Alcatel Submarine Networks UK Ltd

Annual Report and Financial Statements for the year ended

31 December 2021

Registered No. 01750343

Table of contents **Page**

Company Information

Directors:
AMP Biston
PPC Fornet
TS Bhambra
RE Harrison
MES McGovern
VRP Lara

Auditors:
Constantin Ltd
25 Hosier Lane
London
EC1A 9LQ

Bankers:
CITIBANK N.A.
New York Branch
111 Wall Street
New York NY 10043

Deutsche Bank
Wincester House
1 Great Winchester Street
London EC2N 2DB

Societe Generale
29 BD Haussmann
75009 Paris

Registered Office:
Telegraph House
10 Telcon Way
Greenwich
London SE10 0AG
UK

Strategic report

for year ended 31 December 2021

The directors present their strategic report for the year ended 31 December 2021.

Principal activity

The Company's principal activities during the year were the development and manufacture of submarine telecommunication systems for the immediate parent company, Alcatel Submarine Networks SAS.

Review of the business

The Company's key financial and other performance indicators during the year were as follows:

	2021	***2020***	***Change***
	£'000	***£'000***	***%***
Revenue	151,513	110,185	37.5%
Operating Profit	6,692	3,175	110.8%
Profit before taxation	4,910	4,775	2.8%
Profit for the financial year	5,174	4,933	4.9%
Shareholders' funds	66,865	61,691	8.4%
Current assets as a ratio of current liabilities ('quick ratio')	1.86	1.88	(1.0)%
Average number of employees	368	270	36.3%

2021 has seen another strong year of growth in turnover and profitability enabled by the 2020 investments to increase capacity.

The growth in demand for international data traffic continues. This provides a good platform for revenue and profit sustainability in the coming years. There will be a requirement to invest to adapt production lines to cope with a new generation of products.

The company has coped well with the ongoing COVID-19 pandemic and corresponding supply shocks to achieve the significant increase in turnover.

Recruitment continued throughout 2021 to support increased activity levels and reflects confidence that the business is well positioned.

The immediate parent company diversification into other sectors has contributes to strong demand for Alcatel Submarine Networks UK Ltd ("ASN") products.

Principal risks and uncertainties

The Company's activities expose it to a number of financial instrument risks including cash flow risk, interest rate risk, foreign currency risk and liquidity risk.

The main risks associated with the Company's financial assets and liabilities are set out below.

Interest rate risk

The Company's exposure to the risk for changes in market interest rates is limited to our deposits, so is minimal.

Strategic report (continued)

for year ended 31 December 2021

Brexit risk

Risks are well identified and mitigated, and the directors are satisfied that the risk is minimal.

Credit risk

The Company's income is derived from sales commissions and cost recharges to Alcatel Submarine Networks SAS based in France. This is our immediate parent company and credit risk is considered to be minimal.

Foreign currency risk

At the year end the Company's net position had a few forward currency contracts to cover USD and EUR purchases.
The Company uses forward currency contracts to eliminate the currency exposures on all material transactions for sales and purchases. It is the Company's policy to negotiate the terms of the forward currency contracts to match, as closely as possible, the terms of the hedged item.

Liquidity risk

The Company aims to mitigate liquidity risk by managing cash generated by its operations. Capital expenditure is carefully controlled through authorisation limits and cash payback periods are applied as part of the investment appraisal process. Flexibility is maintained by short-term borrowing or lending within the Nokia group.

Environment

The products manufactured and sold by the company have minimal environmental impact. However, the board believes that good environmental practices support the board's strategy by enhancing the reputation of the company, the efficiency of production and the quantity of products. Consequently, the company continues to put environmental responsibilities high on the agenda.
The effect of the COVID-19 Pandemic has been minimised by an extensive range of Control Measures, complying with, or exceeding, UK Government Guidelines and Regulations. This has enabled staff to return to the office whilst maintaining the option to work from home when practical. This has also enabled staff to have a better work/life balance whilst reducing the carbon impact of commuting.

International travel has been minimised, where it is necessary travellers have complied with the requisite quarantine measures.

Section 172

In accordance with section 172 of the companies Act 2006, each of the Directors acts in the way that he or she considers, in good faith, would most likely promote the success of the Company for the benefit of its members as a while.

All board-meeting papers are required to address each of the matters noted below, if relevant, and adequate time is provided in board meetings for the Directors to discuss these matters and request clarification or further information from management.

- The probable consequences of any decisions in the long-term
- The interests of the workforce
  Our employees are key to our success. Employee health and safety is a priority for ASN. The company devotes time and effort to provide positive working conditions, work-life balance and the healthiest environment for its employees.

- The need to foster the company's business relationships with suppliers, customers and other key stakeholders
  The ASN organisation collaborates with clients and supply chain to deliver the best

Strategic report (continued)

for year ended 31 December 2021

results. The ASN organisation aims to work with a network of reliable and responsible suppliers. To do so our procurement team has vetting processes on our all our suppliers.

- The potential impact of the company's operations on communities and the environment
  At ASN, people are concerned about the environment. Although there is currently no formal environmental policy in place, the company is conscious of its ecological footprint, and aims to minimise it.

- The need to protect ASN's reputation for high standards of business conduct

Energy and carbon reporting

We have reported on all sources of Green House Gas ("GHG") emissions and energy usage as required under *The Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008* as amended.

GHG emissions and energy usage

GHG emissions and energy usage data for period 1 January 2020 to 31 December 2021		
	UK and offshore	
	2021	2020
Emissions from combustion of gas (Scope 1 – tonnes of CO_2e)	374.95	318.2
Emissions from combustion of fuel for transport purposes (Scope 1 – tonnes of CO_2e)	-	-
Emissions from electricity purchased for own use, including for the purposes of transport (Scope 2 – tonnes of CO_2e)	1,103.87	1,215.03
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3 - tonnes of CO_2e)	-	-
Total gross CO_2e based on above	**1,478.82**	**1,533.23**
Energy consumption used to calculate emissions - kwh	7,245,971.87	6,942,150.64
Intensity measurement, e.g. tonnes of CO_2e per £m revenue	9.760	13.915

We have followed the 2019 UK Government environmental reporting guidance. We have used the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2019 to calculate the above disclosures.

Energy efficiency actions taken

In 2021 there has been an upgrade to the plant for the air-conditioning systems. This will improve energy efficiency in 2022. A wider review will be conducted to identify further opportunities to reduce environmental impacts.

On behalf of the Board

Tajinder Bhambra

Director

16th November 2022

Director's report

for year ended 31 December 2021

Registered No. 01750343

The Directors present their annual report and financial statements for the year ended 31 December 2021.

Directors

The directors who served the Company during the year and up to the date of signing of financial statements were:

RE Harrison

MES McGovern

VRP Lara

PPC Fornet

NJ Hazell (Retired on 31 October 2021)

AMP Biston

TS Bhambra (Appointed on 01 January 2021)

Dividends

There was a Nil dividend payment during 2021 (2020 – Nil).

Financial risk management

The Company's exposure to financial risk management is outlined in the strategic report.

Political and charitable contribution

The Company did not make any political or charitable donations in the year (2020 – £nil).

Employee involvement

The Company is an equal opportunities employer and ensures that employees or job applicants are assessed on their merits and suitability. No employee or candidate receives less favourable treatment than others on the grounds of sex, race, colour, nationality, ethnic or national origin, marital status, disability or religion.

Where existing employees become disabled, it is the Company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

The Company places considerable value on the involvement of its employees in the conduct of the business and participation is encouraged by means of the Corporate Intranet, road-shows and team briefings. Employees participate directly in the success of the business through incentive schemes which are operated by Nokia Oyj.

Director indemnity provision

The Company has granted an indemnity to all of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Director's report (continued)

for year ended 31 December 2021

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Going concern

The Company meets its day to day working capital requirements through cash pooling arrangements with the group companies. The directors' expectation is that this facility will be available for the foreseeable future. There are no other banking facilities that the Company is reliant upon. The immediate parent (Alcatel Submarine Networks SAS) undertaking has expressed its willingness to provide financial support to Alcatel Submarine Networks UK Ltd for the period of 12 months from the signing of Financial Statements by the auditors. The Directors have performed appropriate procedures to ensure the parent company has the ability to provide support.

Therefore,the directors have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, taking into consideration the impact of COVID-19, which is covered in note 18. Thus, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

Auditors

Appointment of auditors,

Following the approval and signing of these financial statements, Constantin will continue to be the auditors for the next financial year.

On behalf of the Board

Tajinder Bhambra

Director

16th November 2022

Director's responsibilities statement

for year ended 31 December 2021

The directors are responsible for preparing the Annual Report and the Company financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and 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 2006. 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.

Independent auditor's report

to the members of Alcatel Submarine Networks UK Ltd

Opinion

In our opinion the financial statements of Alcatel Submarine Networks UK Ltd (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31st December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework" and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 18, which include a statement of accounting policies

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Bathgate FCA (Senior Statutory Auditor)

For and on behalf of Constantin

Chartered Accountants &Statutory Auditor

25 Hosier Lane

EC1A 9LQ London

16th November 2022

Statement of profit or loss

for the year ended 31 December 2021

	Notes	2021 £'000	2020 £'000
Revenue	3	151,513	110,185
Cost of sales		(147,181)	(107,107)
Gross Profit		**4,332**	**3,078**
Selling and distribution expenses		(456)	(400)
Administrative expenses		(7,115)	(5,147)
Other operating expenses		(3,439)	(2,539)
Other operating income		13,370	8,183
Operating Profit	4	**6,692**	**3,175**
Finance income	6	1	1,643
Finance costs	7	(1,783)	(43)
Profit before taxation		**4,910**	**4,775**
Taxation	8	264	158
Profit for the financial year		**5,174**	**4,933**

All items dealt with in arriving at the profit before taxation relate to continuing operations.

The notes on pages 16 to 36 are an integral part of these financial statements.

Statement of other comprehensive income

for the year ended 31 December 2021

	Notes	2021 £'000	2020 £'000
Profit for the financial year		**5,174**	**4,933**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax):			
Remeasurement gain/ (loss) recognised on defined benefit pension schemes		-	-
Total other comprehensive income (loss) for the year, net of tax		**-**	**-**
Total comprehensive income for the year, net of tax		**5,174**	**4,933**

The notes on pages 16 to 36 are an integral part of these financial statements.

Statement of changes in equity
at 31 December 2021

	Issued capital (note 15)	Retained earnings	Total
	£'000	£'000	£'000
At 1 January 2020	**10,000**	**46,759**	**56,759**
Profit for the financial year	-	4,933	4,933
Other comprehensive expense	-	-	-
Total comprehensive income for the year	**-**	**4,933**	**4,933**
Dividend paid during the year	-	-	-
At 31 December 2020	**10,000**	**51,691**	**61,691**
Profit for the financial year	-	5,174	5,174
Other comprehensive income / (expense)	-	-	-
Total comprehensive income for the year	**-**	**5,174**	**5,174**
Dividend paid during the year	-	-	-
At 31 December 2021	**10,000**	**56,865**	**66,865**

The notes on pages 16 to 36 are an integral part of these financial statements.

All amounts relate to continuing operations.

Statement of financial position

at 31 December 2021

	Notes	2021	2020
		£'000	**£'000**
Non-current assets			
Fixed Assets	9	39,360	33,454
Deferred tax asset	8	1,350	1,020
		40,170	**34,474**
Current assets			
Inventories	11	52,747	48,456
Debtors	13	8,369	5,289
Investments	12	-	2,410
Cash and cash equivalents		3,057	1,974
		64,173	**58,129**
Total assets		**104,883**	**92,603**
Equity and liabilities			
Equity			
Issued capital	15	10,000	10,000
Retained earnings		56,865	51,691
Total equity		**66,865**	**61,691**
Current liabilities			
Creditors	14	30,378	30,912
Other Current Liabilities	12	7,640	-
		38,018	**30,912**
Total equity and liabilities		**104,883**	**92,603**

The notes on pages 16 to 36 are an integral part of these financial statements.

By the order of Board

Tajinder Bhambra
Director

16th November 2022

Notes to the financial statements

at 31 December 2021

1 General information and statement of compliance with FRS 101

Alcatel Submarine Networks UK Ltd (the 'Company') is a private Company limited by shares, domiciled and incorporated in United Kingdom. The registered office of the Company is given on page 1. The nature of Company's operations and its principal activities are set out in business review section. The financial statements of the Company for the year ended 31 December 2021 were authorised to issue by the board of directors on 16th November 2022 and were signed on the board's behalf by Tajinder Bhambra.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the Companies Act 2006.

The Company is exempt from the preparation of consolidated financial statements, because it is included in the group accounts of its ultimate parent undertaking, Nokia Oyj, which are publicly available.

The principal accounting policies adopted by the Company are set out in Note 2.

Notes to the financial statements (continued)

at 31 December 2021

2 Accounting policies

2.1 Basis of preparation

The financial statements have been prepared on the historical cost basis and are in compliance with FRS 101 - Reduced Disclosure Framework and with applicable accounting standards. The financial statements are prepared on going concern basis.

The Company has taken the advantage of the following disclosure exemptions allowed under this standard and the Company's immediate parent undertaking, Nokia Oyj was notified of and did not object to the use of disclosure exemptions:

(a) the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share-based Payment, because the share based payment arrangement concerns the instruments of another group entity;

(b) the requirements of IFRS 7 Financial Instruments: Disclosures;

(c) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;

(d) the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements ('IAS 1') to present comparative information in respect of:

- i. paragraph 79(a)(iv) of IAS 1;
- ii. paragraph 73(e) of IAS 16 Property, Plant and Equipment; and
- iii. paragraph 118(e) of IAS 38 Intangible Assets;

(e) the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 40A to 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;

(f) the requirements of IAS 7 Statement of Cash Flows;

(g) the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures ('IAS 24');

(h) the requirements in IAS 24 to disclose related party transactions entered into between two or more members of a Company, provided that any subsidiary which is a party to the transaction is wholly owned by such a member ; and

(i) the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairment of Assets.

(j) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;

2.2 Judgments and key sources of estimation uncertainty

The preparation of financial statements requires management to make assumptions, estimates and judgements that affect the amounts reported as assets and liabilities as at the balance sheet date and the amounts reported as revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates.

Notes to the financial statements (continued)

at 31 December 2021

2 Accounting policies (continued)

2.2 Judgments and key sources of estimation uncertainty (continued)

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

a) Valuation allowance for inventories and work in progress

Inventories and work in progress are measured at the lower of cost or net realizable value. Valuation allowances for inventories and work in progress are calculated based on an analysis of foreseeable changes in demand, technology or the market, in order to determine obsolete or excess inventories and work in progress.

b) Impairment of customer receivables

An impairment loss is recorded for customer receivables if the expected present value of the future receipts is lower than the carrying value. The amount of the impairment loss reflects both the customers' ability to honour their debts and the age of the debts in question. A higher default rate than estimated or deterioration in our major customers' creditworthiness could have an adverse impact on our future results.

c) Operating lease commitments- Company as lessee

The Company has entered into leases of car rental.

The classification of such leases as operating or finance lease requires the Company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet.

The Company has adopted IFRS 16. Due to the value of the contracts, this had no material impact on the accounts.

d) Estimation of useful life

The depreciation charge for an asset is derived using estimates of its expected useful life and expected residual value, which are reviewed annually. Increasing an asset's expected life or residual value would result in a reduced depreciation charge in the statement of profit or loss. Management determines the useful lives and residual values for assets when they are acquired, based on experience with similar assets and taking into account other relevant factors such as any expected changes in technology.

Notes to the financial statements (continued)

at 31 December 2021

2 Accounting policies (continued)

2.3 Summary of significant accounting policies

The principal accounting policies adopted are set out below:

a) Going concern

The Company meets its day to day working capital requirements through cash pooling arrangements with the group companies. The directors' expectation is that this facility will be available for the foreseeable future. There are no other banking facilities that the Company is reliant upon. The immediate parent (Alcatel Submarine Networks SAS) undertaking has expressed its willingness to provide financial support to Alcatel Submarine Networks UK Ltd for the foreseeable future.

Therefore, the directors have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, taking into consideration the impact of COVID-19, which is covered in note 18. Thus, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

b) Foreign currency translation

The financial statements are presented in functional currency of pounds Sterling (£), rounded to the million, unless otherwise stated.

Transactions and balances

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the statement of profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of the property, plant and equipment if the recognition criteria are met and costs of dismantling and removing the asset. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

The cost of property, plant and equipment other than freehold land, is depreciated on a straight-line basis over the estimated useful lives of the assets, as follows:

Plant and machinery	-	5 to 10 years
Freehold buildings	-	33 years

Notes to the financial statements (continued)

at 31 December 2021

2 Accounting policies (continued)

2.3 Summary of significant accounting policies (continued)

c) Property, plant and equipment (continued)

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Useful life and residual values are reviewed annually and where adjustments are required, these are made prospectively.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset is included in the statement of profit or loss in the period of derecognition.

d) Impairment of non-financial assets

The Company assesses at each reporting date whether an asset may be impaired. If any such indication exists the Company estimates recoverable amount of the asset. If it is not possible to estimate the recoverable amount of the individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than its carrying amount, the carrying amount of the asset is impaired and it is reduced to its recoverable amount through impairment in profit and loss unless the asset is carried at a revalued amount where the impairment loss of a revalued asset is a revaluation decrease. An impairment loss recognised for all assets is reversed in a subsequent period if and only if the reasons for the impairment loss have ceased to apply.

e) Provision for liabilities

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. If the effect is material, expected future cash flows are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when recovery is virtually certain. The expense relating to any provision is presented in the profit or loss account net of any reimbursement. Where discounting is used, the increase in the provision due to unwinding the discount is recognised as a finance cost.

f) Leases

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged to the profit and loss account on a straight-line basis, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

The Company has adopted IFRS 16. Due to value of contracts, this had no material impact on the accounts.

Notes to the financial statements (continued)

at 31 December 2021

2 Accounting policies (continued)

2.3 Summary of significant accounting policies (continued)

g) Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

(i) Financial assets

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. Debt instruments classified as amortised cost, financial assets are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(ii) Financial liabilities

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Notes to the financial statements (continued)

at 31 December 2021

2 Accounting policies (continued)

2.3 Summary of significant accounting policies (continued)

(b) Financial liabilities (continued)

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit and loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Notes to the financial statements (continued)

at 31 December 2021

2 Accounting policies (continued)

2.3 Summary of significant accounting policies (continued)

g) Fair value measurement

The Company measures foreign currency forward contracts at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

h) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

Raw materials, consumables and goods for resale	:	purchase cost on a first in, first out basis
Work in progress	:	cost of direct materials and labour

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Notes to the financial statements (continued)
at 31 December 2021

2 Accounting policies (continued)

2.3 Summary of significant accounting policies (continued)

i) Prepayments and accrued income

Prepayments comprise payments made in advance relating to the following year, and income relating to the current year which will not be received until after the balance sheet date (such as interest receivable on loans or deposits). Prepayments are recognised at the transaction price.

j) Accruals and deferred income

Accruals and deferred income comprise expenses relating to the current year which will not be paid until after the balance sheet date and income received in advance, relating to the following year. Accruals and deferred income are recognised at the transaction price.

k) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforcement right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the Company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the statement of profit or loss

Notes to the financial statements (continued)

at 31 December 2021

2 Accounting policies (continued)

2.3 Summary of significant accounting policies (continued)

l) Revenue

Revenue represents the total invoice value, of goods sold and services rendered during the period, in the normal course of business, net of trade discounts, VAT and other sales-related taxes.

Revenue from the sale of goods is recognised when significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Turnover from the supply of services, represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration.

The majority of revenue is derived from sales to group undertakings. Revenue is recognised once group undertaking has completed their acceptance procedures and confirmation is issued to the company.

Turnover is based on recharge of costs to the group undertaking with a fixed profit element.

n) Other Operating Income

Other Operating income is created based on a cost plus model of operating expenses charged.

o) Interest income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in interest receivable and similar income in the profit or loss account.

Notes to the financial statements (continued)

at 31 December 2021

3 Revenue

Revenue represents amounts invoiced, net of value added tax.

	2021 £'000	2020 £'000
Sale of goods	**151,513**	**110,185**

	2021 £'000	2020 £'000
France	151,513	110,185
	151,513	**110,185**

The significant majority of sales are due to group undertakings and are recognised at a point in time.

4 Operating Profit

This is stated after charging:

	2021 £'000	2020 £'000
Auditor's remuneration	100	100
Depreciation of own fixed assets	2,628	1,825
Cost of inventories recognised as an expense (included in cost of sales)	97,714	71,111

Notes to the financial statements (continued)

at 31 December 2021

5 Staff costs and directors' remuneration

a) Staff costs

The staff costs comprise:

	2021 £'000	2020 £'000
Wages and salaries	18,184	13,886
Social welfare costs	2,325	1,692
Other pension costs	1,535	1,212
	22,044	**16,791**

The average numbers of employees during the year, was as follows:

	2021 Number	2020 Number
Manufacturing and installation	269	181
Technical and administrative	99	89
	368	**270**

b) Directors' remuneration

	2021 £'000	2020 £'000
Directors' remuneration	487	385
	487	**385**

	2021 Number	2020 Number
Number of directors accruing benefits under defined benefit scheme	-	-
Number of directors who exercised share options	-	-

In respect of highest paid director

	2021 £'000	2020 £'000
Aggregate remuneration	140	135
Accrued pension at the end of the year	-	-
	140	**135**

The remuneration of certain directors is borne by other group companies and, in the opinion of the directors, it is not practicable to apportion their remuneration between qualifying services to the company and services to the rest of the group.

Notes to the financial statements (continued)

at 31 December 2021

6 Finance income

	2021	2020
	£'000	£'000
Interest receivable from group undertakings	-	-
Total interest income for financial assets measured at amortised cost	-	-
Foreign exchange differences	-	1,597
Net gain on financial assets at fair value through profit and loss	1	46
Total finance income	**1**	**1,643**

7 Finance costs

	2021	2020
	£'000	£'000
Interest payable from group undertakings	91	43
Total interest expense for financial assets measured at amortised cost	**91**	**43**
Foreign exchange differences	1,692	-
Total finance costs	**1,783**	**43**

Notes to the financial statements (continued)
at 31 December 2021

8 Tax

(a) Tax charged in the statement of profit or loss

	2021	2020
	£'000	£'000
Current income tax:		
Current Year	145	
Prior Year adjustment	(79)	(157)
Total current income tax	**66**	**(157)**
Deferred tax:		
Origination and reversal of temporary differences	740	919
Prior year adjustment	104	-
Adjustment in provision	12,536	3,497
Impact of change in tax laws and rates	(13,710)	(4,416)
Total deferred tax	**(330)**	**-**
Taxation	**(264)**	**(157)**

(b) Reconciliation of total tax charge

The tax expense in the statement of profit or loss for the year is lower than the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are reconciled as below:

	2021	2020
	£'000	£'000
Profit before tax	**4,910**	**4,775**
Profit multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	933	907
Effects of :		
Expenses not deductible for tax purposes	2	12
Other timing difference	(2)	-
Movement in deferred tax not recognised	(1,086)	(919)
Group relief – prior year	(79)	(157)
R&D tax credit (step 2) utilised	(34)	-
Taxation	**(264)**	**(157)**

Notes to the financial statements (continued)

at 31 December 2021

8 Tax (continued)

(c) Factors that may affect future tax charges:

The Finance Act 2021, increased the main rate of corporation tax to 25% from 1 April 2023. Therefore deferred Tax balances at 31 December 2021 have been calculated using the 25% tax rate.

(d) Deferred tax

The amount of deferred tax asset recognised in the financial statements and the potential amount not recognised are as follows:

	Recognised		**Unrecognised**	
	2021 **£'000**	**2020** **£'000**	**2021** **£'000**	**2020** **£'000**
Deferred tax asset				
Tax losses carried forward	1,350	1,020	47,722	36,454
Pensions and post-employment benefits	-	-	-	-
Accelerated capital allowances	-	-	5,285	4,834
Provision and other temporary differences	-	-	79	62
	1,350	**1,020**	**53,086**	**41,350**

The deferred tax included in the profit or loss account is as follows:

	2021 **£'000**	**2020** **£'000**
Accelerated capital allowances	-	-
Tax losses carried forward	-	-
Adjustment in provision	-	-
General provision	(330)	-
Pensions and post-employment benefits	-	-
Change in tax laws and rates	-	-
Deferred tax (credit)/expense	**(330)**	**-**

Notes to the financial statements (continued)
at 31 December 2021

8 Tax (continued)

***(d) Deferred tax** (continued)*

	£'000
At 1 January 2021	1,020
Recognition of deferred tax	330
At 31 December 2021	**1,350**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

9 Property, plant and equipment

	Land and buildings £'000	Plant and machinery £'000	Total £'000
Cost:			
At 1 January 2021	25,941	41,079	67,020
Disposals		(5)	(5)
Additions		8,540	8,540
At 31 December 2021	**25,941**	**49,614**	**75,555**
Depreciation			
At 1 January 2021	3,577	30,009	33,566
Disposals			
Charged during the year	859	1,770	2,629
At 31 December 2021	**4,416**	**31,779**	**36,195**
Carrying amount:			
At 31 December 2021	**21,525**	**17,835**	**39,360**
At 31 December 2020	**22,384**	**11,070**	**33,454**

As at 31st December 2021, Company recorded assets under construction amounting to £13.9m which are included within plant and machinery, compared to £5.8m in 2020.

Notes to the financial statements (continued)

at 31 December 2021

10 Financial instruments

10.1 Financial assets

	2021 £'000	2020 £'000
Financial assets at amortised cost		
Investments (Note 12)	-	2,410
Debtors (Note 13)	8,369	5,289
Total financial assets	**8,369**	**7,699**

Derivatives not designated as hedging instruments reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships but are nevertheless intended to reduce the level of foreign currency risk for expected sales and purchases.

Loans and receivables are non-derivatives financial assets carried at amortised cost which generate a fixed or variable interest income for the Group. The carrying value may be affected by changes in the credit risk of the counterparties.

10.2 Financial liabilities

	2021 £'000	2020 £'000
Trade and other payables (Note 14)	30,378	30,912
Other Current Liabilities (Note 12)	7,640	-
Total financial liabilities	**38,018**	**30,912**

Derivatives not designated as hedging instruments reflect the negative change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships but are nevertheless intended to reduce the level of foreign currency risk for expected sales and purchases.

Notes to the financial statements (continued)

at 31 December 2021

10 Financial instruments (continued)

10.3 Fair values

The Company uses foreign currency denominated forward currency contracts to manage some of its transaction exposures. These contracts are not designated as cash flow, fair value or net investment hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 1 to 12 months. Foreign exchange forward contracts and commodity forward contracts are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, and forward rate curves of the underlying commodity. All derivative contracts are fully cash collateralised, thereby eliminating both counterparty risk and the Company's own non-performance risk. As at 31 December 2021, the marked-to- market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk.

The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities:

Fair value measurement hierarchy for financial liabilities as at 31 December 2021:

	Date of valuation	Total	Fair value measurement using Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		£'000	£'000	£'000	£'000
Foreign exchange forward contracts - US dollar	31 December 2021	142,920		142,920	
Foreign exchange forward contracts - EUROs	31 December 2021	14,208		14,208	

Fair value measurement hierarchy for financial liabilities as at 31 December 2020:

	Date of valuation	Total	Fair value measurement using Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		£'000	£'000	£'000	£'000
Foreign exchange forward contracts - US dollar	31 December 2020	64,330		64,330	
Foreign exchange forward contracts - EUROs	31 December 2020	8,772		8,772	

Notes to the financial statements (continued)

at 31 December 2021

10 Financial instruments (continued)

10.3 Fair values (continued)

The table below summarises the maturity profile of the financial assets/liabilities based on contractual undiscounted payments:

Year ended 31 December 2021	On demand £'000	Less than 3 months £'000	3 to 12 months £'000	Total £'000
Foreign exchange forward contracts- US Dollar	-	3,809	139,111	142,920
Foreign exchange forward contracts- EUROS	-	1,137	13,071	14,208

Year ended 31 December 2020	On demand £'000	Less than 3 months £'000	3 to 12 months £'000	Total £'000
Foreign exchange forward contracts- US Dollar	-	6,354	57,976	64,330
Foreign exchange forward contracts- EUROS	-	624	8,148	8,772

11 Inventories

	2021 £'000	2020 £'000
Manufacturing - Raw materials	38,077	34,345
Manufacturing – WIP	14,646	14,104
Manufacturing – Finished Goods	24	7
	52,747	**48,456**

The difference between purchase price or production cost of inventories and their replacement cost is not material.

Notes to the financial statements (continued)

at 31 December 2021

12 Investments

	2021 £'000	2020 £'000
Amounts owed by/ (to) group	(7,640)	2,410
	(7,640)	**2,410**

Investments are either a mix of a long-term money market deals and a cash pooling arrangement with Central Treasury.

13 Debtors

	2021 £'000	2020 £'000
Trade receivables	99	116
Other Debtors	48	458
Value Added Tax recoverable	975	544
Amounts owed by group undertakings	7,247	4,171
	8,369	**5,289**

Amounts owed by group undertakings are interest free and repayable on demand.

14 Creditors

	2021 £'000	2020 £'000
Trade payables	14,220	5,811
Accruals	12,490	15,077
Amounts owed to group undertakings	9	7,640
Other taxes and social security costs	616	506
Other payables	2,898	1,878
	30,233	**30,912**

Amounts owed to group undertakings are interest free and repayable on demand.

Notes to the financial statements (continued)

at 31 December 2021

15 Issued share capital

	2021	2020	2021	2020
	Number 000'	Number 000'	£'000	£'000
Authorised				
Ordinary shares of £1 each	10,000	10,000	10,000	10,000
Allotted, called up and fully paid				
Ordinary shares of £1 each	10,000	10,000	10,000	10,000

16 Off-balance sheet arrangements

The Company enters into forward foreign contracts, as these arrangements reduce the risk of currency fluctuation. The Company forward contracts are disclosed in note 10. There are no other material off-balance sheet arrangements.

17 Ultimate parent Company and controlling party

The Company's immediate parent undertaking is Alcatel Submarine Networks SAS, a Company incorporated in France. The ultimate parent undertaking and controlling party is Nokia Oyj, a Company incorporated in Finland. The largest group in which the results of Alcatel Submarine Networks UK Ltd are consolidated is that headed by Nokia Oyj. The group financial statements of this group are available to the public and may be obtained from Nokia Corporation at PO Bo226, FIN-00045, Nokia Group, Espoo, Finland.

18 Post balance sheet event

With the exception of not knowing when the new normal of COVID-19 will come to an end and a return to preCOVID-19 operational normals, no events having a significant impact on the accounts are to be reported.