

Nokia UK Holdings Limited
Annual report
for the year ended 31 December 2001

Registered Number 1500669



Nokia UK Holdings Limited
Annual report
for the year ended 31 December 2001
Contents

Directors and advisers.....	3
Directors' report	4
Auditors' report	5
Profit and loss account.....	6
Balance sheet.....	7
Notes to the financial statements	8-13

Nokia UK Holdings Limited

Directors and advisers for the year ended 31 December 2001

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

Orchard Solicitors
Snow Hill
London
EC1 2AY

Bankers

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

Nokia UK Holdings Limited

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2001.

Principal activities, review of business and future developments

The principal activity of the company is to hold investments and act as a holding company. The directors consider that the activities of the company will continue at the same level in the future.

Dividends

An interim dividend of 441p (2000: 380p) per £1 share was proposed and paid during the year. The directors do not recommend the payment of a final dividend.

Directors

The directors of the company who held office during the financial year and who remain in office as at 31 December 2001 are listed on page 3.

Directors' interests

According to the register required to be kept under Section 325 of the Companies Act, no director in office at 31 December 2001 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.

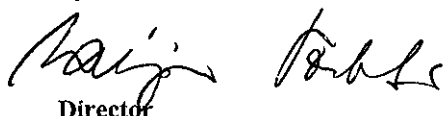
Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit of the company for that period. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the period ended 31 December 2001 and that applicable accounting standards have been followed.

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

By order of the board



Director

29 August 2002

Nokia UK Holdings Limited

Independent auditors' report to the members of Nokia UK Holdings Limited

We have audited the financial statements on pages 6 to 13.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards issued by the Auditing Practices Board.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

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

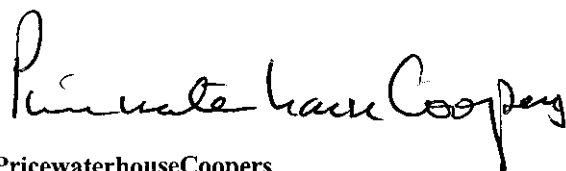
Basis of audit opinion

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 2001 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Cambridge

9 September 2002

Nokia UK Holdings Limited

Profit and loss account for the year ended 31 December 2001

	Notes	2001 £'000	2000 £'000
Net operating expenses	2	(28)	(26)
Operating loss		(28)	(26)
Income from shares in group undertakings		161,691	124,000
Income from other fixed asset investments		-	400
Interest payable and similar charges	5	-	(21)
Profit on ordinary activities before taxation	6	161,663	124,353
Tax on profit on ordinary activities	7	15	16
Profit on ordinary activities after taxation		161,678	124,369
Dividends	8	(144,000)	(124,000)
Retained profit for the financial year	13	17,678	369

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 results above and therefore no separate statement of total recognised gains and losses has been presented.

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

Nokia UK Holdings Limited

Balance sheet as at 31 December 2001

	Notes	2001 £'000	2000 £'000
Fixed assets			
Investments	9	48,814	48,136
Current assets			
Debtors	10	9,379	54
Cash at bank and in hand		38	77
		9,417	131
Creditors: amounts falling due within one year	11	(8)	(7,722)
Net current assets/(liabilities)		9,409	(7,591)
Total assets less current liabilities		58,223	40,545
Net assets		58,223	40,545
Capital and reserves			
Called up share capital	12	32,654	32,654
Profit and loss account	13	25,569	7,891
Equity shareholders' funds	14	58,223	40,545

The financial statements on pages 6 to 13 were approved by the board of directors on
and were signed on its behalf by:

Director

29 August 2002

Nokia UK Holdings Limited

Notes to the financial statements for the year ended 31 December 2001

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.

FRS 18 'Accounting policies' has been adopted during the year. There have been no changes to accounting policies or presentation as a result of this.

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 arrangements

Nokia UK Holdings Limited has been a participating company of the Nokia Group (UK) Pension Scheme since 1 June 1990. This is a funded group pension scheme which provides both benefits based on final pensionable pay and benefits dependent upon contributions paid.

The company has no employees, therefore there is no pension charge in the financial statements, and disclosures relating to the pension scheme are included in the financial statements of Nokia UK Limited.

Operating and finance leases

Costs in respect of operating leases are charged on a straight line basis over the lease term. In the opinion of the directors there are no assets held under finance leases.

Lessor accounting for operating leases

Rental income arising from operating leases is recognised on a straight line basis over the period of each lease.

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.

Nokia UK Holdings Limited

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 Nokia Corporation, a company incorporated in Finland, and its subsidiary undertakings are included by full consolidation in the consolidated accounts of that undertaking. Nokia Corporation 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 Nokia Corporation, in which the results of Nokia UK Holdings Limited and its subsidiaries are included, are available from the address given in note 17.

Cash flow

The company is a wholly-owned subsidiary of Nokia Corporation, a company incorporated in Finland, and the cash flows of the company are included in the consolidated cash flow statement of Nokia Corporation. Consequently the company has taken advantage of the exemption available under Financial Reporting Standards ('FRS') 1, from publishing 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

	2001 £'000	2000 £'000
Administration expenses	28	26
Net operating expenses	28	26

3 Directors' emoluments

There were no emoluments paid or payable to either the chairman or any of the directors during the year (2000: £Nil).

4 Employee information

Other than the directors, there were no employees during the year (2000: Nil).

5 Interest payable and similar charges

	2001 £'000	2000 £'000
Interest payable on overdrafts and bank loans	-	21

Nokia UK Holdings Limited

6 Profit on ordinary activities before taxation

	2001 £'000	2000 £'000
Profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration for audit services	-	-
Operating lease charges		
- other	15	15

The audit fee for the year has been borne by the ultimate parent company Nokia Corporation.

7 Taxation

	2001 £'000	2000 £'000
United Kingdom taxation based on profits for the year:		
Corporation tax at 30% (2000: 30%)	(11)	(10)
(Over) provision in respect of prior years	(4)	(6)
	(15)	(16)

8 Dividends

	2001 £'000	2000 £'000
Equity – ordinary		
Interim paid: 441p (2000: 380p) per £1 share	144,000	124,000

9 Fixed asset investments

	£'000
Cost and net book value	
At 1 January 2001	48,136
Additions in the year	678
Cost and net book value	
At 31 December 2001	48,814

The additions in the year relate to the increased stake in Aircom International Limited, which is held as a fixed asset investment in 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
Technophone Limited	England and Wales	£1 ordinary shares	100
(Dormant)			
Nokia Multimedia Network Terminals Limited	England and Wales	£1 ordinary shares	100
(Dormant)			
Nokia Telecommunications 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 2001 show the following information:

	2001 £'000
Profit for the financial year	4,546
Aggregate capital and reserves at 30 June 2001	4,723

10 Debtors

	2001 £'000	2000 £'000
Amounts falling due within one year:		
Other debtors	68	54
Amounts owed by group undertakings	9,311	-
	9,379	54

11 Creditors: amounts falling due within one year

	2001 £'000	2000 £'000
Amounts owed to subsidiary undertakings	-	7,711

Nokia UK Holdings Limited

Accruals and deferred income	8	11
	8	7,722

12 Called up share capital

	2001 £'000	2000 £'000
Authorised		
50,000,000 (2000: 50,000,000) ordinary shares of £1 each	50,000	50,000
Allotted, called up and fully paid		
32,653,500 (2000: 32,653,500) ordinary shares of £1 each	32,654	32,654

13 Reserves

	Profit and loss account £'000
At 1 January 2001	7,891
Profit for the financial year	17,678
At 31 December 2001	25,569

14 Reconciliation of movements in shareholders' funds

	2001 £'000	2000 £'000
Profit for the financial year	161,678	124,369
Dividends	(144,000)	(124,000)
Net increase in shareholders' funds	17,678	369
Opening shareholders' funds	40,545	40,176
Closing shareholders' funds	58,223	40,545

15 Financial commitments

At 31 December 2001 the company had annual commitments under non-cancellable operating leases as follows:

	2001		2000	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Operating leases expiring:				
Within one year	15	-	-	-

Nokia UK Holdings Limited

In the second to fifth years	-	-	15	-
	15	-	15	-

16 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 require disclosure under FRS8. The company has taken advantage of the exemption available under FRS 8 not to disclose transactions with other group companies.

17 Ultimate parent company

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

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