 £'000	2004 £'000
Amounts due from group undertakings	106,367	3,517
Other debtors	-	132
	<u>106,367</u>	<u>3,649</u>

Amounts due from holding company and fellow subsidiaries, are unsecured, interest free and repayable on demand.

6. Creditors: amounts falling due within one year

	2005 £'000	2004 £'000
Amount due to holding companies and fellow subsidiaries	<u>105,647</u>	<u>4,359</u>

O2 Credit Vouchers Limited

Notes to the financial statements

7. Share capital

	2005 £	2004 £
Authorised		
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called-up and fully paid		
Ordinary shares of £1 each	<u>1</u>	<u>1</u>

8. Profit and loss account

	2005 £'000	2004 £'000
At 1 April	(710)	-
Profit/(loss) for the financial year	<u>1,430</u>	<u>(710)</u>
At 31 March	<u>720</u>	<u>(710)</u>

9. Reconciliation of movements in shareholder's funds

	2005 £'000	2004 £'000
Profit/(loss) for the financial year	1,430	(710)
Opening shareholder's funds as previously reported	<u>(710)</u>	<u>-</u>
Closing shareholder's funds	<u>720</u>	<u>(710)</u>

10. Related party disclosures

The results of the Company are included in the consolidated financial statements of O2 plc for the year ended 31 March 2005. Consequently the Company is exempt under the provisions of Financial Reporting Standard 8 - "Related Party Disclosures" from disclosing details of transactions and balances with O2 plc, its fellow subsidiaries and its associated undertakings.

11. Ultimate parent company and controlling party

The Company's immediate parent company is O2 Holdings Ltd. The Company's ultimate parent company and controlling party is O2 plc. Copies of the O2 plc financial statements may be obtained from The Secretary, O2 plc, Wellington Street, Slough, Berkshire SL1 1YP.