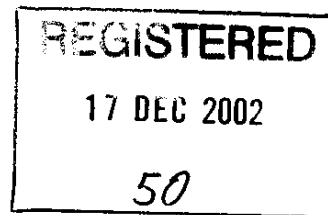


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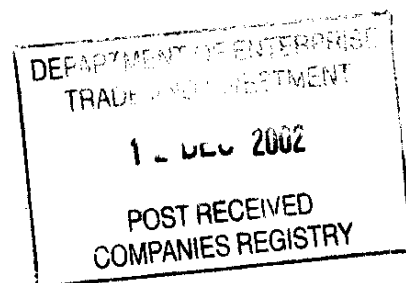


VODAFONE (NI) LIMITED

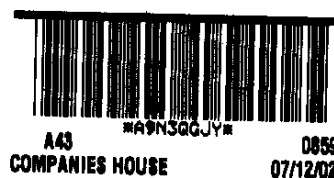
REPORT AND ACCOUNTS

FOR THE YEAR ENDED

31 MARCH 2002



NI 23033



VODAFONE (NI) LIMITED

REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2002

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VODAFONE (NI) LIMITED

REPORT OF THE DIRECTORS

The directors submit their report and the audited financial statements for the year ended 31 March 2002.

PRINCIPAL ACTIVITIES

The principal activity of the Company is to act as a service provider for a national cellular telephone network and paging network.

REVIEW OF THE BUSINESS

Turnover for the year amounted to £17.6m and the loss before taxation was (£3.2m). After taxation the loss of £(2.3m) has been added to reserves (2001 restated loss of £(1.1m)).

The directors do not recommend the payment of a dividend (2001 £ nil).

FUTURE DEVELOPMENTS

The Company is continuing with its policy of long term growth in the field of cellular radio.

FIXED ASSETS

The movement in tangible fixed assets is set out on page 16 in note 8.

AUDITORS

The Company has passed an elective resolution under Article 386 (1) of the Companies (Northern Ireland) Order 1986 to dispense with the re-appointment of auditors annually.

DIRECTORS

The directors of the Company during the period were as follows:

Mr I Gray	(resigned on the 1st April 2002)
Mr C H B Bramwell	
Mr A N Halford	(resigned on the 1st April 2002)
Mr I Watson	(resigned on the 19th April 2001)
Mr S Brewer	(appointed on the 1st April 2002)
Mr E Langston	(appointed on the 1st April 2002)

VODAFONE (NI) LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

DIRECTORS INTERESTS IN SHARES

Given below are details of the interests in the ordinary shares of Vodafone Group Plc at 31 March 2002 of directors of the Company at that date. The interests at the beginning of the year are shown in brackets.

	Ordinary Shares Held	Ordinary Share Options (Note 1)	Ordinary Share Options (Note 2)
C H B Bramwell	18,587 (13,887)	11,270 (11,270)	141,900 (117,000)

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

Details of the shareholdings of Mr I Gray and Mr A N Halford are disclosed in the accounts of Vodafone Retail (Holdings) Ltd.

REGISTERED OFFICE

The registered office of the Company is at 16 Wellington Park, Belfast, Northern Ireland.

STATEMENTS OF DIRECTORS' RESPONSIBILITIES

United Kingdom Company law requires the directors to prepare financial statements for each financial year which gives 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;
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

VODAFONE (NI) LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

The directors are responsible for keeping proper accounting records which 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 (Northern Ireland) Order 1986. 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.

By Order of the Board



Mr P R S Howie
Company Secretary

2 August 2002

INDEPENDENT AUDITORS' REPORT

to the members of

VODAFONE (NI) LIMITED

We have audited the financial statements of Vodafone (NI) Ltd for the year ended 31st March 2002 which comprise the profit and loss account, the balance sheet, the cash flow statement, and the related notes 1 to 20. These financial statements have been prepared under the accounting policies set out therein.

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 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 (Northern Ireland) Order 1986. 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.

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 (NI) LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

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 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies (Northern Ireland) Order 1986.

Deloitte & Touche

Deloitte & Touche
Chartered Accountants and Registered Auditors
19 Bedford Street
BELFAST
BT2 7EJ

15th August 2002

VODAFONE (NI) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2002

	NOTE:	2002 £'000	2001 restated £'000
Turnover	2	17,630	14,315
Operating (loss)	3	(2,843)	(1,269)
Interest Payable	6	(340)	(267)
Interest Receivable	6	7	-
		—	—
(Loss) on ordinary activities before taxation		(3,176)	(1,536)
Tax on (loss) on ordinary activities	7	914	419
		—	—
(Loss) for the financial year transferred to reserves	14	(2,262)	(1,117)

The profit and loss account for the year end 31 March 2001 has been restated for the adoption of FRS 19 (note 1(v) and note 7)

All activities derive from continuing operations.

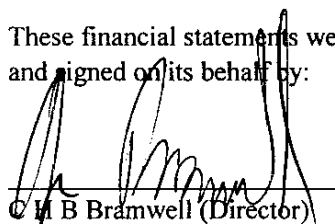
There are no recognised gains or losses other than the loss for the financial year. Accordingly no statement of gains and losses is given.

VODAFONE (NI) LIMITED**BALANCE SHEET****AT 31 MARCH 2002**

		<u>2002</u>	<u>2001</u>	
	NOTE	<u>£'000</u>	<u>£'000</u>	restated <u>£'000</u>
FIXED ASSETS				
Tangible assets	8		1,249	1,498
CURRENT ASSETS				
Stocks	9	641		664
Debtors	10	3,490		2,299
Cash at bank and in hand		317		358
		<u>4,448</u>		<u>3,321</u>
CREDITORS: amounts falling due within one year.	11	10,595		7,441
Provisions	12	43		57
NET CURRENT LIABILITIES			(6,190)	(4,177)
			<u>(4,941)</u>	<u>(2,679)</u>
CAPITAL AND RESERVES				
Called up Equity Share Capital (£100)	13		-	-
Share premium account			494	494
Profit and loss account	14		(5,435)	(3,173)
EQUITY SHAREHOLDERS FUNDS - DEFICIENCY			<u>(4,941)</u>	<u>(2,679)</u>

The balance sheet for the year ended 31 March 2001 has been restated for the adoption of FRS19 (note 1(v) and note 7)

These financial statements were approved by the Board of Directors on **2** August 2002 and signed on its behalf by:


C M B Bramwell (Director)

VODAFONE (NI) LIMITED**CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 MARCH 2002**

	<u>2002</u>	<u>2001</u>
	<u>£'000</u>	<u>£'000</u>
Net cash (outflow)/inflow from operating activities	(3,146)	(694)
Servicing of finance:		
Interest paid	(333)	(267)
Group Relief Payment Received	537	348
Capital expenditure and financial investment:		
Purchase of Fixed Assets	(64)	(316)
Receipts from sale of Fixed Assets	7	22
Net cash outflow from capital expenditure and financial investment	(57)	(294)
Net cash outflow before financing	(2,999)	(907)
Financing:		
Movement in short term loans	2,958	1,252
Net cash inflow from financing	2,958	1,252
Increase/(Decrease) in cash for the year.	(41)	345

Additional disclosures are provided in note 20 to the accounts.

VODAFONE (NI) LIMITED

STATEMENT OF ACCOUNTING POLICIES

1. Accounting Policies

(i) Basis of accounting

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

(ii) Turnover

Turnover represents the invoiced value, excluding value added tax, of goods and services supplied by the Company.

(iii) Stocks

Stocks are valued at the lower of cost and net realisable value.

(iv) Depreciation of tangible fixed assets

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

Short term leaseholds	the term of the lease
Furniture and fittings	6-7 years
Motor vehicles	4 years
Plant and machinery	10 years

(v) Deferred Taxation

The company has adopted FRS19 Deferred Tax. 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 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 which 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 assets and liabilities are not discounted. Previously, no provision for deferred tax was made or required.

VODAFONE (NI) LIMITED

STATEMENT OF ACCOUNTING POLICIES (cont'd)

(v) Deferred Taxation (cont'd)

Due to this change in accounting policy the comparatives have been re-stated as follows:

	Provisions for Liabilities & charges £'000	Profit & Loss Reserves £'000	Shareholders funds £'000
2001 as previously reported	-	(3,116)	(2,622)
Adoption of FRS19 at 1 April 2000	-	-	-
During year ended 31 March 2001	(57)	(57)	(57)
Adoption of FRS19 at 31 March 2001	<u>(57)</u>	<u>(57)</u>	<u>(57)</u>
2001 re-stated	<u>(57)</u>	<u>(3,173)</u>	<u>(2,679)</u>

(vi) Pension Costs

Costs relating to defined benefit plans 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 the benefit is derived from the employees' services.

The costs of the various pension schemes may vary from the funding dependant upon actuarial advice with any difference between pension cost and funding being treated as a provision or prepayment.

VODAFONE (NI) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

	<u>2002</u>	<u>2001</u>
2. Turnover	<u>£'000</u>	<u>£'000</u>
Sales of cellular radio products	17,630	14,315
Geographical analysis of turnover by area of destination:		
United Kingdom	17,415	14,116
Republic of Ireland	215	199
3. Operating (loss)	<u>2002</u>	<u>2001</u>
i) Summary;	<u>£'000</u>	<u>£'000</u>
Turnover	17,630	14,315
Cost of Sales	15,115	11,524
	<hr/>	<hr/>
Gross Profit	2,515	2,791
Selling and distribution costs	3,133	2,335
Administrative expenses	2,225	1,725
	<hr/>	<hr/>
	5,358	4,060
	<hr/>	<hr/>
Operating (loss)	(2,843)	(1,269)
ii) Operating (loss) has been arrived at after charging:		
Depreciation of tangible fixed assets - owned		
Assets	302	269
Auditors remuneration	11	9
Property rents	752	574

VODAFONE (NI) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

4. Employees

The average number of persons employed by the Company (including directors) during the year:

	<i>Note</i>	2002 Number	2001 Number
Administration		36	31
Selling and distribution		70	65
		<hr/>	<hr/>
		106	96

The cost incurred in respect of these employees
(including directors):

		2002 £'000	2001 £'000
Wages and salaries		2,169	1,981
Social security costs		165	151
Pensions	18	169	102
		<hr/>	<hr/>
		2,503	2,234

VODAFONE (NI) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

5. Directors

The emoluments, excluding pension contribution, of directors of the Company:

	2002 £'000	2001 £'000
For service as executives	89	87
Benefits in kind	10	13
	<hr/>	<hr/>
	99	100
Pension Scheme Contributions	12	12

Two of the three directors' pension contributions are paid by another Company within the Group and are not included in the above figure. The remaining director is accruing benefits under a defined benefit scheme.

No director exercised share options in Vodafone Group Plc during the year.

Transactions with Directors

The Company's principal trading premises are owned by a Director, Byrom Bramwell. Property rentals of £50,400 (2001-£50,400) are paid by the Company in respect of this property.

6. Interest payable and similar charges	2002 £'000	2001 £'000
Interest paid to group companies	(340)	(267)
Bank interest received	7	-

VODAFONE (NI) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

7. Tax credit on loss on ordinary activities	2002	2001 restated
	£'000	£'000
UK Corporation tax at 30% (2001: 30%)	(928)	(475)
Prior year adjustment for over/(under) provision	28	(1)
Total current tax	<u>(900)</u>	<u>(476)</u>
Deferred tax: origination and reversal of timing differences	(14)	57
	<u>(914)</u>	<u>(419)</u>

The adoption of FRS 19 has required a change in the method of accounting for deferred tax. As a result the comparative figure for the deferred tax charge on profit for ordinary activities for 2001 has been re-stated from the previously reported amount of Nil to £57k. The impact of adopting FRS 19 on the 2001 results is a reduction in the tax credit of £57k plus an increase in the reported loss and a reduction in net assets by that amount. The impact on the 2002 results is an increase in the tax charge of £14k plus a reduction in the reported loss and net assets by that amount.

The standard rate of tax for the year, based on the UK standard rate of Corporation tax is 30%. The actual tax charge for the current and previous year differs from the tax charge at the standard rate for the reasons set out in the following reconciliation:

	2002	2001 restated
	£'000	£'000
Loss on ordinary activities before tax	(3,176)	(1,536)
Tax credit on loss on ordinary activities at 30% (2001: 30%)	(953)	(461)
Accelerated capital allowances	14	(34)
Other permanent differences	11	20
Adjustments to tax charge in respect of previous periods	28	(1)
Current tax credit for the year	<u>(900)</u>	<u>(476)</u>

The elements of deferred taxation are shown in note 12 to the accounts.

VODAFONE (NI) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

8. Tangible fixed assets

	<u>Short-term leasehold premises</u>	<u>Plant, machinery, furniture, vehicles</u>	<u>Total</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
<u>Cost</u>			
Balance at 1 April 2001	310	1,792	2,102
Additions	14	50	64
Disposals	0	(35)	(35)
	<hr/>	<hr/>	<hr/>
At 31 March 2002	324	1,807	2,131
<u>Depreciation</u>			
Balance at 1 April 2001	97	507	604
Charge for year	36	266	302
Disposals	0	(24)	(24)
	<hr/>	<hr/>	<hr/>
At 31 March 2002	133	749	882
<u>Net book value</u>			
At 31 March 2002	<u>191</u>	<u>1,058</u>	<u>1,249</u>
At 31 March 2001	<u>213</u>	<u>1,285</u>	<u>1,498</u>

9. Stocks

	<u>2002</u>	<u>2001</u>
	<u>£'000</u>	<u>£'000</u>
Finished goods	641	664

10. Debtors

	<u>2002</u>	<u>2001</u>
	<u>£'000</u>	<u>£'000</u>
Due within one year:		
Trade debtors	1,037	742
Amounts owed by group companies	937	408
Prepayments and accrued income	1,516	1,149
	<hr/>	<hr/>
	3,490	2,299

VODAFONE (NI) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

11. Creditors - amounts falling due within one year

	<u>2002</u> <u>£'000</u>	<u>2001</u> <u>£'000</u>
Trade Creditors	119	245
Amounts owed to group companies	1,505	1,320
Other taxation and social security	391	222
Accruals and deferred income	1,608	1,640
Loans from group companies	6,972	4,014
	<hr/> 10,595	<hr/> 7,441

12. Provision for liabilities and charges

Deferred taxation

	<u>2002</u> <u>Amount</u> <u>Provided</u> <u>£'000</u>	<u>2002</u> <u>Potential</u> <u>Liability</u> <u>£'000</u>	<u>2001</u> <u>Amount</u> <u>Provided</u> <u>£'000</u> restated	<u>2001</u> <u>Potential</u> <u>Liability</u> <u>£'000</u> restated
The elements of deferred taxation are as follows:				
Accelerated capital allowances	51	51	60	60
Other timing differences	(8)	(8)	(3)	(3)
Unused tax losses	-	(74)	-	(74)
	<hr/> 43	<hr/> (31)	<hr/> 57	<hr/> (17)

Deferred tax assets and liabilities have not been discounted.

VODAFONE (NI) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

12. Provision for liabilities and charges (cont'd)

The movements in the deferred taxation balances were as follows:

	<u>2002</u>	<u>2001</u>
	<u>£'000</u>	<u>restated</u>
		<u>£'000</u>
Liability at 1 April 2001	57	-
Amount (credited)/charged to profit & loss account	(14)	57
Liability at 31 March 2002	<u>43</u>	<u>57</u>

The current rate of UK Corporation tax of 30% has been used to calculate the amount of deferred taxation.

13. Called up Share Capital

	<u>2002</u>	<u>2001</u>
	<u>£</u>	<u>£</u>
Authorised, allotted & fully paid		
Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
	<u>=====</u>	<u>=====</u>

14. Profit and loss account

	<u>2002</u>	<u>2001</u>
	<u>£'000</u>	<u>£'000</u>
Retained losses at 31 March 2001	(3,173)	(2,056)
Retained (loss) for the period-(2001 as previously reported)	(2,262)	(1,060)
Adoption of FRS 19 (note 1(v) and note 7)	-	(57)
Retained losses at 31 March 2002	<u>(5,435)</u>	<u>(3,173)</u>
	<u>=====</u>	<u>=====</u>

There are no movements in shareholders funds other than the loss for the period as above.

VODAFONE (NI) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

15. Leased Assets

Operating leases

Commitments existed at the year end under operating leases in respect of annual rentals which expire:

	<u>2002</u>	<u>2002</u>	<u>2001</u>	<u>2001</u>
	<u>Property</u>	<u>Plant and</u>	<u>Property</u>	<u>Plant and</u>
		<u>Machinery</u>		<u>Machinery</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Less than one year		0		1
Between				
2 and 5 years	91		91	
Greater than 5 years	446		446	
	===	===	===	===

16. Capital commitments

There were no capital commitments existing at the balance sheet date, not already provided for in these accounts.

17. Group Companies

The ultimate controlling entity of the Company is Vodafone Group Plc, a Company incorporated in England.

The Company is dependent on financial support from its parent Company. The parent Company has indicated its intention to support the Company to enable it to meet its liabilities as they fall due.

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

18. Pensions

Vodafone Group Plc, the ultimate Parent Company of Vodafone (NI) 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 formal valuation was carried out as at 1st April 2001 using the Projected Unit Credit method of valuation in which allowance is made for projected earnings growth.

The pension cost for the Company amounted to £168,977 (2001 - £102,214).

As a result of the introduction of FRS 17- Retirement Benefits, the actuarial valuation has been updated to 31 March 2002 by a qualified, independent actuary. The aggregate net pension scheme shortfall over the funded pension scheme's assets for the UK scheme, at 31 March 2002, was £50m.

Since more than one employer participates in the UK pension arrangement, the Company is unable to identify its share of the shortfall.

Full details of the updated actuarial valuation of the UK scheme are disclosed in the Annual Report of Vodafone Group Plc.

VODAFONE (NI) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

19. Related Party Transactions

The Company has taken advantage of the exemption granted by paragraph 3 FRS 8, Related Party Disclosures, not to disclose transactions with Vodafone Group Plc (formerly Vodafone AirTouch Plc) group companies or interests of the group who are related parties.

20. Notes to the cash flow statement

a) Reconciliation of operating profit to net cash (outflow)/inflow from operating activities.

	2002 £'000	2001 £'000
Operating (loss)	(2,843)	(1,269)
Depreciation charges	302	269
(Profit)/Loss on disposal	4	22
Decrease in stocks	23	(73)
Increase in debtors	(829)	(345)
Increase in creditors	197	702
Net cash (outflow)/inflow from operating activities.	(3,146)	(694)

b) Reconciliation of net cash flow to movement in net debt.

	2002 £'000	2001 £'000
(Decrease)/Increase in cash for the year	(41)	345
Cashflow from increase in debt financing	(2,958)	(1,252)
Movement in net debt in the year	(2,999)	(907)
Net debt at 1 April 2001	(3,656)	(2,749)
Net debt at 31 March 2002	(6,655)	(3,656)

c) Analysis of changes in net debt.

	1 April 2001 £'000	Cashflow £'000	31 March 2002 £'000
Cash in Hand, at bank	358	(41)	317
Debt due within one year	(4,014)	(2,958)	(6,972)
	(3,656)	(2,999)	(6,655)