

Nokia UK Holdings Limited
Annual report
for the year ended 31 December 2000

Registered Number 1500669



A10 *A55B1430* 0447
COMPANIES HOUSE 15/09/01

Nokia UK Holdings Limited
Annual report
for the year ended 31 December 2000
Contents

Directors and advisers	1
Directors' report.....	2
Auditors' report.....	3
Profit and loss account.....	4
Balance sheet.....	5
Notes to the financial statements	6

Nokia UK Holdings Limited

Directors and advisers for the year ended 31 December 2000

Directors

H Mustonen
P B Heffernan
S K U Ranin
M Torkko

Secretary and registered office

D Gaskin
Headland House
Chord Business Park
London Road
Godmanchester
Cambridgeshire
PE18 8NX

Registered auditors

PricewaterhouseCoopers
Abacus House
Castle Park
Cambridge
CB3 0AN

Solicitors

Halliwell Landau
75 King William Street
London
EC4N 7EA

Bankers

National Westminster Bank plc
Wembley Park Branch
15 Bridge Road
Wembley Park
Middlesex
HA9 9AE

Nokia UK Holdings Limited

Directors' report for the year ended 31 December 2000

The directors present their report and the audited financial statements for the year ended 31 December 2000.

Principal activities, review of business and future developments

The principal activity of the company is to hold investments and act as a holding company.

Dividends

A dividend of 379.74p (1999: nil) per £1 share was proposed and paid during the year. No further dividends were recommended by the directors.

Directors

The directors of the company who held office during the year ended 31 December 2000 are listed on page 1.

Directors' interests

According to the register required to be kept under Section 325 of the Companies Act, no director in office at 31 December 2000 had any interest in the shares of the company or any other group company during the year which is required to be notified to the company. For this purpose the directors are exempt from notifying the company of interests in shares in a body corporate incorporated outside Great Britain.

Charitable donations

The donations made by the company during the year for charitable purposes were £Nil (1999: £Nil).

Directors' responsibilities

The directors are required by UK Company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the loss and total recognised gains and losses for that period.

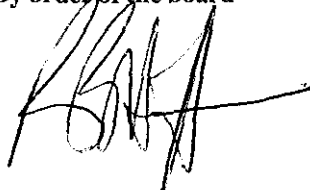
The directors confirm that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made, in the preparation of the financial statements for the year ended 31 December 2000. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to reappoint PricewaterhouseCoopers as auditors to the company will be proposed at the annual general meeting.

By order of the board



Director

Nokia UK Holdings Limited

Auditors' report to the members of Nokia UK Holdings Limited

We have audited the financial statements on pages 4 to 11.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the annual report. As described on page 2, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

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

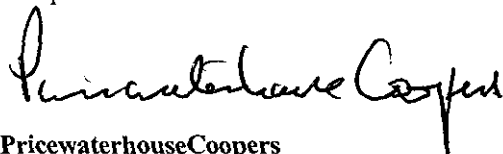
Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Cambridge, 25 July 2001

Nokia UK Holdings Limited

Profit and loss account for the year ended 31 December 2000

	Notes	2000 £'000	1999 £'000
Net operating expenses	2	(26)	(209)
Operating loss		(26)	(209)
Income from shares in group undertakings		124,000	-
Income from other fixed asset investments		400	-
Interest receivable and similar income	5	-	29
Interest payable and similar charges	6	(21)	(163)
Profit /(loss) on ordinary activities before taxation	7	124,353	(343)
Tax on profit/(loss) on ordinary activities	8	16	49
Profit /(loss) on ordinary activities after taxation		124,369	(294)
Dividends	9	(124,000)	
Retained profit/(loss) for the financial year	14	369	(294)

All revenue and expenses included in the profit and loss account relate to continuing operations.

The group has no recognised gains and losses other than the profits/(losses) above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit/(loss) on ordinary activities before taxation and the profit /(loss) for the year stated above, and their historical cost equivalents.

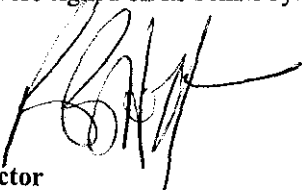
Nokia UK Holdings Limited

Balance sheet as at 31 December 2000

	Notes	2000 £'000	1999 £'000
Fixed assets			
Investments	10	48,136	46,476
Current assets			
Debtors	11	54	34
Cash at bank and in hand		77	-
		131	34
Creditors: amounts falling due within one year	12	(7,722)	(6,334)
Net current liabilities		(7,591)	(6,300)
Total assets less current liabilities		40,545	40,176
Net assets		40,545	40,176
Capital and reserves			
Called up share capital	13	32,654	32,654
Profit and loss account	14	7,891	7,522
Equity shareholders' funds	15	40,545	40,176

The financial statements on pages 4 to 11 were approved by the board of directors on 25 July 2001 and were signed on its behalf by:

Director



Nokia UK Holdings Limited

Notes to the financial statements for the year ended 31 December 2000

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. A summary of the more important policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Fixed asset investments

Fixed asset investments are stated at cost less any permanent diminution in value.

Deferred taxation

Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is probable that a liability or asset will crystallise. Provision is made at the rate which is expected to be applied when the liability or asset is expected to crystallise.

Pension scheme

There is a funded group pension scheme which provides both benefits based on final pensionable pay and benefits dependent upon contributions paid. Three subsidiaries, Nokia UK, Nokia Multimedia Network Terminals Limited and Nokia Mobile Phones (UK) Sales Limited have been participating companies of the Nokia Group (UK) Pension Scheme since 1 June 1990. Nokia R&D (UK) Limited also became a participating company during the year ended 31 December 1997. The assets of the scheme are held separately from those of the group, being invested with London & Manchester (Managed Funds) Limited.

Contributions to the defined benefit tier of the scheme are based upon pension costs across the group as a whole, whereas contributions to the defined contribution tier of the scheme are fixed. Contributions are charged to the profit and loss account so as to spread the cost of pensions over employees' expected working lives with the participating companies.

The company has no employees, therefore there is no pension charge in the financial statements.

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences arising in the ordinary course of business are included in trading profit.

Assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date.

Group financial statements

The company is exempt by virtue of Section 228 of the Companies Act 1985 from the requirement to prepare group accounts on the grounds that it is a wholly owned subsidiary undertaking of Oy Nokia Ab, a company incorporated in Finland, and its subsidiary undertakings are included by full consolidation in the consolidated accounts of that undertaking. Oy Nokia Ab prepares its financial statements, in all material respects, in accordance with the EC 7th Directive.

These financial statements represent information about the company as an individual undertaking and not about its group.

The consolidated financial statements of Oy Nokia Ab, in which the results of Nokia UK Holdings Limited and its subsidiaries are included, are available from the address given in note 18.

Nokia UK Holdings Limited

Cash flow

The company is a wholly-owned subsidiary of Oy Nokia Ab, a company incorporated in Finland, and the cash flows of the company are included in the consolidated cash flow statement of Oy Nokia Ab. Consequently the company is exempt from the requirement to publish a cash flow statement.

Related party transactions

The company has taken advantage of the exemption within FRS 8 "Related party transactions" not to disclose transactions with other group companies.

2 Operating expenses

	2000 £'000	1999 £'000
Administration expenses	26	209
Net operating expenses	26	209

3 Directors' emoluments

There were no emoluments paid or payable to either the chairman or the directors during the year (1999: £Nil).

4 Employee information

Other than the directors, there were no employees during the year (1999: Nil).

5 Interest receivable and a similar income

	2000 £'000	1999 £'000
Gains on foreign exchange transactions	-	29

6 Interest payable and similar charges

	2000 £'000	1999 £'000
On bank loans, overdrafts and other loans	21	163

7 Profit/(loss) on ordinary activities before taxation

	2000 £'000	1999 £'000
Profit/(loss) on ordinary activities before taxation is stated after charging:		
Auditors' remuneration for audit services	-	10

The audit fee for the year has been paid by the ultimate parent company Oy Nokia Ab.

Nokia UK Holdings Limited

8 Taxation

	2000 £'000	1999 £'000
Tax on profit on ordinary activities		
United Kingdom corporation tax at 30% (1999: 30.25%):		
Current	(10)	(45)
(Over) provision in respect of prior years:		
Current	(6)	(4)
	(16)	(49)

9 Dividends

	2000 £'000	1999 £'000
Equity – ordinary		
Interim paid: 379.74p (1999: Nil) per £1 share	124,000	-

10 Fixed asset investments

	£'000
Cost	
At 1 January 2000	46,476
Additions in the year	1,800
Disposals in the year	(140)
Net book value	
At 31 December 2000	48,136

The disposals in the year relate to the write off of loans to Bearcat Limited and Nokia Capacitors Limited as these companies were struck off during the year.

Nokia UK Holdings Limited

Interests in group undertakings

Name and activity of undertaking	Country of incorporation or registration	Description of shares held	Proportion of voting rights and nominal value of issued shares held %
Subsidiary undertakings			
Nokia UK Limited			
(Telecommunications systems and equipment)	England and Wales	£1 ordinary shares	100
Nokia Mobile Phones (UK) Sales Limited	England and Wales	£1 ordinary shares	100
(Dormant)			
Nokia Multimedia Network Terminals Limited	England and Wales	£1 ordinary shares	100
(Dormant)			
Nokia R&D (UK) Limited	England and Wales	£1 ordinary shares	100
(Intermediate holding company)			
Fixed asset investments			
Aircom International Limited	England and Wales	£0.50 'A' shares	<9.9
(Telecommunications software and consultancy)		£0.50 'B' shares	100
		£0.01 'C' shares	100

The financial statements of Aircom International Limited for the year ended 30 June 2000 show the following information:

	£'000
Profit for the financial year	1,090
Aggregate capital and reserves at 30 June 2000	2,299

11 Debtors

	2000 £'000	1999 £'000
Amounts falling due within one year		
Other debtors	54	33
Prepayments and accrued income	-	1
	54	34

Nokia UK Holdings Limited

12 Creditors: amounts falling due within one year

	2000 £'000	1999 £'000
Bank loans and overdrafts	-	270
Amounts owed to subsidiary undertakings	7,711	6,051
Accruals and deferred income	11	13
	7,722	6,334

Bank borrowings are all payable within one year and are unsecured.

13 Called up share capital

	2000 £'000	1999 £'000
Authorised		
50,000,000 (1999: 50,000,000) ordinary shares of £1 each	50,000	50,000
Allotted, called up and fully paid		
32,653,500 (1999: 32,653,500) ordinary shares of £1 each	32,654	32,654

14 Reserves

	Profit and loss account £'000
At 1 January 2000	7,522
Profit for the year	369
At 31 December 2000	7,891

15 Reconciliation of movements in shareholders' funds

	2000 £'000	1999 £'000
Retained profit/(loss) for the year	369	(294)
Net increase /(decrease) in shareholders' funds	369	(294)
Opening shareholders' funds	40,176	40,470
Closing shareholders' funds	40,545	40,176

Nokia UK Holdings Limited

16 Pension scheme

The nature of the Nokia Group (UK) Pension Scheme is disclosed in note 1. The most recent actuarial valuation made by an independent qualified actuary was at 1 April 1999. This valuation showed that the market value of the Nokia Group (UK) Pension Scheme's assets was £37,897,000. The actuarial value of those assets represented 99% of the value of the benefits that had accrued to members after allowing for expected future increases in earnings.

The projected unit credit method has been applied by the actuary in arriving at his valuation. The main assumptions used are:

	Per annum
Pre-retirement investment return	6.5%
Post-retirement investment return	4.5%
Long term salary increases	4.5%
Pension increases	2.5%

The pension charge for the year was £Nil (1999: £Nil) for Nokia UK Holdings Limited and there was no prepayment or accrual in relation to pension costs.

17 Related party transactions

The directors do not consider that the company or its subsidiaries entered into any transactions during the period with related parties which were not 90% subsidiaries of the ultimate parent company.

18 Ultimate parent company

The immediate and ultimate parent company and ultimate controlling party is Oy Nokia Ab, a company incorporated in Finland.

Copies of the financial statements of Oy Nokia Ab can be obtained from PO Box 226, FIN-00045 NOKIA GROUP, Helsinki, Finland.22.