

NOKIA TELECOMMUNICATIONS LIMITED  
REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31st DECEMBER 1990

NGMA TELECOMMUNICATIONS LIMITED  
REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1992

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NOKIA TELECOMMUNICATIONS LIMITED  
 DIRECTORS AND OFFICERS  
 YEAR ENDED 31st DECEMBER 1990

DIRECTORS	Mr. M.J. Alahuhta	(Chairman)
	Ms. S.M. Baldauf	
	Mr. I.A. Seppä	
	Mr. J. Sormanen	
	Mr. R.O. Nordfors	(Appointed 19/2/90)
	Mr. A.C. Kurten	(Appointed 19/2/90)
	Mr. O.S.K. Jokinen	(Appointed 19/2/90)

SECRETARY	Mr. R.J. Thompson, F.C.A.
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REGISTERED OFFICE	Christchurch House, Upper George Street, Luton, Bedfordshire LU1 2RS
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AUDITORS	Coopers & Lybrand De'ville, Chartered Accountants, Mount Pleasant House, Huntingdon Road, Cambridge CB3 0BL
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BANKERS	National Westminster Bank PLC, 10 Bene't Street, Cambridge CB2 3PU
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SOLICITORS	Watson, Farley & Williams, Mineries House, 2 - 5, Mineries, London. E.C.3.
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NOKIA TELECOMMUNICATIONS LIMITED  
DIRECTORS' REPORT  
YEAR ENDED 31st DECEMBER 1990

The directors have pleasure in presenting their report and financial statements for the year ended 31st December 1990.

**DIRECTORS**

Details of Directors can be seen on page 1 of this report.

QY Nokia Ab has arranged insurance cover for all directors and executive officers of the company in respect of liability in relation to the company.

**RESULTS AND DIVIDENDS**

The profit for the year after taxation amounted to £354877 ( 1989 £400730) which has been added to revenue reserves.

The directors do not recommend the payment of a dividend on the ordinary share capital.

**PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The company's principle activities are the marketing, sale, implementation, service, manufacturing and development of telecommunications equipment and systems, mainly supplied by Nokia group companies. The company's activity is divided into three business units: dedicated networks, cellular systems and public networks.

During this year, as last, both sales and personnel of the company have grown significantly. This was primarily a result of the implementation of the projects which were awarded in the previous two years but also because of the maturing of the research and development unit within the company. This has necessitated a relocation of a major part of the company to new premises in Huntingdon. The company was successful in winning new orders for projects where implementation will take place from 1991 onwards.

In 1991 the company will further grow both in terms of sales and number of personnel. The market for all three business units seems very promising although the recession might slow down the otherwise favourable growth. Our activities will be further strengthened in the areas of marketing, manufacturing, engineering and product development in preparation for significant growth at the end of 1991. The need for further premises will be investigated during the next year.

**SHARE CAPITAL**

On 30th August 1990 the company issued 500,000 Ordinary Shares of £1 each fully paid in cash to fund the working capital required for the expansion programme

**NOKIA TELECOMMUNICATIONS LIMITED**  
**DIRECTORS' REPORT**  
**YEAR ENDED 31st DECEMBER 1990**

**RESEARCH AND DEVELOPMENT**

The company has carried out research and development work for other group undertakings. In addition to this, a new development unit has been established over the past year to aid the production of Cellular base stations from the new Huntingdon premises. This, together with a new switching systems development unit (planned for 1991) is set to prosper in the forthcoming year.

**CHANGES IN FIXED ASSETS**

The changes in fixed assets are detailed in note 9 on page 11.

**DIRECTORS' INTERESTS IN SHARES**

The directors of the company have no interest in the shares, other than by the way of their interest in the shares of OY Nokia Ab which are stated below:-

	Restricted Common Shares		Restricted Preference Shares	
	1st January 1990 or date of appointment	31st December 1990	1st January 1990 or date of appointment	31st December 1990
Mr. M.J. Alahuhta	-	-	-	-
Ms. S.M. Baldauf	-	-	550	550
Mr. I.A. Seppa	15	15	578	578
Mr. J. Sormonen	-	-	286	286
Mr. R.O. Nordfors	51	51	1,014	1,014
Mr. A.C. Kurten	157	157	190	190
Mr. O.S.K. Jokinen	-	-	-	-

**INCOME AND CORPORATION TAXES ACT 1988**

In the opinion of the directors the company is not a close company as defined by the act.

**AUDITORS**

In accordance with section 384 of the companies act 1985 (as amended by companies act 1989) a resolution proposing the reappointment of Coopers & Lybrand Deloitte as auditors to the company will be put to the annual General Meeting.

By order of the board,

  
**R.J. Thompson**  
**SECRETARY**

**NOKIA TELECOMMUNICATIONS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31st DECEMBER 1999**

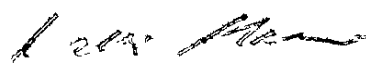
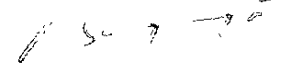
	Note	1999 £	1998 £
<b>TURNOVER</b>	2	11,178,428	4,449,859
Cost of Sales		10,430,885	3,722,462
		<hr/>	<hr/>
<b>GROSS PROFIT</b>		747,593	726,897
Administrative Expenses		300,593	193,900
		<hr/>	<hr/>
<b>Other Operating Income</b>	3	439,060	532,919
		41,779	99,043
		<hr/>	<hr/>
<b>OPERATING PROFIT</b>		480,839	632,839
Investment Income	4	77,772	16,927
		<hr/>	<hr/>
<b>PROFIT BEFORE INTEREST PAYABLE</b>		558,611	649,559
Interest Payable	5	2,593	4,495
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	6	556,018	645,064
Taxation on profit on ordinary activities	8	201,141	184,334
		<hr/>	<hr/>
<b>RETAINED PROFIT FOR THE YEAR</b>	15	354,877	460,730
		<hr/>	<hr/>

The notes on pages 6 to 15 form part of these financial statements.

NORIA TELECOMMUNICATIONS LIMITED  
BALANCE SHEET  
31st DECEMBER 1990

	Note	1990 £	1989 £
<b>FIXED ASSETS</b>			
Tangible Assets	9	2,514,000	166,930
<b>CURRENT ASSETS</b>			
Stocks	11	983,825	135,797
Debtors	12	7,229,783	4,480,217
Cash at bank		1,299,705	581,369
		<u>9,513,313</u>	<u>5,197,383</u>
<b>CREDITORS: amounts falling due within 1 year</b>	13	<u>10,085,267</u>	<u>4,780,510</u>
<b>NET CURRENT (LIABILITIES) \ ASSETS</b>		<u>(571,954)</u>	<u>416,873</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,942,046</u>	<u>583,803</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	14	<u>509,560</u>	<u>6,194</u>
<b>NET ASSETS</b>		<u><u>1,432,486</u></u>	<u><u>577,609</u></u>
Represented by:			
<b>CAPITAL AND RESERVES</b>	15		
Called up share capital		800,000	300,000
Profit and loss account		<u>632,486</u>	<u>277,609</u>
<b>SHAREHOLDERS FUNDS</b>		<u><u>1,432,486</u></u>	<u><u>577,609</u></u>

Approved by the Board of Directors on 13th February 1991 and signed on their behalf:

	)	
Mr. M.J. Alahuhta	)	Directors
	)	
Mr. O.S.K. Jokinen	)	

The notes on pages 6 to 15 form part of these financial statements.

**NOKIA TELECOMMUNICATIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31st DECEMBER 1990**

**1. ACCOUNTING POLICIES**

**(a) Basis of accounting**

These financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom.

**(b) Depreciation**

Tangible assets	Rate	Method
Improvements to leasehold property	Over the period of the lease	Straight line
Fixtures, fittings, tools and equipment	10 - 20 % p.a.	Straight line

Assets purchased during the year are depreciated by the relevant fraction of the above rates.

The rates used are designed to write the assets down to residual value over their expected useful lives, except in the case of assets held under finance leases where the assets are written off over the term of the lease.

**(c) Operating leases**

Commitments under operating leases are charged to the profit and loss account on a straight line basis over the period of each lease.

**(d) Stocks**

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

**(e) Research and development expenditure**

All such expenditure is written off in the year in which incurred, except for expenditure on related fixed assets which is written off over the expected useful lives of these assets.

**(f) 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. Where this is not known the latest estimate of the long term tax rate applicable has been adopted.



**NOKIA TELECOMMUNICATIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31st DECEMBER 1990**

**1. ACCOUNTING POLICIES (continued)**

**(g) 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.

**(h) Pension scheme**

The company participates in a group pension scheme which provides both benefits based on final pensionable pay and benefits dependent upon contributions paid. Nokia Telecommunications Limited has been a participating company of the Nokia Group (UK) Pension Scheme since 1st June 1990. The assets of the Scheme are held separately from those of the company, 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 company.

The most recent actuarial valuation showed that the market value of the Scheme's assets was £214,850 and that the actuarial value of those assets represented 117% of the value of the benefits that had accrued to members, after allowing for expected future increases in earnings. As the company was a new participant to the Scheme as at 1st July 1990, none of the surplus at that date was attributable to the company.

**(i) Turnover**

Turnover represents equipment sales and services provided net of value added tax.

**NOKIA TELECOMMUNICATIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31st DECEMBER 1990**

**2. TURNOVER**

Turnover and profit on ordinary activities before taxation were contributed as follows:

Turnover	1990 £	1989 £
Equipment sales and related services	9,677,354	4,376,833
Product development work for group undertakings	1,501,074	72,526
	<u>11,178,428</u>	<u>4,449,359</u>

**Geographical analysis**

United Kingdom	9,501,655	4,376,833
Scandinavia	1,501,074	72,526
Pacific islands	175,699	-
	<u>11,178,428</u>	<u>4,449,359</u>

**Profit on ordinary activities before taxation**

	1990 £	1989 £
Equipment sales and related services	315,236	625,718
Product development work for group undertakings	240,782	19,346
	<u>556,018</u>	<u>645,064</u>

**3. OTHER OPERATING INCOME**

	1990 £	1989 £
Other costs incurred on behalf of and recharged to group undertakings	<u>41,779</u>	<u>99,643</u>

**4. INVESTMENT INCOME**

	1990 £	1989 £
Interest receivable on short term bank deposits	73,312	13,131
Other interest	-	3,796
Other interest received from group undertakings	4,460	-
	<u>77,772</u>	<u>16,927</u>

**NOKIA TELECOMMUNICATIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31st DECEMBER 1990**

**5. INTEREST PAYABLE**

	1990 £	1989 £
On bank loans, overdrafts and other loans: Repayable within 5 years ( not by instalments )	<u>2,593</u>	<u>4,495</u>

**6. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

	1990 £	1989 £
The above is stated after charging: Depreciation – tangible assets: Owned	187,120	13,758
Loss on disposal of fixed assets: Owned	<u>9,486</u>	<u>-</u>
	<u>196,606</u>	<u>13,758</u>

Auditors remuneration	22,872	8,000
Hire of plant and machinery	45,738	9,181
Operating leases – plant and machinery	104,850	31,423
premises	281,792	38,158
Research and development	75,500	-
Exceptional item – damages due to customer for late completion of contract	<u>388,651</u>	<u>-</u>

**7. EMPLOYEES**

	1990 £	1989 £
Staff costs during the year including directors:		
Wages and Salaries	1,096,717	274,521
Social security costs	74,077	22,667
Other pension costs	38,505	2,661
	<u>1,209,299</u>	<u>299,849</u>

**NOKIA TELECOMMUNICATIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31st DECEMBER 1990**

**7. EMPLOYEES (continued)**

The average number of persons employed on a weekly basis was:

	1990 Number	1989 Number
Administration	11	6
Marketing and Project Implementation	19	7
Production and assembly	3	-
Research and Development	22	2
	<u>55</u>	<u>15</u>

**DIRECTORS' REMUNERATION**

Staff costs include the following remuneration in respect of the directors:

Fees	<u>45,481</u>	<u>39,466</u>
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The directors remuneration as disclosed above included amounts paid to:

	1990 £	1989 £
Chairman	<u>-</u>	<u>-</u>
Highest paid director	<u>45,481</u>	<u>39,466</u>

Other directors receiving no emoluments

Number	Number
<u>5</u>	<u>2</u>

**8. TAXATION ON PROFIT ON ORDINARY ACTIVITIES**

	1990 £	1989 £
U.K. corporation tax at 35% (1989 35%)	30,819	179,577
Provision for deferred taxation	114,715	6,194
Consideration for tax losses received 1987 / (surrendered to) group undertaking	62,518	(1,437)
Corporation tax overprovided in previous years	<u>(6,911)</u>	<u>-</u>
	<u>201,141</u>	<u>184,334</u>

**NOKIA TELECOMMUNICATIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31st DECEMBER 1990**

**9. TANGIBLE FIXED ASSETS**

	Improvements to leasehold property £	Fixtures, Fittings, tools & equipment £	Total £
Cost :-			
At 1st January 1990	-	187,245	187,245
Reclassification	47,842	(47,842)	-
Additions	1,158,636	1,392,545	2,551,181
Disposals	-	23,793	23,793
At 31st December 1990	<u>1,206,476</u>	<u>1,508,155</u>	<u>2,714,633</u>
Accumulated depreciation :-			
At 1st January 1990	-	20,315	20,315
Charge for the year	32,655	154,465	187,120
Eliminated on disposals	-	6,802	6,802
At 31st December 1990	<u>32,655</u>	<u>167,978</u>	<u>200,633</u>
Net book value:-			
At 31st December 1990	<u>1,173,823</u>	<u>1,340,177</u>	<u>2,514,000</u>
At 31st December 1989	<u>-</u>	<u>166,930</u>	<u>166,930</u>

**10. COMMITMENTS**

	1990 £	1989 £
(a) Capital expenditure that has been contracted for but not been provided for in the accounts	<u>133,223</u>	<u>365,817</u>
(b) Capital expenditure that has been authorised by the directors but has not been contracted for	<u>-</u>	<u>-</u>

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		1990		1989	
		Land and	Others	Land and	Others
		Buildings		Buildings	
		£	£	£	£
Operating	Investing				
Within one year	On or after sheet date	152,088	11,227	-	3,785
Two to five years		-	137,447	120,000	28,603
More than five years		305,000	34	-	-
		<u>457,088</u>	<u>148,708</u>	<u>120,000</u>	<u>32,388</u>

Finished goods and goods in stock  
Work in progress

1990	1989
£	£
965,339	91,643
18,486	44,154
<u>983,825</u>	<u>135,797</u>

Trade Debtors  
Amounts owed by group undertakings  
Other debtors  
Prepayments and accrued income

1990	1989
£	£
6,142,924	3,062,680
801,090	120,159
142,203	1,245,528
143,566	51,850
<hr/>	<hr/>
7,229,783	4,480,217

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**NOKIA TELECOMMUNICATIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31st DECEMBER 1990**

13. CREDITORS	1990 £	1989 £
Amounts falling due within 1 year:		
Payments received on account	466,909	-
Trade creditors	713,499	111,465
Current corporation tax	30,819	179,577
Amounts due to group undertakings	8,607,874	4,301,758
Other taxation and social security payable	51,484	100,621
Other creditors	17,338	9,400
Accruals and deferred income	197,405	77,689
	<u>10,085,207</u>	<u>4,780,510</u>

**14. PROVISIONS FOR LIABILITIES AND CHARGES**

	Provision for contract loss £	Deferred tax (see below) £	Total £
At 1st January 1990	-	6,194	6,194
Transferred from profit and loss account	<u>388,651</u>	<u>114,715</u>	<u>503,366</u>
At 31st December 1990	<u>388,651</u>	<u>120,909</u>	<u>509,560</u>

Deferred taxation provided in the financial statements, and the total potential liability, including amounts for which provision has been made, are as follows:

Deferred taxation	Full potential liability		Provided in financial statements	
	1990 £	1989 £	1990 £	1989 £
Accelerated capital allowances:	<u>120,909</u>	<u>6,194</u>	<u>120,909</u>	<u>6,194</u>

**NOKIA TELECOMMUNICATIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31st DECEMBER 1990**

**15. CAPITAL AND RESERVES**

**SHARE CAPITAL**

	1990 £	1989 £
Authorised 1,000,000 ordinary shares £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Issued and fully paid Ordinary £1 shares	<u>800,000</u>	<u>300,000</u>

During the year 500,000 ordinary shares of £1 each were issued at par to finance the rapid expansion of the company.

Details of directors' interests in shares of the company are included in the directors' report.

**PROFIT AND LOSS ACCOUNT**

	1990 £	1989 £
Retained profit / (absorbed loss) brought forward	277,609	(183,121)
Retained profit for the year	<u>354,877</u>	<u>460,730</u>
Retained profit carried forward	<u>632,486</u>	<u>277,609</u>

**17. CONTINGENT LIABILITIES**

The company is liable, under the terms of a cash pooling arrangement with National Westminster Bank plc, to contribute to the overdrafts of certain fellow U.K. subsidiaries of Nokia Corporation.

The company's liability is limited to its credit balance at any time on its account with that bank. At 31st December 1990 the aggregate amount of overdrafts of fellow U.K. subsidiaries was £354,306.

The directors consider that the likelihood of any loss arising from these arrangements is remote.

**18. PARENT COMPANY**

The company is a wholly owned subsidiary of Nokia U.K. Ltd, a company incorporated in England.



NOKIA TELECOMMUNICATIONS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31st DECEMBER 1990

**10. ULTIMATE HOLDING COMPANY**

The ultimate holding company is OY Nokia Ab, a company incorporated in Finland.

**NOKIA TELECOMMUNICATIONS LIMITED**  
**STATEMENT OF SOURCE AND APPLICATION OF FUNDS**  
**YEAR ENDED 31st DECEMBER 1992**

		1990	1991
	£	£	£
<b>SOURCE OF FUNDS</b>			
Funds generated from operations:			
Profit on ordinary activities before taxation		570,128	645,064
Items not involving the movement of funds:			
Depreciation	107,120		13,758
Loss on disposal of fixed assets	9,486		"
Provision for contract loss	388,651		"
		595,257	13,758
		1,141,275	658,822
Funds from other sources:			
Proceeds from the sale of fixed assets	7,505		"
Consideration for tax losses surrendered to group undertakings	-		11,875
Calls received on shares issued	500,000		"
		507,505	11,875
		1,648,780	670,697
<b>APPLICATION OF FUNDS</b>			
Purchase of fixed assets	2,551,181		140,938
Corporation tax paid	172,666		"
		2,723,847	140,938
<b>NET (APPLICATION) / SOURCE OF FUNDS</b>		<b>(1,075,067)</b>	<b>529,759</b>
<b>Represented by:</b>			
Increase in stocks		848,028	133,241
Increase in debtors		2,749,566	4,319,127
(Increase) in creditors		(5,390,997)	(4,499,682)
		(1,793,403)	(47,314)
Movement in net liquid funds:			
Increase in cash at bank		718,336	577,073
		<b>(1,075,067)</b>	<b>529,759</b>

REPORT OF THE AUDITORS  
TO THE MEMBERS OF  
NOKIA TELECOMMUNICATIONS LIMITED

We have audited the financial statements set out on pages 4 to 16 in accordance with Auditing Standards.

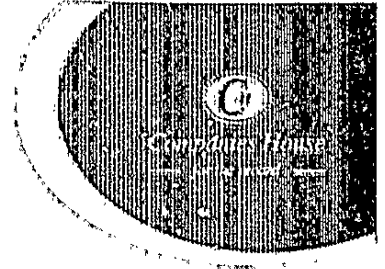
In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31st December 1990 and of the profit and source and application of funds for the year ended on that date and have been properly prepared in accordance with the Companies Act 1985.

*Coopers & Lybrand Deloitte*

Coopers & Lybrand Deloitte  
Chartered Accountants,

*13 February 1991*

Coopers & Lybrand Deloitte,  
Chartered Accountants,  
Mount Pleasant House,  
Huntingdon Road,  
Cambridge  
CB3 0BL.



**Crown Way Cardiff CF14 3UZ**  
**[www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)**

## **NOTICE OF ILLEGIBLE DOCUMENTS**

**Companies House regrets that documents in this company's microfiche record have pages which are illegible.**

**This has been noted but unfortunately steps taken to rectify this were unsuccessful.**

**Companies House would like to apologise for any inconvenience this may cause.**

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### **COMPANY INFORMATION SUPPLIED BY COMPANIES HOUSE**

Companies House is a registry of company information. We carry out basic checks to make sure that documents have been fully completed and signed, but we do not have the statutory power or capability to verify the accuracy of the information that companies send to us. We accept all information that companies deliver to us in good faith and place it on the public record. The fact that the information has been placed on the public record should not be taken to indicate that Companies House has verified or validated it in any way.