

RACAL TELECOM PLC  
ANNUAL REPORT  
AND ACCOUNTS

1991



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**Results at a glance**  
for the year ended  
31 March 1991

RACAL TELECOM PLC  
ANNUAL REPORT  
AND ACCOUNTS  
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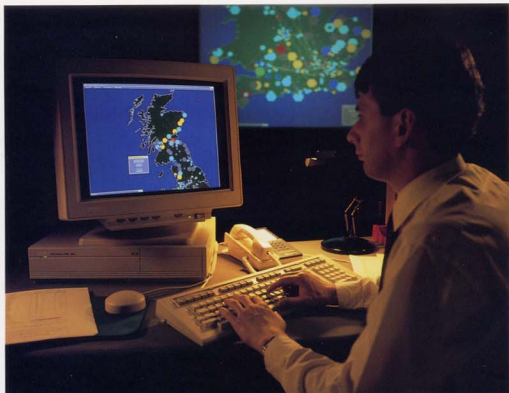
	1991 £000	1990 £000
Turnover	536,838	405,778
Return on turnover before interest	45.1%	40.0%
Profit before taxation	244,658	164,778
Taxation	76,142	46,299
Profit after taxation	168,516	118,479
Net assets employed	418,199	269,465
Return on net assets employed	58.5%	61.2%
Earnings per share	16.86p	11.85p
Dividends per share (net of tax)	5.27p	2.4475p



Subscribers to the GSM pan-European digital service will carry a "Smart Card" with which they will be able to activate any GSM digital telephone and be billed directly for calls made.

**SHARE PRICE INFORMATION**  
Current share price can be obtained in the United Kingdom by dialling the F.T. CityLine service for Racal Telecom on 0836 435555.

Calls are charged at 34p cheap rate and 45p at all other times.



*Network management is a key element in the operation and maintenance of the Vodafone network and the control centre in Newbury monitors and controls the network around the clock.*

*John Redwood MP, the Minister for Post and Telecommunications, presenting Vodapage with the British Standards Institution BS5750 Award for quality management.*



## Board of directors



Sir Ernest Harrison OBE  
*Chairman*



G A Whent CBE  
*Chief Executive*

<i>Chairman</i>	Sir Ernest Harrison OBE Hon DSc, Hon D Univ (Surrey), Hon D Univ (Edinburgh), FCA, Comp IEE, Hon FCGI
<i>Chief Executive</i>	G A Whent CBE
<i>Directors</i>	Sir William Barlow F Eng, FI Mech E, FIEE Sir Robert Clark DSC C C Gent K J Hydon FCMA, FCCA E J Peett MSEE, F Inst D
<i>Secretary</i>	D Whittaker LLB, FCIS, FCCA, Solicitor
<i>Registered Office</i>	Western Road, Bracknell, Berkshire RG12 1RG
<i>Auditors</i>	Touche Ross & Co., Hill House, 1 Little New Street, London EC4A 3TR
<i>Registrars and Transfer Office</i>	Barclays Registrars Limited Bourne House, 34 Beckenham Road, Beckenham, Kent BR3 4TU

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## Statement by the Chairman

Sir Ernest Harrison OBE

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It is with pleasure I am able to report that the Company achieved substantial increases in both sales and profit. Sales during the year were £536.8 million (1989/90 – £405.8 million) an increase of 32%. The net profit before taxation amounted to £244.7 million (1989/90 – £164.8 million) an increase of 48%.

Taxation for the year is estimated at £76.1 million (1989/90 – £46.3 million).

The directors recommend payment of a final dividend of 2.67p per share, net of tax (1989/90 – 1.7p per share) making a total of 5.27p per share, net of tax (1989/90 – 2.4475p per share). Warrants for the final dividend will be posted on 13 August 1991 to shareholders on the register of members on 3 July 1991.

### The Company

Racal Telecom is a leading provider of mobile telecommunications including cellular radio, wide area paging, trunked private mobile radio, packet radio and value added network services.

The demand for mobile communications continues but at a lower level than in previous years due to the recession. Growth rates are expected to show an improvement when an upturn occurs in the economy.

The Vodafone national cellular radio telephone service continues to be the largest and most profitable contiguous mobile telephone service in the world.

Expansion continues into other mobile communication activities in the UK and Europe, the most recent success being in Sweden.

In January 1991, Racal Telecom and L M Ericsson entered into a strategic alliance with the objective of establishing a major position in the fast developing mobile equipment market by Ericsson acquiring from Racal Telecom a 50% interest in Orbitel for a cash consideration of approximately £45 million.

### Vodafone

Vodafone has maintained its market leadership with over 670,000 subscribers connected to the service at the end of the financial year.

The weekly net connection rate has been affected by the recession. It is expected that growth will improve as the economy recovers. During the year, Vodafone increased its market share to over 56%.

Although usage rates declined by just under 10% from the previous year, it is encouraging to note that they have remained stable in the current year to date. We believe that Vodafone still enjoys the highest revenue per customer of any cellular network in the world.

Expansion of the analogue network continued with an investment of £130 million in the year, bringing the cumulative figure to over £500 million. The quality of service continued to improve throughout the year, both through the physical expansion of the system, and further software enhancements. The Company was delighted to be awarded the internationally recognised British Standard Award for Quality, BS5750, for its network service and billing systems. Vodafone is the first telephone network in the world, fixed or mobile, to receive such recognition.

Work has continued on the introduction of the pan-European system to the GSM standard. Deliveries of elements of the network have been made for system testing. It is envisaged that this new service will be opened in the Spring of 1992 allowing subscribers to use their mobile telephones throughout Europe.

The programme for the introduction of the micro-cellular (MCN) enhancement to the GSM service is proceeding to plan. This new service, scheduled to be available in 1993, will bring mobile communications to the domestic consumer.

### Vodac

Vodac is the Company's Service Provider and is concerned with the supply of subscriber equipment and the retailing of airtime.

Subscriber equipment is distributed, installed and maintained through a chain of 50 organisations who are approved to trade as Vodac Services Centres (VSCs). These VSCs also offer repair, insurance and warranty services.

During the year Vodac purchased some 7,500 subscribers from three small Service Providers which have served to generate additional airtime revenue and profits.

Vodac regards good customer care services as essential in maintaining subscriber satisfaction and retaining their loyalty. This, combined with firm, effective credit control, has resulted in Vodac achieving lower than average bad debts and customer migration.

Great importance is attached to selling to corporate accounts and over half of Vodac's business now comes from large companies. Emphasis has been placed on the facilities required for major users which includes the provision of private wire access, data services and specialised billing and coverage information. Dedicated teams cater for the requirements of large corporate customers resulting in higher than average airtime usage.

Over the year Vodac traded profitably.

### Vodata

Vodata enjoyed another year of growth in turnover and profitability, but at a more modest rate than previously. It has not been immune to the effects of recession, but it remains the world leader in voice messaging and it continued to dominate the UK market place for cellular data services.

During the year Vodata has invested in developing new services such as Vodafax and Creditfax which represent new niche opportunities and will augment the other already successful businesses of Meterfone, Creditfone and Information Services.

**Vodapage**

Vodapage completed its third full trading year during which its subscribers increased from 45,000 to just over 68,000 and it continues to trade profitably.

Vodapage has become the fastest growing paging network operator in the UK and the first to achieve British Standards Institute BS 5750 for quality management.

Vodapage and Psion UK Plc jointly launched a combined pager-organiser that receives, stores and manages messages sent over the Vodapage nationwide paging network. This is considered to be a significant advance in radiopaging.

**Orbital**

Orbital is engaged in the design of cellular equipment to the new pan-European digital GSM standard and digital cordless systems conforming to the internationally recognised CT2 standard. These products will be introduced into production and the market this year. It is estimated that the European market for these products will approach £2 billion per annum over the next decade. Orbital is targeted to take a share in excess of 15%.

Orbital has significant orders from the UK, Belgium, Finland, France, Germany, Hong Kong and Sweden and future prospects are good.

**Paknet**

This joint venture between Racal Telecom and Cable and Wireless/Mercury Communications provides radio based packet switching services in the UK. Current applications include credit card validation, security system monitoring and telemetry.

**Band Three Radio**

Band Three Radio, in which the Company has a 25% equity interest, had another difficult trading year continuing to face intense competition from cellular radio, as well as a market down-turn due to the recession. In recent months, subscriber growth has improved and this together with regulatory changes which permit Band Three Radio to deal directly with the end user, should improve the viability of this company.

**International**

Racal Telecom has continued to seek opportunities to participate in overseas network operations by joining in partnership with the local PTT or the second national cellular network licensee.

Société Française du Radiotéléphone (SFR), a subsidiary of COFIRA, in which Racal Telecom has a 4% equity interest, increased its subscribers from 20,000 to more than 61,000 during the year and commenced trading profitably. In March 1991 the Ministère des Postes et Télécommunication et l'Espace announced that SFR would be licensed to establish and operate one of the two digital cellular radio networks to the GSM standard in France. The two licences also permit Service Provision in France.

Vodafone SA completed the establishment of sales, installation and after-sales support facilities in Paris, Lyons, Lille, Marseilles, Nice, Bordeaux, Toulouse, Nantes, Metz and Rouen and is ideally positioned to become a Service Provider for the new French GSM networks.

Telecell, a joint venture between Telemalta and Racal Telecom commenced operations on schedule in July

1990. Since opening service, subscriber growth has more than matched expectations and Telecell is expected to commence trading profitably in the current year.

Comunicaciones Celulares de Occidente, SA de CV, a Mexican joint venture, commenced operations in August 1990 much earlier than was expected. Subscriber growth since the service opened has grown in accordance with original estimates.

During the year the Swedish Government awarded a digital cellular (GSM) licence to a joint venture between the Company and NordicTel AB. Service is expected to commence during the latter half of 1992.

**The Duopoly Review**

On 13 November 1990 the Government announced its proposals for future telecommunications policy in a consultative document "Competition and Choice: Telecommunications Policy for the 1990's". This marked the formal start of the review of the duopoly policy under which the Government had given a commitment in 1983 not to license, for a period of seven years, companies other than BT or Mercury to carry telecommunication services over fixed links.

Following consultation with the industry, the Government announced its future telecommunications policy, the main conclusion of which was that the duopoly should end.

The Company has started the process to replace the Vodafone Licence with one which will permit the Company, should it so desire, to provide its own fixed links, lease trunk capacity from operators other than BT and Mercury, provide fixed-to-fixed telecommunications services and to connect directly to fixed and mobile in the UK and elsewhere.

**The Demerger**

The directors of the Company believe that the proposed demerger from Racal Electronics Plc will be in the interests of the Company, its shareholders and employees. The main advantages are: increased management flexibility in pursuing the Company's longer term objectives, transactions involving the issue of shares will be facilitated, a more liquid market in the shares will be created and the Company is expected to become a member of the FT-SE 100 Index in due course.

**Special Interim Dividend**

In order to facilitate the demerger the directors of the Company have decided to pay a special interim dividend of £50 million (5p per share), net of tax, in respect of the current year subject to Racal Electronics shareholders' having approved the demerger and upon completion of a placing of shares in Racal Electronics.

The directors of the Company have satisfied themselves that payment of the special interim dividend will not affect the current and planned operation of the business. Following the payment, the Company will be debt free.

**Issue of Shares to Racal Electronics**

In order to increase its ownership interest in Racal Telecom to no less than 80%, which is required to provide that the demerger is tax free to the US shareholders of Racal Electronics, Racal Electronics proposes to subscribe, at the average of the closing middle market quotations prevailing on the five business



## Statement by the Chairman

Sir Ernest Harrison OBE

days prior to subscription on 11 September 1991, for approximately five million new ordinary shares of Racal Telecom, subject to the shareholders of Racal Electronics having approved the demerger and upon completion of a placing of shares in Racal Electronics. As a result of this subscription, Racal Electronics will own at least 80% of the issued ordinary shares of Racal Telecom.

The new Racal Telecom ordinary shares will rank *pari passu* with the existing Racal Telecom ordinary shares save that they will not rank for the Final Dividend in respect of the year ended 31 March 1991 nor for the Special Interim Dividend described above.

The directors have sought and obtained a waiver from the London Stock Exchange of the need to seek Racal Telecom shareholders' approval in connection with the above issue of ordinary shares because the significant uncertainty that would be created in the market place if the tax consequences of the demerger were not determined could have a material adverse effect on the shareholders of Racal Telecom.

### Change of name

Following the demerger, Racal Telecom will cease to be a subsidiary of Racal Electronics and as such it is considered appropriate that the Company change its name. Accordingly resolution no. 11 will be proposed at the Annual General Meeting to be held on 7 August 1991 to change the name of the Company to Vodafone Group Public Limited Company.

Existing share certificates will remain valid after the change of name has become effective.

### Allotment of shares for cash

At the Annual General Meeting of the Company held on 1 August 1990, a resolution was passed enabling the directors to allot equity securities up to an aggregate amount of £2,500,000 for cash (being 5% of the present issued share capital of the Company) and also, on a rights issue, to sell the entitlements of overseas shareholders for their benefit. The main purpose of this resolution, which is required to dis-apply the statutory provision of the Companies Acts, is to enable the directors to take advantage of favourable opportunities to raise funds in international markets, or in connection with a rights issue, to avoid exceptional costs in issuing shares to shareholders who are citizens of, or resident in, an overseas territory. This resolution had effect until the conclusion of the Annual General Meeting of the Company to be held in 1991. The directors are therefore proposing in resolution no. 5 to renew this authority for the period to the 1992 Annual General Meeting.

### Amendments to Memorandum and Articles

The directors are proposing amendments to the Memorandum and Articles of Association of the Company for a number of purposes, including to permit the Company to purchase directors', officers' and auditors' liability insurance (following the commencement of the Companies Act 1989 which permits the purchase of such insurance). It is also proposed to amend the Articles to provide for restrictions on payment of dividends to, and transfers of shares by, any holder of shares amounting to 0.25% of any class who has not complied with a notice

under Section 212 of the Companies Act 1985 (which requires persons having an interest in shares to disclose details of such interest).

It is further proposed to increase the limit on aggregate directors' fees from £100,000 to £250,000.

An amendment is proposed to clarify the delegated powers of board committees, following doubts raised by a recent House of Lords judgement. Finally, consequent on certain provisions in the Companies Act 1989, amendments to the powers of directors to execute deeds will be proposed. These changes are set out in resolutions no. 6 and 7.

### Employee Share Option Schemes

In the budget, it was announced that the maximum monthly savings limit for individuals in savings related share option schemes was to be increased from £150 to £250. Resolution no. 8 will authorise the directors to amend the Racal Telecom Savings Related Share Option Scheme to incorporate this. It was also announced that where a company operates both an executive share option scheme and a company-wide scheme, it may be possible to grant executive options after 1 January 1992 with an exercise price at a discount of up to 15% on the market value of a share at the date of grant. Resolutions no. 9 and no. 10 will authorise the directors to amend the Racal Telecom Share Option Scheme and the Racal Telecom Executive Share Option Scheme to insert this facility. The directors have confirmed that they will pay due regard to the share scheme guidelines published by the investment protection committees when granting options at an exercise price of less than the market value of a share at the date of grant.

### Appreciation

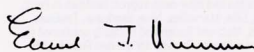
1990/91 was another outstanding year for Racal Telecom, placing exceptional demands on the staff and in turn, on their families. I am sure that you would wish me to place on record our very great appreciation of their outstanding efforts and achievements.

### The Future

Mobile communications continues to be an outstanding growth market and Racal Telecom is recognised to be a world market leader.

Racal Telecom will continue to develop its existing businesses to realise their full potential as well as deploying its new digital cellular system to the GSM standard. This will be followed by a high density micro-cellular system (also to the GSM standard) which will provide an innovative service at economic prices thereby penetrating another sector of the mobile communications market.

Racal Telecom has become a major force in mobile telecommunications and is well positioned to take advantage of the many opportunities which will arise over the next decade.





The directors submit their annual report and audited financial statements for the year ended 31 March 1991.

**Review of the Group's business**

The Company and its subsidiaries are involved principally in mobile telecommunication services. A review of the development of the business of the Company and its subsidiaries is contained in the Chairman's statement on pages 4 to 6.

**Future developments**

The Group is currently involved in the future expansion and development of the cellular telecommunications and related businesses as detailed in the Chairman's statement on pages 4 to 6.

**Event since the year end**

Racal Electronics Plc, the Group's holding company, plans to demerge the Group as detailed in the Chairman's statement on pages 4 to 6.

**Share capital**

A statement of changes in the share capital of the Company is set out on page 22 in note 18.

**Dividends and transfer to reserves**

The consolidated profit and loss account is set out on page 11 and shows a profit on ordinary activities after taxation of £168,516,000.

The directors recommend a final dividend of 2.67p per ordinary share amounting to £26,700,000 payable on 14 August 1991 to ordinary shareholders on the register of members on 3 July 1991.

An interim dividend of 2.60p per ordinary share was paid during the year giving a total for the year of 5.27p per ordinary share.

The retained profit for the year of £150,362,000 has been transferred to reserves.

**Fixed assets**

The movement in fixed assets is set out on pages 19 and 20 in notes 10 to 12.

**Charitable and political contributions**

During the year ended 31 March 1991, charitable contributions amounted to £70,420. No political contributions were made.

**Research and development**

The Group maintains research facilities and continues an active development programme as detailed in the Chairman's statement on pages 4 to 6.

**Close company provisions**

The close company provisions of the Income and Corporation Taxes Act 1988 do not apply to the Company.

**Auditors**

In accordance with section 384 of the Companies Act 1985, a resolution proposing the re-appointment of Touche Ross & Co. as auditors to the Company will be put to the Annual General Meeting.

**Insurance for directors**

Racal Electronics Plc has purchased insurance to indemnify certain directors of the Group against liability incurred by them in relation to the Group.

**Employee involvement and consultation**

The Group is organised on the basis of autonomous subsidiary companies with certain services centralised. Employee involvement and commitment, which is encouraged throughout the Group, is the responsibility of the managing director of each company and his board of directors.

Regular contact and exchanges of information between managers and staff are maintained through departmental managers, team briefing, internal newsletters, company notices and informally via social functions.

Team briefing, which complements other forms of management communications, is a systematic method of staff communication providing a structured approach to ensure that all levels in the organisation are kept up-to-date and thereby increase employee involvement. The directors of the Company are committed to the principle of employee share participation in the Company and have established various employee share option schemes.

**Disabled persons**

The Group's attitude concerning the employment of disabled persons is the same as that relating to all other staff in matters of recruitment, continuity of employment, training, development and promotion. Nevertheless, the Group is very conscious of the difficulties experienced by the disabled and takes account sympathetically of individual circumstances.

**Directors**

The directors who served throughout the year were Sir Ernest Harrison, G A Whent, Sir William Barlow, Sir Robert Clark, C C Gent, K J Hydon and E J Peett. In accordance with the Company's Articles of Association, K J Hydon and Sir William Barlow retire by rotation and being eligible offer themselves for re-election.

K J Hydon has a service contract with the Company which commenced on 1 July 1991 for a period of three years terminable by the Company by not less than two years notice expiring at 30 June 1994 or anytime thereafter.

None of the directors had a material interest in any contract of significance to which Racal Telecom Plc or any of its subsidiaries were a party during the financial year.

The following served as non-executive directors:

Sir Ernest Harrison  
Chairman and Chief Executive of Racal Electronics Plc since 1966.

Sir William Barlow  
Chairman of BICC plc since 1984.

Sir Robert Clark

A non-executive director of a number of UK companies.

## Report of the directors

### Substantial holdings

The Company's holding company is Racal Electronics Plc which holds 79.92% of the Company's ordinary share capital.

BNY (Nominees) Limited holds 11.06% of the Company's ordinary share capital and this holding

underlies American Depositary Receipts (ADRs) issued by The Bank of New York.

The directors are not aware of any other holding in excess of 3%.

### Directors' interests in the shares of Racal Telecom Plc

The directors have the following interests, all of which are beneficial, in the ordinary shares of Racal Telecom Plc:

	31 March 1991								1 April 1990 ordinary shares
	ordinary shares	shares A	shares B	shares C	options shares D	shares E	shares F	shares G	
Sir Ernest Harrison	526,219	Nil	Nil	Nil	Nil	Nil	Nil	Nil	526,219
G A Whent	50,000	Nil	2,278	Nil	53,500	110,000	55,000	125,000	50,000
Sir William Barlow	5,000	Nil	Nil	Nil	Nil	Nil	Nil	Nil	5,000
Sir Robert Clark	5,000	Nil	Nil	Nil	Nil	Nil	Nil	Nil	5,000
C C Gent	20,000	4,210	1,139	Nil	40,500	45,000	26,000	109,000	20,000
K J Hydon	5,000	Nil	1,139	3,348	38,000	30,000	16,000	58,000	5,000
E J Peett	53,102	Nil	1,139	3,348	37,000	40,000	22,000	70,000	53,102

A Option granted under the Savings Related Share Option Scheme exercisable at 171p per share between 1 March 1994 and 31 August 1994.

B Options granted under the Savings Related Share Option Scheme exercisable at 316p per share between 1 March 1995 to 31 August 1995.

C Options granted under the Savings Related Share Option Scheme exercisable at 224p between 1 April 1996 to 30 September 1996.

D Options granted under the Executive Share Option Scheme exercisable at 170p per share between 11 October 1991 and 10 October 1998.

E Options granted under the Executive Share Option Scheme exercisable at 409p per share between 12 July 1992 and 11 July 1999.

F Options granted under the Executive Share Option Scheme exercisable at 337p per share between 25 July 1993 and 24 July 2000.

G Options granted under the Executive Share Option Scheme exercisable at 279p per share between 22 January 1994 and 21 January 2001.

All of the above options existed at 1 April 1990 with the exception of the C, F and G options which were granted during the year.

No director had since 1 April 1990 any interest in the shares of any subsidiary company.

There have been no changes in the interests in Racal Telecom Plc of the directors during the period 1 April to 21 June 1991.

### Directors' interests in the shares of Racal Electronics Plc

The directors have the following interests, all of which are beneficial, in the ordinary shares of Racal Electronics Plc:

	31 March 1991	1 April 1990
Sir Ernest Harrison	2,989,136	2,985,712
G A Whent	43,674	43,424

None of the other directors had any interest, either beneficial or non-beneficial, in the ordinary shares of Racal Electronics Plc at 31 March 1991 or at 1 April 1990.

Under the terms of the Share Option Scheme, the following director has been granted an option to acquire ordinary shares:

	31 March 1991	1 April 1990
Sir Ernest Harrison	Nil	190,966

The option lapsed on 26 March 1991.

## Directors' interests in the shares of Racal Electronics Plc (continued)

Under the terms of the Share Savings Plan (1980), the following directors have been granted options to acquire ordinary shares:

	31 March 1991 shares A	shares B
Sir Ernest Harrison	4,624	4,090
G A Whent	4,624	Nil
K J Hydon	9,250	Nil
E J Peett	9,250	Nil

A Options exercisable at 80p per share between 1 April 1991 and 30 September 1991.

B Option exercisable at 176p per share between 1 January 1995 and 30 June 1995.

All the options under the Share Savings Plan (1980) held at 31 March 1991 were held at 1 April 1990.

Under the terms of the Share Option Scheme 1984, the following directors have been granted options to acquire ordinary shares:

	shares A	shares B	shares C	31 March 1991 shares D	shares E	shares F	shares G
Sir Ernest Harrison	341,066	347,748	282,000	128,000	100,000	56,000	38,000
G A Whent	Nil	Nil	268,000	76,000	Nil	Nil	Nil
C C Gent	Nil	Nil	44,000	Nil	Nil	Nil	Nil
K J Hydon	Nil	Nil	28,000	Nil	Nil	Nil	Nil
E J Peett	Nil	Nil	71,000	Nil	Nil	Nil	Nil

A Option exercisable at 113p per share between 24 August 1987 and 23 August 1994.

B Option exercisable at 62p per share between 4 July 1988 and 3 July 1995.

C Options exercisable at 108.5p per share between 24 February 1991 and 23 February 1998.

D Options exercisable at 164p per share between 8 August 1991 and 7 August 1998.

E Option exercisable at 221.5p per share between 12 July 1992 and 11 July 1999.

F Option exercisable at 229p per share between 19 January 1993 and 18 January 2000.

G Option exercisable at 201p per share between 25 July 1993 and 24 July 2000.

Unless exercised all the options under the Share Option Scheme 1984 held at 31 March 1991 were held at 1 April 1990 except the G option which was granted during the year.

The following directors exercised options during the year ended 31 March 1991:

Sir Ernest Harrison exercised his option for 3,424 shares under the Share Savings Plan (1980).

C C Gent exercised his option for 300,708 shares under the Share Option Scheme 1984 and subsequently sold them.

There have been the following changes in the interests in Racal Electronics Plc of the directors during the period 1 April to 21 June 1991:

Sir Ernest Harrison sold 7,350 shares and exercised his option for 4,624 shares under the Share Savings Plan (1980).

K J Hydon exercised options totalling 37,250 shares under the Share Savings Plan (1980) and the Share Option Scheme 1984 and subsequently sold them.

E J Peett exercised his option for 9,250 shares under the Share Savings Plan (1980) and subsequently sold them. G A Whent exercised his option for 4,624 shares under the Share Savings Plan (1980) and subsequently sold them.

By Order of the Board  
David Whittaker  
Secretary  
9 July 1991

## Group historical summary

£000 (except where stated)	1991	1990	1989	1988	1987
<b>Turnover</b>	<b><u>536,838</u></b>	<u>405,778</u>	<u>240,134</u>	<u>138,007</u>	<u>67,856</u>
<b>Profit and loss</b>					
Profit / (loss) before taxation	<b><u>244,658</u></b>	<u>164,778</u>	<u>84,530</u>	<u>37,061</u>	<u>(3,765)</u>
Profit / (loss) after taxation, minority interest and extraordinary item	<b><u>203,062</u></b>	<u>118,522</u>	<u>62,076</u>	<u>25,788</u>	<u>(13,972)</u>
Earnings per share	<b><u>16.86p</u></b>	<u>11.85p</u>	<u>6.21p</u>	<u>2.58p</u>	<u>(1.40p)</u>
<b>Balance sheet</b>					
Fixed assets	<b><u>436,669</u></b>	<u>345,417</u>	<u>208,719</u>	<u>131,227</u>	<u>86,493</u>
Other net (liabilities) / assets	<b><u>(18,470)</u></b>	<u>(75,952)</u>	<u>(28,179)</u>	<u>(2,123)</u>	<u>28,395</u>
Total assets	<b><u>418,199</u></b>	<u>269,465</u>	<u>180,540</u>	<u>129,104</u>	<u>114,888</u>
Shareholders' funds	<b><u>418,199</u></b>	<u>269,419</u>	<u>180,540</u>	<u>22,004</u>	<u>(9,947)</u>
Minority interests	<u>—</u>	<u>46</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<b><u>418,199</u></b>	<u>269,465</u>	<u>180,540</u>	<u>22,004</u>	<u>(9,947)</u>
Capital loans	<u>—</u>	<u>—</u>	<u>—</u>	<u>107,100</u>	<u>124,835</u>
Capital employed	<b><u>418,199</u></b>	<u>269,465</u>	<u>180,540</u>	<u>129,104</u>	<u>114,888</u>

The financial information set out above is based on the audited financial statements of the Group after making such adjustments as are necessary in order to show the consolidated financial information on the basis that the Group structure on flotation existed since 1 April 1984.

**Consolidated profit and loss account  
for the year ended 31 March 1991**

	Note	1991 £000	1990 £000
Turnover	1	<u>536,838</u>	<u>405,778</u>
Operating profit	2	242,234	162,227
Interest receivable less payable	5	<u>2,424</u>	<u>2,551</u>
Profit on ordinary activities before taxation		244,658	164,778
Tax on profit on ordinary activities	6	<u>76,142</u>	<u>46,299</u>
Profit on ordinary activities after taxation		168,516	118,479
Minority interests		<u>46</u>	<u>43</u>
Profit on ordinary activities attributable to shareholders		168,562	118,522
Extraordinary income	7	<u>34,500</u>	<u>—</u>
Profit attributable to shareholders		203,062	118,522
Dividends	8	<u>52,700</u>	<u>24,475</u>
Retained profit for the year	19	<u>150,362</u>	<u>94,047</u>
Earnings per share	9	<u>16.86p</u>	<u>11.85p</u>

# Consolidated balance sheet at 31 March 1991

	Note	1991 £000	1990 £000
<b>Fixed assets</b>			
Intangible assets	10	353	693
Tangible assets	11	416,354	332,374
Investments	12	<u>19,962</u>	<u>12,350</u>
		436,669	345,417
<b>Current assets</b>			
Stocks	13	2,468	6,402
Debtors	14	137,979	96,162
Cash at bank and in hand		<u>38,643</u>	<u>6,010</u>
		179,090	108,574
<b>Creditors: amounts falling due within one year</b>	15	<u>195,833</u>	<u>183,263</u>
<b>Net current liabilities</b>		(16,743)	(74,689)
<b>Total assets less current liabilities</b>		419,926	270,728
<b>Creditors: amounts falling due after more than one year</b>	16	1,615	1,094
<b>Provisions for liabilities and charges</b>	17	<u>112</u>	<u>169</u>
		418,199	269,465
<b>Capital and reserves</b>			
Called up share capital	18	50,000	50,000
Share premium account		82,058	82,058
Capital reserve		2,705	2,705
Profit and loss account	19	<u>283,436</u>	<u>134,656</u>
<b>Shareholders' funds</b>		418,199	269,419
<b>Minority interests</b>		<u>—</u>	<u>46</u>
		418,199	269,465

G A WHENT Chief Executive

K J HYDON Financial Director

9 July 1991

# Balance sheet at 31 March 1991

	Note	1991 £000	1990 £000
<b>Fixed assets</b>			
Investments	12	516,670	514,918
<b>Current assets</b>			
Debtors	14	31,211	101,479
Cash at bank		<u>37,963</u>	<u>4,863</u>
		69,174	106,342
<b>Creditors: amounts falling due within one year</b>	15	<u>44,421</u>	<u>48,923</u>
<b>Net current assets</b>		<u>24,753</u>	<u>57,419</u>
		<u>541,423</u>	<u>572,337</u>
<b>Capital and reserves</b>			
Called up share capital	18	50,000	50,000
Share premium account		82,058	82,058
Merger reserve		87,895	87,895
Profit and loss account	19	<u>321,470</u>	<u>352,384</u>
		<u>541,423</u>	<u>572,337</u>

G A WHENT Chief Executive

K J HYDON Financial Director

9 July 1991



**Source and application of funds  
for the year ended 31 March 1991**

		1991	1990
	Note	£000	£000
<b>Sources of funds</b>			
Profit before taxation		244,658	164,778
Adjustment for items not involving the movement of funds	20	53,115	34,133
Generated from operations		297,773	198,911
Taxation received		—	3,835
Investment from minority shareholders		—	89
Disposal of business		45,000	3,924
		342,773	202,835
<b>Application of funds</b>			
Acquisitions		1,664	8,425
Investments		5,035	8,856
Taxation paid		48,910	26,122
Purchase of fixed assets		146,497	159,569
Dividends paid		43,000	14,475
		245,106	217,447
		97,667	(14,612)
<b>Working capital</b>			
Stocks		(484)	(181)
Debtors		(52,172)	(15,871)
Creditors		(20,660)	2,520
		(73,316)	
<b>Net funds flow</b>		24,351	(12,092)
<b>Movement in net liquid funds</b>	20	24,351	(12,092)

**Disposal of business:**

**Sale proceeds**

**Assets acquired and disposed of:**

	£000
Fixed assets	12,073
Investment in associated company	(5,500)
Stock	4,418
Debtors	8,384
Taxation	15
Creditors	(4,998)
Overdraft	(3,892)
	<u>10,500</u>
<b>Extraordinary income</b>	<u>34,500</u>
	<u>45,000</u>

## Statement of accounting policies

### Basis of accounting

The financial statements are prepared in accordance with applicable accounting standards.

### Accounting convention

The financial statements are prepared under the historical cost convention.

### Basis of consolidation

The Group financial statements are the result of the consolidation of the financial statements of the Company and its subsidiaries and include the Group's share of results of associated companies. The financial statements of all companies are made up to 31 March 1991.

The surplus of cost over fair value attributed to the net assets of subsidiaries or associates acquired during the year is written off direct to reserves.

### Turnover

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

### Stocks

Stocks are valued at the lower of cost and estimated net realisable value. Cost includes material handling overheads.

### Research and development

Expenditure on research and development is written off in the year in which it is incurred.

### Tangible fixed assets

Included within the cost of cellular radio systems are materials awaiting installation which are valued at cost less a provision for excess and obsolete items. The materials are used in the construction and maintenance of new and existing infrastructure and, when issued, are charged either to the cost of specific infrastructure or to the profit and loss account. The cost of tangible fixed assets includes overheads incurred in the acquisition, establishment and installation of radio base stations.

### Intangible fixed assets

Intangible fixed assets are capitalised at cost except for subscriber contracts, which are written off to reserves in the year in which they are acquired. The value attributable to the potential income stream of existing subscribers is not included in the Group's balance sheet.

### Deferred taxation

Provision is made for deferred taxation only where there is a reasonable probability that a liability or asset will crystallize in the foreseeable future.

### Depreciation of fixed assets

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

Freehold buildings	50 years
Short term leaseholds	the term of the lease
Cellular radio and paging networks	10 years
Plant, test and office equipment	6-7 years
Motor vehicles	4 years
Computers and software	3-5 years
Furniture and fittings	10 years

The cost of intangible fixed assets is amortised in equal annual instalments over six years.

### Investments

The consolidated financial statements include investments in associated companies using the equity method of accounting. An associated company is a company in which the Group owns a material share of the equity and, in the opinion of the directors, can exercise a significant influence in its management. The profit and loss account includes the Group's share of the profit or loss before taxation and attributable taxation of those companies. The balance sheet shows the Group's share of the net assets or liabilities, excluding goodwill, of those companies.

Other investments, comprise equity shareholdings in, and long term loans to, communication companies. These are held as fixed assets and are stated at cost. Income is recognised upon receipt of dividends and provision only made for permanent diminution in value.

### Foreign currencies

The financial statements of the overseas subsidiary companies are translated into sterling at the closing rate of exchange. Exchange differences which arise on the retranslation of these financial statements at the beginning of the year and equity additions during the financial year are dealt with as a movement in reserves. Other translation differences are dealt with in the profit and loss account.

### Pension costs

Pension costs, 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 benefit is derived from the employees' services. The cost of the various pension schemes may vary from the funding dependent upon actuarial advice with any difference between pension cost and funding being treated as a provision or prepayment.

## Notes on the financial statements

### 1 Turnover

	1991 £000	1990 £000
Supply of mobile telecommunications services and products	<b>536,838</b>	<b>405,778</b>
A geographical analysis of turnover by area of destination:		
United Kingdom	<b>530,157</b>	404,609
Asia	<b>2</b>	1,138
Continental Europe	<b>6,679</b>	31
	<b>536,838</b>	<b>405,778</b>

### 2 Operating profit

	1991 £000	1990 £000
Turnover	<b>536,838</b>	<b>405,778</b>
Cost of sales	<b>211,960</b>	<b>182,463</b>
Gross profit	<b>324,878</b>	<b>223,315</b>
Selling and distribution costs	<b>29,810</b>	22,753
Administrative expenses	<b>49,817</b>	<b>36,256</b>
	<b>79,627</b>	<b>59,009</b>
	<b>245,251</b>	<b>164,306</b>
Share of losses of associated companies	<b>3,017</b>	<b>2,079</b>
	<b>242,234</b>	<b>162,227</b>
Operating profit has been arrived at after charging:		
Depreciation of tangible fixed assets	<b>50,341</b>	<b>32,944</b>
Amortisation of intangible fixed assets	<b>340</b>	<b>382</b>
Research and development	<b>23,051</b>	<b>10,815</b>
Payments under operating leases:		
Land and buildings	<b>6,517</b>	<b>4,131</b>
Other assets	<b>48,614</b>	<b>28,627</b>
Auditors' remuneration	<b>161</b>	<b>150</b>

## Notes on the financial statements

### 3 Employees

The average number of persons employed by the Group during the year:

	1991 Number	1990 Number
Operations	575	305
Selling and distribution	338	266
Administration	<u>1,521</u>	<u>1,057</u>
	<u>2,434</u>	<u>1,628</u>

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

	1991 £000	1990 £000
Wages and salaries	38,738	27,021
Social security costs	3,748	2,323
Other pension costs	<u>1,029</u>	<u>880</u>
	<u>43,515</u>	<u>30,224</u>

### 4 Directors

	1991 £	1990 £
Emoluments including pension contributions	<u>1,100,923</u>	<u>900,993</u>

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

Chairman	<u>—</u>	<u>—</u>
Highest paid director	<u>381,529</u>	<u>300,014</u>

Other directors:

	1991 Number	1990 Number
£ 25,001 – £ 30,000	2	2
£ 90,001 – £ 95,000	—	1
£115,001 – £120,000	1	—
£120,001 – £125,000	—	1
£145,001 – £150,000	—	1
£150,001 – £155,000	1	—
£180,001 – £185,000	<u>1</u>	<u>—</u>

## Notes on the financial statements

### 5 Interest receivable less payable

	1991		1990	
	£000	£000	£000	£000
Interest receivable		3,472		3,033
Interest payable:				
Fellow subsidiary loans	150		115	
Bank overdrafts and other loans repayable within five years	897		367	
Other loans	1		—	
		<u>1,048</u>		<u>482</u>
		<u>2,424</u>		<u>2,551</u>

### 6 Tax on profit on ordinary activities

	1991 £000	1990 £000
Corporation tax charge on profit for the year at 34% (1990 – 35%)	75,783	46,464
Transfer to deferred taxation	(136)	205
Associated companies	495	(370)
	<u>76,142</u>	<u>46,299</u>

The taxation charge for the year has been reduced by £11,846,000 (1990 – £12,814,000) as a result of capital allowances being higher than depreciation.

### 7 Extraordinary income

	1991 £000	1990 £000
Profit on disposal of business	<u>34,500</u>	<u>—</u>

### 8 Dividends

	1991 £000	1990 £000
Interim dividend paid of 2.60p (1990 – 0.7475p) per ordinary share	26,000	7,475
Proposed final dividend of 2.67p (1990 – 1.7p) per ordinary share	<u>26,700</u>	<u>17,000</u>
	<u>52,700</u>	<u>24,475</u>

### 9 Earnings per share

Earnings per share are based upon the weighted average of 1,000,000,225 (1990 – 1,000,000,000) ordinary shares in issue throughout the year and are calculated on the profit on ordinary activities after taxation and minority interests of £168,562,000 (1990 – £118,522,000).

There would be no material dilution of earnings per share if the outstanding share options were exercised.

## Notes on the financial statements

### 10 Intangible fixed assets

#### Group

	Know how 1991 £000	Know how 1990 £000
<b>Cost</b>		
1 April	2,500	2,000
Additions	—	500
31 March	2,500	2,500
<b>Amortisation</b>		
1 April	1,807	1,425
Charge for the year	340	382
31 March	2,147	1,807
<b>Net book value</b>		
31 March	353	693

### 11 Tangible fixed assets

#### Group

	Freehold premises £000	Short term leasehold premises £000	Plant machinery fixtures & vehicles £000	Cellular radio systems £000	Total £000
<b>Cost</b>					
1 April 1990	722	985	57,402	355,767	414,876
Exchange movement	—	(50)	(48)	(11)	(109)
Additions	6,894	1,390	17,744	121,238	147,266
Transfers from fellow subsidiaries	—	—	16	—	16
Disposal of business	(3,093)	(7)	(15,867)	(756)	(19,723)
Disposals	—	(225)	(3,257)	(743)	(4,225)
Transfers to fellow subsidiaries	—	—	(77)	—	(77)
<b>31 March 1991</b>	<b>4,523</b>	<b>2,093</b>	<b>55,913</b>	<b>475,495</b>	<b>538,024</b>
<b>Depreciation</b>					
1 April 1990	42	57	17,894	64,509	82,502
Exchange movement	—	(3)	(3)	—	(6)
Charge for the year	5	140	11,498	38,698	50,341
Transfers from fellow subsidiaries	—	—	11	—	11
Disposal of business	(47)	(7)	(7,596)	—	(7,650)
Disposals	—	(13)	(2,760)	(700)	(3,473)
Transfers to fellow subsidiaries	—	—	(55)	—	(55)
<b>31 March 1991</b>	<b>—</b>	<b>174</b>	<b>18,989</b>	<b>102,507</b>	<b>121,670</b>
<b>Net book value</b>					
<b>31 March 1991</b>	<b>4,523</b>	<b>1,919</b>	<b>36,924</b>	<b>372,988</b>	<b>416,354</b>
31 March 1990	680	928	39,508	291,258	332,374
Cellular radio systems comprise:					
<b>31 March 1991</b>					
<b>Cost</b>	<b>6,660</b>	<b>54,915</b>	<b>413,920</b>		<b>475,495</b>
<b>Depreciation</b>	<b>113</b>	<b>14,620</b>	<b>87,774</b>		<b>102,507</b>
<b>Net book value</b>	<b>6,547</b>	<b>40,295</b>	<b>326,146</b>		<b>372,988</b>
31 March 1990					
Net book value	3,010	30,637	257,611		291,258

## Notes on the financial statements

### 12 Fixed asset investments

#### Group

	Associated companies £000	Other investments £000	Total £000
1 April 1990	4,207	8,143	12,350
Additions	8,762	1,779	10,541
Interest on deep discounted bond financing	787	66	853
Provisions	—	(270)	(270)
Share of retained losses for the year	(3,512)	—	(3,512)
<b>31 March 1991</b>	<b>10,244</b>	<b>9,718</b>	<b>19,962</b>

#### Company

	Subsidiary companies £000	Associated companies £000	Other investments £000	Total £000
1 April 1990	503,488	3,309	8,121	514,918
Additions	—	2,694	1,779	4,473
Transfer	(503)	503	—	—
Interest received	—	(33)	(52)	(85)
Provisions	—	(2,366)	(270)	(2,636)
<b>31 March 1991</b>	<b>502,985</b>	<b>4,107</b>	<b>9,578</b>	<b>516,670</b>

The Company's subsidiaries, associated companies and other investments are detailed on page 26.

### 13 Stocks

#### Group

	1991 £000	1990 £000
Raw materials	—	1,326
Work in progress	—	1,494
Finished goods	<b>2,468</b>	<b>3,582</b>
	<b>2,468</b>	<b>6,402</b>

### 14 Debtors

	1991		1990	
	Group £000	Company £000	Group £000	Company £000
Due within one year:				
Trade debtors	73,284	—	51,230	—
Amounts owed by fellow subsidiaries	1,112	85	328	7
Amounts owed by subsidiaries	—	27,403	—	100,328
Amounts owed by associated companies	94	—	51	—
Taxation recoverable	1,866	1,444	4,558	—
Other debtors	8,262	2	10,635	6
Prepayments and accrued income	51,186	490	28,459	—
	<b>135,804</b>	<b>29,424</b>	<b>95,261</b>	<b>100,341</b>
Due after more than one year:				
Trade debtors	—	—	1	—
Other debtors	185	—	185	—
Prepayments	1,990	1,787	715	1,138
	<b>137,979</b>	<b>31,211</b>	<b>96,162</b>	<b>101,479</b>



## Notes on the financial statements

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

	1991		1990	
	Group £000	Company £000	Group £000	Company £000
Bank overdraft	7,197	—	3,422	—
Trade creditors	29,363	—	52,592	—
Amounts owed to fellow subsidiaries	1,564	12	3,446	1
Amounts owed to subsidiaries	—	11,789	—	26,399
Amounts owed to associated companies	7,381	940	201	201
Taxes and social security	82,090	—	57,415	5,315
Other creditors	2,206	12	4,335	7
Accruals and deferred income	39,332	4,968	44,852	—
Proposed dividend	26,700	26,700	17,000	17,000
	<u>195,833</u>	<u>44,421</u>	<u>183,263</u>	<u>48,923</u>

### 16 Creditors: amounts falling due after more than one year – Group

	1991 £000	1990 £000
Bank loan	615	—
Trade creditors	—	1,090
Other creditors	958	4
Accruals	42	—
	<u>1,615</u>	<u>1,094</u>

The bank loan bears interest at 6.75% and is repayable by 5 equal instalments of which £492,000 fall due after 5 years. It is secured on certain assets of the group.

### 17 Provisions for liabilities and charges Group

	Deferred taxation £000
1 April 1990	169
Disposal of business	6
Profit and loss account	(136)
	39
Decrease in advance corporation tax recoverable on proposed dividend	73
<b>31 March 1991</b>	<b>112</b>

The amounts provided for deferred taxation and the full potential liability, calculated on the liability method are:

	1991		1990	
	Amount provided £000	Potential liability £000	Amount provided £000	Potential liability £000
Accelerated capital allowances	516	50,616	1,430	41,647
Gains subject to rollover relief	—	15,840	—	2,975
Other timing differences	(54)	(54)	(838)	(838)
	<u>462</u>	<u>66,402</u>	<u>592</u>	<u>43,784</u>
Advance corporation tax recoverable	(350)	(350)	(423)	(423)
	<u>112</u>	<u>66,052</u>	<u>169</u>	<u>43,361</u>

## Notes on the financial statements

### 18 Share capital

	1991		1990	
	Number	£000	Number	£000
<b>Authorised:</b>				
Ordinary shares of 5p each	<u>1,200,000,000</u>	<u>60,000</u>	<u>1,200,000,000</u>	<u>60,000</u>
<b>Allotted and fully paid:</b>				
1 April	1,000,000,000	50,000	1,000,000,000	50,000
Allotted during the year	<u>535</u>	<u>—</u>	<u>—</u>	<u>—</u>
31 March	<u>1,000,000,535</u>	<u>50,000</u>	<u>1,000,000,000</u>	<u>50,000</u>

During the year the Company allotted 216 and 319 ordinary shares at 171p and 282p respectively to participants of the Savings Related Share Option Scheme. The nominal value of the ordinary shares issued during the year was £26.75.

#### Options:

The Company had the following options outstanding at 31 March 1991 to subscribe for ordinary shares:

	Number	Price	Period during which exercisable
Savings Related Share Option Scheme	229,185	171p	1 March 1994 to 31 August 1994
	143,652	316p	1 March 1995 to 31 August 1995
	249,321	282p	1 September 1995 to 29 February 1996
	<u>333,040</u>	224p	1 April 1996 to 30 September 1996
	<u>995,198</u>		
Executive Share Option Scheme	370,000	170p	11 October 1991 to 10 October 1998
	564,000	205p	19 January 1992 to 18 January 1999
	603,000	409p	12 July 1992 to 11 July 1999
	322,000	357p	19 January 1993 to 18 January 2000
	129,000	337p	25 July 1993 to 24 July 2000
	<u>1,126,000</u>	279p	22 January 1994 to 21 January 2001
	<u>3,114,000</u>		

### 19 Profit and loss account

	Group			Company
	Subsidiary companies £000	Associated companies £000	Total £000	£000
1 April 1990	136,580	(1,924)	134,656	352,384
Goodwill written off	(1,664)	—	(1,664)	—
Currency translation	82	—	82	—
Profit / (loss) retained for the year	<u>153,874</u>	<u>(3,512)</u>	<u>150,362</u>	<u>(30,914)</u>
<b>31 March 1991</b>	<b><u>288,872</u></b>	<b><u>(5,436)</u></b>	<b><u>283,436</u></b>	<b><u>321,470</u></b>

The goodwill written off relates to the acquisition of subscriber contracts.

No profit and loss account has been prepared by the Company in accordance with section 230 of the Companies Act 1985. The profit after taxation and extraordinary item dealt with in the accounts of the Company is £21,785,000 (1990 – £9,148,000).

## Notes on the financial statements

### 20 Source and application of funds

Adjustment for items not involving the movement of funds:	1991 £000	1990 £000
Depreciation and amortisation	50,681	33,326
Losses retained in associated companies	3,017	1,636
Provision against investment	270	—
Deep discounted bond interest	(853)	(829)
	<u>53,115</u>	<u>34,133</u>
Movement in net liquid funds:		
Cash at bank and in hand	32,633	(8,860)
Acquisition – Bank overdraft	—	190
Disposal – Bank overdraft	(3,892)	—
Bank overdraft and loans	(4,390)	(3,422)
	<u>24,351</u>	<u>(12,092)</u>

### 21 Leased assets Operating leases

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

	Group 1991		Group 1990	
	Land and buildings £000	Other assets £000	Land and buildings £000	Other assets £000
In respect of leases expiring:				
Within one year	1,178	5,560	822	27
Between two and five years	3,144	5,254	2,418	2,456
After five years	<u>2,195</u>	<u>14,050</u>	<u>1,772</u>	<u>—</u>

The Company had no commitments under operating leases.

### Finance leases

The Group does not hold a material amount of assets under finance leases.

### 22 Pensions

The Group operates a number of schemes for the benefit of the employees. The schemes are prefunded defined benefit schemes and the assets of these schemes are held in separate trustee administered funds.

The schemes are subject to triennial valuations by independent actuaries. The last valuations were carried out as at 1 April 1989, using the projected unit method, in which the actuarial liability makes allowances for projected earnings.

At the last actuarial valuation date, the market value of the assets of the schemes was £8,598,000 and the corresponding actuarial value was sufficient to cover 116% of the benefits which had accrued to members, after allowing for the improvements to benefits made on 1 October 1989 and for expected increases in earnings.

The main assumptions used in the last actuarial valuation were that the average long term rate of return, earned by the schemes' assets, would be 2% above the rate of general salary growth and that equity dividend growth would be 4.5% (revised to 5% from 1 April 1990).

The pension cost for the Group amounted to £1,029,000 (1990 – £880,000).

A prepayment of £553,000 (1990 – £231,000) is included in prepayments due after more than one year. This represents the excess of the amounts funded over the accumulated pension costs.

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## Notes on the financial statements

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### 23 Provision of services by Racal Electronics Plc

Racal Electronics Plc and certain of its subsidiaries provide or procure, in accordance with an agreement dated 11 October 1988, certain services to the Company and its subsidiaries as follows:

- The services of a chairman of the board of directors of the Company.
- General company secretarial services including the services of a company secretary for the Company and each of its subsidiaries.
- Such legal advice and services as the Company may require.
- Certain publicity services.
- Advisory and administration services regarding pensions and insurance.

Charges are made on an arm's length basis and the agreement can be cancelled on three months notice by either Racal Electronics Plc or the Company.

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### 24 Capital commitments

**Group**

	1991 £000	1990 £000
Contracted for but not provided in the financial statements	<b>73,150</b>	126,049
Authorised by respective boards of directors but not contracted for	<b>33,595</b>	50,924

**Company**

The Company had no future capital commitments (1990 - £nil).

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### 25 Contingent liabilities

The Company has guaranteed certain of the overdraft facilities of its overseas subsidiaries.

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**Touche  
Ross**



**Chartered Accountants**

Touche Ross & Co.  
Hill House  
1 Little New Street  
London EC4A 3TR

Telephone: National 071 936 3000  
International +44 71 936 3000  
Telex 884739 TRENDN G  
Fax (Co-3) 071 563 6517  
LDE DX 599

**Report of the Auditors  
to the members of  
Racal Telecom Plc**

We have audited the financial statements on pages 11 to 24 and 26 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group at 31 March 1991 and of the profit and source and application of funds of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

9 July 1991

Member  
**DRT** International

Aberdeen, Belfast, Birmingham, Bolton, Bournemouth, Blackpool, Bristol, Cambridge, Cardiff, Chester, Colchester, Crawley, Exeter, Glasgow, Hull, Leeds, Leicester, Liverpool, London, Manchester, Milton Keynes, Newark, Newcastle upon Tyne, Newport, Newry, Nottingham, Peterborough, Southampton, Swansea and Walsbridge.  
Principal place of business at which a set of partners' names is available:  
Hill House, 1 Little New Street, London EC4A 3TR

Authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

## Subsidiary, associated and other companies

The Company had at 31 March 1991 the following principal subsidiaries, associated companies and other investments, all of which have share capital consisting solely of ordinary shares. The country of incorporation of all subsidiaries, associated companies and other investments is also their principal place of operation. None of the Company's other investments are listed on any stock exchange.

### Subsidiary companies

All subsidiaries are wholly owned (unless otherwise stated), sub-subsidiaries are shown inset.

Name	Activity	Country of incorporation or registration
Racal Cellular Limited	Holding company	England
Racal-Vodac Limited	Service provider for Vodafone network	England
Vodac (Ulster) Limited (51%)	Service provider for Vodafone network	Northern Ireland
Racal Telecom Central Services Limited	Provision of central services	England
Racal-Vodacom Limited	Service provider for Band Three Radio	England
Racal-Vodafone (Holdings) Limited	Holding company	England
Racal-Vodafone Limited	Operation of cellular network	England
Racal-Vodapage Limited	Operation of radio paging service	England
Racal-Vodata Limited	Supply of value added services	England
Telecell Limited (80%)	Operation of cellular network	Malta
Vodafone SA	Mobile radio equipment retailer	France
Vodafone GmbH	Service provider for cellular network	Germany

### Associated companies

The associated companies principal operating subsidiaries are shown inset.

Name	Activity	Percentage shareholding	Value of issued equity	Latest financial accounts	Country of registration
Band Three Holdings Limited	Holding company	25	£8,000,000	31.3.91	England
Band Three Radio Limited	Operation of trunked mobile radio				
Merrac Limited	Holding company	50	£100	31.3.91	England
Paknet Limited	Operation of packet radio network				
Orbitel Mobile Communications (Holdings) Limited	Holding company	50	£100	31.3.91	England
Orbitel Mobile Communications Limited	Mobile telecommunications equipment manufacturer				

### Other investments

Name	Activity	Percentage shareholding	Country of incorporation or registration
COFIRA	Operation of French cellular network	4	France
Comunicaciones Celulares de Occidente, S.A. de C.V.	Operation of Mexican cellular network	7	Mexico
Euromessage Limited	Operation of Pan-European paging network	17	England
Martin Dawes Communications Limited	Service provider for cellular networks	20	England
Servicios de Radiotelefonía Movil S.A.	Operation of radio paging service	20	Spain

### Ultimate holding company

The Company's ultimate holding company is Racal Electronics Plc, a company registered in England.

## Investor information

### Financial calendar

Racal Telecom Plc usually announces results and pays dividends at the following times:

	Announcement of results	Payment of dividend
Interim	December	February
Final	June	August

### Listings

Ordinary shares of Racal Telecom Plc are traded on the London Stock Exchange and on the New York Stock Exchange in the form of American Depositary Shares (ADSs).

### Ordinary share and ADS market price ranges

Fiscal Year	Ordinary Shares		ADS	
	High (£)	Low (£)	High (US\$)	Low (US\$)
1988/89				
3rd Quarter	1.84	1.58	34.12	29.50
4th Quarter	3.51	1.84	59.50	34.12
1989/90				
1st Quarter	5.19	3.24	85.50	60.62
2nd Quarter	4.26	3.45	70.75	53.38
3rd Quarter	4.07	3.18	65.25	49.25
4th Quarter	4.06	3.45	66.75	53.88
1990/91				
1st Quarter	3.91	3.09	67.13	50.00
2nd Quarter	3.73	2.30	66.88	42.63
3rd Quarter	2.86	2.37	56.50	45.00
4th Quarter	3.67	2.52	67.50	48.75

### American Depositary Receipts

ADSs each representing ten ordinary shares are traded on the New York Stock Exchange under the symbol "RTG". ADSs are represented by American Depositary Receipts (ADRs). The ADR programme is administered on behalf of Racal Telecom Plc by The Bank of New York, ADR Division, 101 Barclay Street, New York, N.Y. 10286.

### Reports to ADR holders

ADR holders receive the annual and interim reports issued to ordinary shareholders. Racal Telecom Plc will file with the Securities and Exchange Commission in the USA its annual report in Form 20-F (which corresponds to the 10-K for a US Corporation) and other information as required. A copy of the Form 20-F may be obtained by writing to: Investor Relations, Racal Telecom Plc, The Courtyard, 2-4 London Road, Newbury, Berkshire RG13 1JL, England.

### Dividends and ADR holders

ADR holders are generally eligible for all dividends or other entitlements attaching to the underlying shares of Racal Telecom Plc and receive all cash dividends in US dollars.

Qualifying US holders will generally be entitled to receive a payment in respect of the UK tax credit, subject to a UK withholding tax of 15% of the sum of the dividend and UK tax credit.

Dividends and any related UK tax credit and associated withholding will be income to the holder for Federal income tax purposes.

ADR holders unsure of their tax position should consult their independent tax adviser.

### Type of shareholder at 31 March 1991

	Number of accounts	% of total issued shares
Private individuals	20,309	1.88
Nominee companies	1,438	4.41
Other corporate bodies	252	80.52
Insurance companies	88	1.12
Investment trusts and funds	83	0.16
Pension funds and trustees	17	1.05
Local & National institutions	23	0.11
Bank of New York Nominees—ADRs*	1	10.75
	22,211	100.00

\* At 31 March 1991 there were 303 registered holders of ADRs representing approximately 7,000 beneficial holders.

### Shareholders

Number of ordinary shares held at 31 March 1991		Number of accounts	% of total issued shares
1–	1,000	19,004	0.70
1,001–	5,000	2,647	0.51
5,001–	50,000	381	0.58
50,001–	100,000	47	0.35
100,001–	500,000	90	2.19
More than	500,000	42	95.67
		22,211	100.00



## Adjustment to US accounting principles

The following is a summary of the approximate effects of the differences between US Generally Accepted Accounting Principles ("US GAAP") and UK Generally Accepted Accounting Principles ("UK GAAP") that are material to Racal Telecom Plc.

### Net Income and Earnings per Ordinary Share

	Year ended 31 March	
	1991 £000	1990 £000
<b>Net income as reported in accordance with UK GAAP</b>	<b>203,062</b>	<b>118,522</b>
Items increasing/(decreasing) net income:		
Goodwill amortisation	(2,555)	(2,436)
Deferred income taxes	(11,792)	(12,593)
Amortisation of capitalised interest	(639)	(639)
Other	597	—
<b>Net income in accordance with US GAAP</b>	<b>188,673</b>	<b>102,854</b>
<b>Earnings per ordinary share in accordance with US GAAP</b>	<b>18.87p</b>	<b>10.29p</b>

### Shareholders' Equity

	As at 31 March	
	1991 £000	1990 £000
<b>Shareholders' equity as reported in accordance with UK GAAP</b>	<b>418,199</b>	<b>269,465</b>
Items increasing/(decreasing) shareholders' equity:		
Goodwill charged directly to equity	90,464	93,315
Cumulative amortisation of goodwill	(9,975)	(7,533)
Cumulative deferred income taxes	(52,224)	(40,432)
Cumulative capitalisation of interest costs – net of amortisation	3,559	4,198
Proposed dividends	26,700	17,000
Other	597	—
<b>Shareholders' equity in accordance with US GAAP</b>	<b>477,320</b>	<b>336,013</b>
<b>Total Assets</b>		
<b>Total assets as reported in accordance with UK GAAP</b>	<b>615,759</b>	<b>453,991</b>
Items increasing/(decreasing) total assets:		
Goodwill charged directly to equity	90,464	93,315
Cumulative amortisation of goodwill	(9,975)	(7,533)
Cumulative capitalisation of interest costs – net of amortisation	3,559	4,198
<b>Total assets in accordance with US GAAP</b>	<b>699,807</b>	<b>543,971</b>

### Summary of differences between Accounting Principles Generally Accepted in the United Kingdom and the United States.

The consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United Kingdom ("UK GAAP"), which differ in certain material respects from those generally accepted in the United States ("US GAAP"). The differences that are material to the Group relate to the following items and the necessary adjustments are shown on the facing page.

#### Goodwill

Under UK GAAP, costs of acquisition in excess of the fair value of the attributable net assets of acquired businesses at the date of acquisition may be capitalised or may be written off against shareholders' equity, either in the fiscal year of acquisition or in a subsequent fiscal year. The Group has written off such goodwill against shareholders' equity in the fiscal year of acquisition. Under US GAAP, goodwill must be capitalised and amortised against income over the estimated period of benefit, but not in excess of 40 years. For US GAAP purposes the Group would amortise goodwill over periods between 4 and 40 years.

#### Deferred taxation

Under UK GAAP, deferred taxation is provided at the rates at which the tax is expected to become payable. No provision is made for amounts which are not expected to become payable in the foreseeable future. Under US GAAP, deferred taxation is provided on all temporary differences under the liability method at rates at which the tax would be payable in the relevant future year as prescribed by Statement of Financial Accounting Standards No. 96 – Accounting for Income Taxes.

#### Capitalisation of interest costs

Under UK GAAP, interest on borrowings used to finance the construction of an asset is not required to be included in the cost of the asset. Under US GAAP, the interest cost on borrowings used to finance the construction of an asset is capitalised during the period of construction until the date that the asset is placed in service. Such interest cost is amortised over the estimated useful life of the related assets.

#### Proposed dividends

Under UK GAAP, dividends are included in the financial statements when recommended by the board of directors to the shareholders. Under US GAAP, dividends are not included in the financial statements until declared by the board of directors.

#### Earnings per ordinary share

Earnings per ordinary share is calculated by dividing net income of £102,854,000 and £188,673,000 for the years ended 31 March 1990 and 1991 respectively, by 1,000,000,000 and 1,000,000,225 the approximate weighted average number of ordinary shares outstanding for the years ended 31 March 1990 and 1991 respectively.

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## Notice of meeting

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Notice is hereby given that the seventh Annual General Meeting of the Company will be held at The Institution of Electrical Engineers, Savoy Place, London WC2 on Wednesday 7 August 1991 at 11.45 a.m. to transact the following business:

- 1 To receive the report of the directors and financial statements for the year ended 31 March 1991 and to approve a final dividend of 53.4% (2.67p per share) net of tax on the ordinary shares.
- 2 To re-elect Mr K J Hydon as a director.
- 3 To re-elect Sir William Barlow as a director.
- 4 To re-appoint Touche Ross & Co. as auditors to the Company until the next Annual General Meeting and to authorise the directors to fix their remuneration.

- 5 As special business to consider and, if thought fit, pass the following resolution, which will be proposed as a special resolution:

THAT the directors be and they are hereby empowered pursuant to section 95 of the Companies Act 1985 to allot equity securities (within the meaning of section 94 of the Companies Act 1985) for cash pursuant to the authority conferred by the ordinary resolution passed on 1 August 1989 as if sub-section (1) of section 89 of the Companies Act 1985 did not apply to any such allotment provided that this power shall be limited:

- (a) to the allotment of equity securities in connection with an offer by way of rights to ordinary shareholders where the equity securities respectively attributable to the interests of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them, subject to such exclusions or other arrangements as the directors may deem fit to deal with fractional entitlements or problems arising under the laws of any overseas territory or the requirements of any regulatory authority or any stock exchange; and
- (b) to the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal amount of £2,500,000, being 5% of the present issued share capital of the Company

and shall expire on the date of the next Annual General Meeting of the Company after the passing of this resolution save that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offers or agreements as if the power conferred hereby had not expired.

- 6 As special business to consider and, if thought fit, pass the following resolution, which will be proposed as a special resolution:

THAT the Memorandum of Association of the Company be altered by adding a new Clause 3(23) as follows:

"(23) To purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers or employees or auditors of the Company, or of any other company which is its holding company or in which the Company or such holding company or any of the predecessors of the Company or of such holding company has any interest whether direct or indirect or which is in any way allied to or associated with the Company, or of any subsidiary undertaking of the Company or of any such other company, or who are or were at any time trustees of any pension fund in which any employees of the Company or of any such other company or subsidiary undertaking are interested, including (without prejudice to the generality of foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to the Company or any such other company, subsidiary undertaking or pension fund and (ii) to such extent as may be permitted by law otherwise to indemnify or to exempt any such person against or from any such liability; for the purpose of this clause "holding company" and "subsidiary undertaking" shall have the same meanings as in the Companies Act 1985 as amended by the Companies Act 1989."

- 7 As special business to consider and, if thought fit, pass the following resolution, which will be proposed as a special resolution:

THAT the Articles of Association of the Company (the "Articles") be amended by:

- (i) adding "as amended by the Companies Act 1989" to the definition of "the Act"; and substituting "bodies corporate and unincorporated associations" for "corporations" in Article 2;

7(cont.) (ii) deleting Article 74 and inserting:

"74(A) No member shall, unless the Directors otherwise determine, be entitled in respect of any share held by him to be present or to vote either personally or by proxy or otherwise at a General Meeting or a meeting of the holders of any class of shares of the Company or to exercise any other right conferred by membership in relation to General Meetings of the Company or meetings of the holders of any class of shares of the Company if any call or other sum presently payable by him to the Company in respect of that share remains unpaid.

(B) If any member, or any other person appearing to be interested in shares held by such member, has been duly served with a notice under Section 212 of the Act and is in default for the prescribed period in supplying to the Company the information thereby required, then (unless the Directors otherwise determine) in respect of:

(i) the shares comprising the shareholding account in the Register of Members which comprises or includes the shares in relation to which the default occurred (all or the relevant number as appropriate of such shares being the "default shares" which expression shall include any further shares which are issued in respect of such shares); and

(ii) any other shares held by the member

the member shall (for so long as the default continues) not nor shall any transferee to which any of such shares are transferred other than pursuant to an approved transfer or pursuant to Article 74(C)(ii) be entitled to vote either personally or by proxy at a General Meeting of the Company or a meeting of the holders of any class of shares of the Company or to exercise any other right conferred by membership in relation to General Meetings of the Company or meetings of the holders of any class of shares of the Company.

(C) Where the default shares represent at least 0.25 per cent. of the issued shares of the class in question, the Directors may in their absolute discretion by notice (a "direction notice") to such member direct that:

(i) any dividend or part thereof or other money which would otherwise be payable in respect of the default shares shall be retained by the Company without any liability to pay interest thereon when such money is finally paid to the member; and/or

(ii) no transfer of any of the shares held by such member shall be registered unless the transfer is an approved transfer or:

(a) the member is not himself in default as regards supplying the information required; and

(b) the transfer is of part only of the member's holding and, when presented for registration, is accompanied by a certificate by the member in a form satisfactory to the Directors to the effect that after due and careful enquiry the member is satisfied that none of the shares the subject of the transfer are default shares.

Upon the giving of a direction notice its terms shall apply accordingly.

(D) The Company shall send to each other person appearing to be interested in the shares the subject of any direction notice a copy of the notice, but the failure or omission by the Company to do so shall not invalidate such notice.

(E) (i) Save as herein provided any direction notice shall have effect in accordance with its terms for so long as the default in respect of which the direction notice was issued continues and shall cease to have effect thereafter upon the Directors so determining (such determination to be made within a period of one week of the default being duly remedied with written notice thereof being given forthwith to the member).

(ii) Any direction notice shall cease to have effect in relation to any shares which are transferred by such member by means of an approved transfer or in accordance with Article 74(C)(ii) above.

(F) For the purposes of this Article:

(i) a person shall be treated as appearing to be interested in any shares if the member holding such shares has been served with a notice under the said Section 212 and either (a) the member has named such person as being so interested or (b) (after taking into account the response of the member to the said notice and any other relevant information) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares;

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## Notice of meeting

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- 7 (cont.) (F) (ii) the prescribed period is 28 days from the date of service of the notice under the said Section 212 except that if the shares in respect of which the said notice is given represent at least 0.25 per cent. of the issued shares of that class at the time of giving of the relevant notice under the said Section 212, the prescribed period is 14 days from such date; and
- (iii) a transfer of shares is an approved transfer if:
- (a) it is a transfer of shares to an offeror by way or in pursuance of acceptance of a takeover offer for a company (as defined in Section 14 of the Company Securities (Insider Dealing) Act 1985); or
  - (b) the directors are satisfied that the transfer is made pursuant to a bona fide sale of the whole of the beneficial ownership of the shares to a party unconnected with the member or with any person appearing to be interested in such shares including any such sale made through the London Stock Exchange or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded. For the purposes of this sub-paragraph any associate (as that term is defined in Section 435 of the Insolvency Act 1986) shall be included amongst the persons who are connected with the member or any person appearing to be interested in such shares.
- (G) The provisions of this Article are in addition and without prejudice to the provisions of the Act."
- (iii) substituting "£250,000" for "£100,000" in Article 85;
- (iv) renumbering Article 92 as Article 92(A) and adding:
- "(B) Without prejudice to the provisions of Article 151 the directors shall have the power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers, employees or auditors of the Company, or of any other company which is its holding company or in which the Company or such holding company or any of the predecessors of the Company or of such holding company has any interest whether direct or indirect or which is in any way allied to or associated with the Company, or of any subsidiary undertaking of the Company or of any such other company, or who are or were at any time trustees of any pension fund in which employees of the Company or of any other such company or subsidiary undertaking are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or the exercise or purported exercise of their powers and/or otherwise in relation to or in connection with their duties, powers or offices in relation to the Company or any other such company, subsidiary undertaking or pension fund.";
- (v) substituting "election" for "re-election" in Article 103;
- (vi) adding to Article 90(B):
- "(vii) Any proposal concerning any insurance which the Company is empowered to purchase and/or maintain for or for the benefit of any directors of the Company provided that for the purposes of this sub-paragraph insurance shall mean only insurance against liability incurred by a director in respect of any act or omission by him referred to in Article 92(B) or any other insurance which the Company is empowered to purchase and/or maintain for or for the benefit of any groups of persons consisting of or including directors of the Company."
- (vii) inserting "Insofar as any such power or discretion is so delegated any reference in these Articles to the exercise by the directors of such power or discretion shall be read and construed as if it were a reference to such Committee." after "any such Committee." in Article 115;
- (viii) renumbering Article 123 as Article 123(A) and adding:
- "(B) Where the Statutes so permit, any instrument signed by one director and the Secretary or by two directors and expressed to be executed by the Company shall have the same effect as if executed under the Seal, provided that no instrument shall be so signed which makes it clear on its face that it is intended to have effect as a deed without the authority of the directors or of a committee authorised by the directors in that behalf."
- (ix) inserting "actual or purported" before "execution" in Article 151.
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## Notice of meeting

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- 8 As special business to consider and, if thought fit, pass the following resolution, which will be proposed as an ordinary resolution:  
THAT the directors be and are hereby authorised to amend the Racal Telecom Savings Related Share Option Scheme to allow participants to save up to £250 per month.
- 
- 9 As special business to consider and, if thought fit, pass the following resolution, which will be proposed as an ordinary resolution:  
THAT the directors be and are hereby authorised to amend the Racal Telecom Share Option Scheme to allow the grant of options at a discount of up to 15% on the market value of a share at the date of grant.
- 
- 10 As special business to consider and, if thought fit, pass the following resolution, which will be proposed as an ordinary resolution:  
THAT the directors be and are hereby authorised to amend the Racal Telecom Executive Share Option Scheme to allow the grant of options at a discount of up to 15% on the market value of a share at the date of grant.
- 
- 11 As special business to consider and, if thought fit, pass the following resolution, which will be proposed as a special resolution:  
THAT the name of the Company be changed to Vodafone Group Public Limited Company with the proviso that this resolution shall be of no effect unless and until the shareholders of Racal Electronics Plc by resolution approve the payment of a dividend in kind of at least 80% of the Ordinary Shares in the Company held by Racal Electronics Plc to shareholders in Racal Electronics Plc and such resolution becomes unconditional.  
(This supersedes resolution no. 4 passed by the Extraordinary General Meeting of the Company held on 11 October 1988).
- 

By Order of the Board  
David Whittaker  
Secretary  
Western Road  
Bracknell  
Berkshire  
9 July 1991

### Notes

- 1 A member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not also be a member of the Company. A proxy card is enclosed.
  - 2 Lodgement of a proxy will not preclude a shareholder from attending and voting at the Meeting.
  - 3 Copies of the service contracts of the directors with the Company of more than one year's duration will be available for inspection at the registered office of the Company during normal business hours on any weekday (excluding Saturday) from the date of the Notice until the date of the Annual General Meeting and at The Institution of Electrical Engineers, Savoy Place, London WC2 from 11.15 a.m. on that day until the conclusion of the Meeting. No director has a service contract with any subsidiary.
  - 4 Copies of the Company's existing Memorandum and Articles of Association will be available for inspection at the registered office of the Company and at the offices of Linklaters & Paines, Barrington House, 59-67 Gresham Street, London EC2V 7JA during normal business hours on any weekday (excluding Saturday) from the date of the Notice until the date of the Annual General Meeting and at The Institution of Electrical Engineers, Savoy Place, London WC2 from 11.15 a.m. on that day until the conclusion of the Meeting.
-



## Racal Telecom Plc



VODAFONE



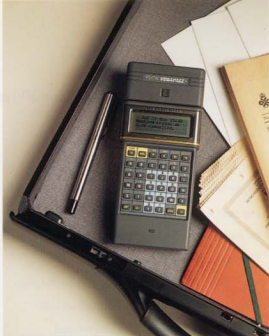
A video camera mounted on a telescopic mast is used by Vodafone to survey potential base station sites for the planned micro cellular network.

In locating more than 750 radio base stations throughout the United Kingdom, Vodafone has taken great care to ensure that, wherever possible, the antennas are sited unobtrusively.

The use of data transmission over cellular radio is becoming increasingly widespread particularly with companies involved in the computer service industry. Vodafone customers are now finding to their advantage the benefit of being able to transmit and receive error free data a real asset to their business.

VODATA





Vodapage and Psion UK have jointly launched a combined pager-organiser that receives, stores and manages messages sent over the Vodapage United Kingdom nationwide paging network.

Vodac offers a wide range of mobile telephones to cater for the needs of individual customers as well as large corporations. Careful attention to terminal equipment installation is an essential part of customer care.



Racal Telecom continues to expand its network operation, Service Provision and equipment distribution activities outside of the United Kingdom.





ORBITEL

## Racal Telecom Plc

*In April 1991, the Prime Minister, the Right Honourable John Major MP, opened the new extension to Orbitel Mobile Communications factory in Carlton-in-Lindrick, Nottinghamshire.*

*The Prime Minister was shown the fully automated production plant which will produce infrastructure and terminal equipment for the GSM pan-European digital network.*

### Service Providers

#### VODAFONE

Aerofone  
Astec Communications  
Carphones of Britain  
C-Com International  
The Cellphone Group  
Cellular Communications Corp  
Cellcom  
Cellular Telecom Group  
Ford Cellular Systems  
H L Communications  
Hutchison Telephone UK  
I M Communications  
InterCell  
Intercity Mobile Comms  
M-Tel  
Marconiphone  
Martin Dawes Communications  
Mercury Carphone  
Midland Air Services  
Mobile Telecommunications  
Nat Comm Air  
Nationwide Cellular Telephones  
Newgate Communications  
Racal-Vodac  
Securicor Communications  
Storno Cellular Services  
Talkland  
UniqueAir  
Vodac Ulster  
Wavetech Network Services  
Woodend Comms

#### VODAPAGE

Airetel  
Astec Group  
Bleeper Services  
Capital Radio Paging  
Cellcall  
Chubb Alarms  
Express Paging  
H L Mobile Radio  
Hutchison Cellular Services  
Hutchison Paging UK  
Hutchison Personal Communications  
Incom Telecommunications  
Infopage  
Intercity Paging  
Martin Dawes Communications  
Martin Dawes Paging  
Midland Air Services  
North East Radiopaging  
Philips Finance  
Philips Telecom  
Philips Telecommunications  
Psion UK  
Radio Links Communications  
Talkland International  
Unipage  
Vodac Ulster  
Wavetech

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*Principal Activities*

Cellular Radio Network Operations  
Data Transmission Over Cellular Radio Networks  
Digital Cellular Radio Systems and Equipment  
Mobile and Hand-Portable Cellular Telephones  
Private Mobile Radio  
Radiopaging  
Value Added Network Services  
Cordless Telephone Systems and Equipment  
Packet Radio Network Operation

**Racal Telecom Plc**

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