

Registered number: 02650571

Nokia UK Limited

Annual Report and Financial Statements

For the Year Ended 31 December 2022

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Nokia UK Limited

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Nokia UK Limited

Company information

Directors

T. Foster
P. Siveter
I. Tassopoulou

Registered number

02650571

Registered office

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Independent auditors

Deloitte LLP
Statutory Auditors
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Nokia UK Limited

Strategic Report For the Year Ended 31 December 2022

The directors present their Strategic Report and the financial statements for the company, registered number 02650571, for the year ended 31 December 2022.

Principal activities and review of the business

At Nokia, we create technology that helps the world act together. As a B2B technology innovation leader, we are pioneering networks that sense, think and act by leveraging our work across mobile, fixed and cloud networks. We create value with intellectual property and long-term research, led by the award-winning Nokia Bell Labs. Service providers, enterprises and partners worldwide trust Nokia to deliver secure, reliable and sustainable networks today, and work with us to create the digital services and applications of the future.

Nokia UK Limited's principal activity is the provision of mobile, fixed and cloud network solutions. UK based sales and marketing teams sell solutions provided by the Nokia Group and its partners, and UK based service teams implement and maintain these solutions. The company also hosts many teams working on Nokia Group activities including R&D, global marketing, global real estate and global customer services.

The key financial performance indicators during the year were as follows:

	2022 £000	2021 £000	Change %
Turnover	441,253	443,716	(0.5)
Operating profit	10,912	14,313	(24)
Profit before taxation	14,827	13,330	11
Profit for the financial year	20,434	33,352	(39)
Total shareholders' funds	314,573	420,320	(25)

The directors believe turnover in 2022 met expectations. In terms of future developments, the directors expect turnover in the near future to be in line with UK market conditions and the success of the Nokia Group's product and service portfolio. Profit for the financial year is in line with expectations given the prior year benefitted from an increase in deferred tax resulting from the change in UK tax rate. A reduction in the net pension asset with the consequent impact on deferred tax, were the main movements in shareholder funds. The directors expect all activities to be profit-making in the foreseeable future.

The operational activities and associated key performance indicators are governed by the Nokia Group, being Nokia Corporation and its subsidiaries, and are presented in Nokia's form 20F which do not form part of this report and can be found at www.nokia.com/investors or obtained from Nokia Corporation at PO Box 226, FIN-00045, Nokia Group, Espoo, Finland.

**Strategic Report (continued)
For the Year Ended 31 December 2022**

Principal risks and uncertainties

Competitive risks

The company operates in a very competitive industry with a continually evolving environment. In the event that the underlying business of any of the company's high volume or high value customers is adversely affected, or they were to terminate existing business relationships for any reason, there could be an adverse impact on the company's profitability. In order to minimise competitive risks, the company seeks to expand its customer base and places great emphasis on developing new solutions to meet ever-changing customer needs. In addition, the company manages contract risk through regular contract and performance reviews. In addition, the company and the Nokia Group manage contract risk through regular contract and performance reviews.

Pension risks

The directors of the company and the Nokia Group recognise the cost-related risks associated with company defined benefit schemes, and so work closely with the Pension Trustees to manage this risk by reviewing the level of company contributions and selecting appropriate investment categories.

Corporate Governance Code and Section 172 (1)(a) to (f) of the Companies Act 2006 (the Act)

The directors of the company must act in accordance with the duties as set out in the Act, summarised as follows:

A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- (a) The likely consequence of any decision in the long term;
- (b) The interests of the company's employees;
- (c) The need to foster the company's business relationships with suppliers, customers and others;
- (d) The impact of the company's operations on the community and the environment;
- (e) The desirability of the company maintaining a reputation for high standards of business conduct; and
- (f) The need to act fairly as between members of the company

The corporate governance of Nokia UK Limited is managed by the directors in conjunction with the corporate governance of the Nokia Group. The Group strategy is managed centrally, covering aspects such as the product and solution portfolio, legal entity structures, culture and people strategy and high-level location strategy. As a subsidiary of the Nokia Group, the company is responsible for the implementation of local elements of the Group strategy, refining and enhancing where appropriate.

(a) The likely consequence of any decision in the long term

The directors believe the long-term consequences of local decision-making are key to retaining customer business, supplier support and employee engagement, which in turn are key to the success of the company and contribute to the success of the Nokia Group.

Local decisions which are likely to have long-term consequences must firstly consider health and safety aspects for anybody who may be impacted by the company's actions. It is imperative that local decision-making is aligned with the Nokia Group strategy and ways of working, for example, this could be in terms of the solutions portfolio, employee welfare and development, location strategy etc. The decision-making must also consider the best course of action to support our local business with customers and suppliers in both short and long-term.

(b) The interests of the company's employees

The directors place great emphasis on the engagement of the company's employees in order for the company to be successful in the short, medium and long term. The directors believe it's important to support the teams based in the UK that are engaged with regional or global activities, thereby promoting services to the Nokia Group in the medium to long term. The directors actively manage the following:

**Strategic Report (continued)
For the Year Ended 31 December 2022**

**Corporate Governance Code and Section 172 (1)(a) to (f) of the Companies Act 2006 (the Act)
(continued)**

Health and safety

The directors ensure health and safety has utmost priority at all times. This includes health and safety measures for all people in the Nokia offices, strict requirements for employees, contractors and sub-contractors deploying or maintaining Nokia equipment on external sites, plus measures pertaining to domestic and international travel. In 2022, there was a mandatory Safety course for UK employees covering items such as Health and Safety Policy, Safe Working: Field and Lab, Incident Reporting and Response plus a section on Wellbeing.

During 2022, the Nokia Group issued rules and guidance in relation to COVID-19 to all Group employees. The directors adopted these measures and provided additional specific UK guidance based upon local circumstance and local Government policy and guidance. The directors shared this information with employees in regular virtual Town Hall meetings.

Employee consultation

The directors place considerable value on the involvement of the company's employees and keep them informed on matters affecting them and on the various factors affecting the performance of the company. Regular meetings are held with employees so their views can be taken into account in the formulation of policy and in decisions which are likely to affect their interests. An Employee Forum is in place, with volunteers representing their local constituents in certain matters. Site Leads for each office are appointed by the Country Management Team to address and support site-based issues and support the welfare of their colleagues through social activities. The Nokia Group regularly requests employee feedback in Culture Cohesion tracker surveys, the results of which are shared with employees and reviews and action plans are taken at country or team level to identify aspects which work well and areas for improvement.

Involvement in company performance

All employees are invited to participate in the Nokia Group "Share in Success" scheme, whereby employees are able to purchase a restricted number of Nokia Group shares each month and Nokia contributes one share for every two purchased and held in the twelve months to the end of the "holding period". Long-term incentives are structured around Nokia Group performance and rewards are given in performance shares.

Equality

Nokia UK continues the "StrongHer" program to highlight and promote the success of women in the workplace.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicants concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

(c) The need to foster the company's business relationships with suppliers, customers and others

Many customer contracts are delivered over a number of years and the directors, with continuous support from key managers, plan the delivery of contractual requirements, third-party support, Nokia Group resources and local company resources. Successful project completion is a key element in securing future business. Annual customer feedback surveys help evaluate Nokia performance, both global and local, and subsequent action plans aim to continue and enhance positive performance and address areas for improvement. The company also benefits from good relationships with suppliers and seeks to collaborate and support as appropriate.

(d) The impact of the company's operations on the community and the environment

The Nokia Group is very aware of its impact on the community and environment. The Nokia Group Sustainability program is active in various matters including; environmental topics, responsible sourcing, corporate community investment and human rights. Locally, the directors have initiated relevant projects, for example; employees fundraising for a cancer charity, litter-picking and spreading awareness of Nokia's carbon footprint.

Strategic Report (continued)
For the Year Ended 31 December 2022

Corporate Governance Code and Section 172 (1)(a) to (f) of the Companies Act 2006 (the Act)
(continued)

(e) The desirability of the company maintaining a reputation for high standards of business conduct

The directors see the Nokia Group's global initiatives and the company's local actions as key to maintaining a high standard of integrity in all aspects of business, both internally within the company and externally with customers, suppliers and partners.

The directors support the annual training programme ensuring that all employees complete the common courses. In 2022 the mandatory training sessions were; "Workplace Ethics and Inclusion Training", "Information Security Awareness" and "Nokia Environmental, Social and Governance".

(f) The need to act fairly as between members of the company

The company supports the Nokia Group cost saving initiatives designed to make efficient use of the Group's resources and support the long-term outlook for the business. The directors are actively engaged in the local Real Estate strategy, providing safe and appropriately-sized offices with suitable facilities in key UK locations. The directors uphold the Group travel restriction programs which save costs and support Nokia's environmental policies.

The directors ensure the company implements the programs and upholds the values of the Nokia Group in order to support its sole shareholder, Nokia Solutions and Networks Oy.

Energy and carbon reporting

This report is provided to comply with the UK government's policy on Streamlined Energy and Carbon Reporting.

	2022	2021
Energy consumption to calculate emissions		
Gas combustion Kilowatt Hours ('kWh')	-	-
Purchased electricity kWh	2,647,702	2,441,496
Emissions		
Gas combustion tonnes CO2 equivalent ('tCO2e') (Scope 1)	-	-
Purchased electricity tCO2e (Scope 2, location-based)	562	518
Total gross emissions tCO2e based on above		
Intensity ratios		
tCO2e per £m turnover	1.31	1.21

**Strategic Report (continued)
For the Year Ended 31 December 2022**

Energy and carbon reporting (continued)

Methodology

Based on the 2019 UK Government environmental reporting guidance. The company has 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. The company does not have any contracts to purchase gas. The company currently cannot identify the amount of fuel used for business travel.

Energy efficiency actions taken

- Review of office requirements leading to a down-sizing of floorspace on renewal and mothballing unused office space during the lease period.
- Installation of video-conferencing facilities in the larger offices to reduce travel requirements.
- Implement travel restrictions and encourage the use of online meeting facilities.

This report was approved by the board and signed on its behalf.



T. Foster
Director

Date: 22 September 2023

**Directors' Report
For the Year Ended 31 December 2022**

The directors present their annual report and the audited financial statements of the company, registered number 02650571 for the year ended 31 December 2022.

Matters covered in the Strategic Report

Details on future developments, a review of the business, engagement with customers and suppliers, employees, disabled employees, principal risks and uncertainties, and energy and carbon reporting are provided in the Strategic Report on pages 2 to 6.

Directors' of the company

The directors who served during the year and up to the date of signing the financial statements except where stated, were as follows:

T. Foster
P. Siveter
S. Wallberg (resigned 30 January 2023)
I Tassopoulou (appointed 30 January 2023)

Directors' qualifying third party indemnity provisions

The company has granted an indemnity to one or more of its directors against liabilities in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third-party indemnity provision remains in force as at the date of approving the Directors' Report.

Dividends

The company has no distributable reserves, so no dividend was paid during the year and the directors can not recommend the payment of a final dividend (2021: £nil).

Political and charitable contributions

No charitable contributions were made during the year (2021: £nil).

No contributions to the funds of political parties were made during the year (2021: £nil).

Financial risk management

The operations of the company expose it to a number of financial risks including the effects of interest rate risks, foreign exchange risks and credit risks. In order to minimise the impact of such finance risk, the Nokia Group has a central treasury function which manages the financial risks of the Group, including foreign exchange risk and cash management.

Credit risk

Credit risk is attributable to trade debtors and the external bank balance. The company has implemented policies that require appropriate credit checks on potential customers before sales are made. Each customer has an appropriate credit limit for their perceived risk. A policy of sales blocking is used if a customer exceeds their credit limit.

Interest rate risk

The company has both interest-bearing assets and interest-bearing liabilities. All of these are with other Nokia Group companies and are subject to either fixed interest rates or variable interest rates determined by the central treasury team. If the directors consider one of the intercompany assets to be at risk of default then a guarantee is sought from the parent company for the level of that risk.

Directors' Report (continued)
For the Year Ended 31 December 2022

Corporate governance

Further to Section 414C(1) of the Companies Act, the directors have reported governance practices and a statement on Section 172 (1)(a) to (f) of the Companies Act 2006 regarding employees, suppliers, customers and corporate governance in the Strategic Report.

Research and development activities

The company undertakes some research and development on behalf of the Nokia Group, for example, in Cambridge Nokia Bell Labs research future technologies and in Bristol the company develops open real-time subscriber data platforms and applications built specifically for mobile, fixed and converged telecommunications operators. Research and development expenditure on behalf of the Nokia Group in 2022 was £16,771k (2021: £16,003k).

Going concern

The company remains profitable in the year with net assets of £314,573k (2021 - £420,320k) on the balance sheet and cash balances of £17,495k (2021 - £2,673k) at the year end.

The company has, in the opinion of the directors, sufficient financial resources to manage its financial risks successfully for the foreseeable future, for a period of at least twelve months from the date of approval of the financial statements. Nokia Corporation, the ultimate parent company, has provided a letter of support confirming this and therefore the company continues to adopt the going concern basis in preparing the financial statements.

Events since the balance sheet date

The directors do not believe there are any post balance sheet events.

Directors' Report (continued)
For the Year Ended 31 December 2022

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare 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 of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

The directors are responsible for keeping adequate 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

In the case of each director in office at the date the Directors' Report and Strategic Report is approved, confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

The report was approved by the board of directors and signed on the behalf of the board.



T. Foster
Director

Date: 22 September 2023

Independent Auditors' Report to the Members of Nokia UK Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Nokia UK Limited (the 'company'):

- give a true and fair of the state of the company's affairs as at 31 December 2022 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 statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 30.

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.

Independent Auditors' Report to the Members of Nokia UK Limited (continued)

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 a 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 management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines 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, management is 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 management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

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.

Independent Auditors' Report to the Members of Nokia UK Limited (continued)

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, including those that are specific to the company's business sector.

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, pensions legislation, 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, and risk of material misstatement due to fraud related to revenue recognition.

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 addressing the risk of fraud through revenue recognition, we obtained the pre and post year-end sales listings to calculate our samples, traced to sales invoices and proof of delivery to assess whether risks and rewards of ownership have been transferred to the customer pre or post year-end, and traced each selected sample to sales ledger to ensure revenue has appropriately been included or omitted.

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 in-house 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.

Independent Auditors' Report to the Members of Nokia UK Limited (continued)

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 strategic report or the directors' report.

Matters on which we are required to report by exception

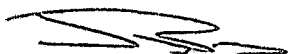
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

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 Auditors' 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.



James Brass FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London
United Kingdom

22 September 2023

Nokia UK Limited

**Profit and Loss Account
For the Year Ended 31 December 2022**

	Note	2022 £000	2021 £000
Turnover	5	441,253	443,716
Cost of sales		(430,284)	(429,393)
Gross profit		10,969	14,323
Administrative expenses		(57)	(10)
Operating profit	6	10,912	14,313
Interest receivable and similar income	9	646	22
Interest payable and similar expenses	10	(126)	(205)
Other income/(expenses)	11	3,395	(800)
Profit before tax		14,827	13,330
Tax on profit	12	5,607	20,022
Profit for the financial year		20,434	33,352

All amounts relate to continuing activities.

The notes on pages 19 to 48 form part of these financial statements.

**Statement of Comprehensive Income
For the Year Ended 31 December 2022**

	Note	2022 £000	2021 £000
Profit for the financial year		20,434	33,352
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Actuarial loss on defined benefit pension	24	(165,825)	(87,383)
Deferred tax asset on pension asset	20	35,256	706
Total other comprehensive expense		(130,569)	(86,677)
Total comprehensive expense for the year		(110,135)	(53,325)

The notes on pages 19 to 48 form part of these financial statements.

Nokia UK Limited

Statement of Changes in Equity
For the Year Ended 31 December 2022

	Called up share capital £000	Share premium account £000	Capital contribution account £000	Merger reserve £000	Profit and loss account £000	Total shareholders' funds £000
At 1 January 2021	876,411	47,289	60,825	(79,607)	(434,184)	470,734
Profit for the financial year	-	-	-	-	33,352	33,352
Other comprehensive expense	-	-	-	-	(86,677)	(86,677)
Credit for share-based payments	-	-	2,911	-	-	2,911
At 1 January 2022	876,411	47,289	63,736	(79,607)	(487,509)	420,320
Profit for the financial year	-	-	-	-	20,434	20,434
Other comprehensive expense	-	-	-	-	(130,569)	(130,569)
Credit for share-based payments	-	-	4,388	-	-	4,388
At 31 December 2022	876,411	47,289	68,124	(79,607)	(597,644)	314,573

The notes on pages 19 to 48 form part of these financial statements.


Balance Sheet
As at 31 December 2022

	Note	2022 £000	2021 £000
Fixed assets			
Intangible assets	13	8	87
Tangible assets	14	5,781	8,055
Investments	15	19,841	19,841
Debtors: amounts falling due after one year	18	351	546
Deferred tax asset	21	120,834	114,676
Pension asset	24	187,593	350,339
		334,408	493,544
Current assets			
Stocks	17	15,412	16,471
Debtors	18	198,506	197,622
Cash at bank and in hand		17,495	2,673
		231,413	216,766
Creditors: amounts falling due within one year	19	(199,232)	(201,035)
Net current assets		32,181	15,731
Total assets less current liabilities		366,589	509,275
Creditors: amounts falling due after more than one year	19	(5,118)	(6,800)
		361,471	502,475
Provisions for liabilities			
Provisions for liabilities	20	(46,898)	(82,155)
Net assets		314,573	420,320
Capital and reserves			
Called up share capital	22	876,411	876,411
Share premium account	23	47,289	47,289
Capital redemption reserve	23	68,124	63,736
Merger reserve	23	(79,607)	(79,607)
Profit and loss account	23	(597,644)	(487,509)
Total shareholders' funds		314,573	420,320

Nokia UK Limited
Registered number: 02650571

Balance Sheet (continued)
As at 31 December 2022

The financial statements on pages 14 to 48 were approved and authorised for issue by the board and were signed on its behalf on 22 September 2023.



T. Foster
Director

The notes on pages 19 to 48 form part of these financial statements.

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

1. General information

Corporate information

Nokia UK Limited (the "company") is a private company under the Companies Act 2006, being limited by share capital, registered in England and Wales and domiciled in England with registered office address at 740 Waterside Drive, Aztec West, Almondsbury, Bristol, BS32 4UF.

Group financial statements

Group financial statements have not been prepared as the company has taken advantage of the relief available under section 400 of the Companies Act 2006, as the results of the company and its subsidiary undertakings are included within the financial statements of the Nokia Group, available from www.nokia.com/about-us/investors/ or Nokia Corporation at PO Box 226, FIN-00045, Nokia Group, Espoo, Finland. These financial statements therefore present information about the company as an individual undertaking and not about its group.

2. Accounting policies

2.1 Statement of compliance

The financial statements of Nokia UK Limited for the year ended 31 December 2022 were authorised for issue by the board of directors on 22 September 2023 and the balance sheet was signed on the board's behalf by T. Foster.

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and in accordance with applicable accounting standards.

2.2 Basis of preparation

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The company's financial statements are presented in Sterling, which is also the company's functional currency, and all values are rounded to the nearest thousand pound (£) except when otherwise indicated.

The principal accounting policies applied in the preparation of the financial statements are set out below. These have been consistently applied to all years presented, unless otherwise stated.

2.3 Going concern

The company remains profitable in the year with net assets of £314,573k (2021 - £420,320k) on the balance sheet and cash balances of £17,495k (2021 - £2,673k) at the year end.

The company has, in the opinion of the directors, sufficient financial resources to manage its financial risks successfully for the foreseeable future, for a period of at least twelve months from the date of approval of the financial statements. Nokia Corporation, the ultimate parent company, has provided a letter of support confirming this and therefore the company continues to adopt the going concern basis in preparing the financial statements.

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

2. Accounting policies (continued)

2.4 Disclosure exemptions taken

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirements in paragraph 38 of IAS 1 Presentation of financial statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1; and
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d) and 111, 16, 38A to 38D, and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of cash flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related party disclosures;
- the requirements in IAS 24 Related party disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- the requirements of paragraphs 6 and 21 of IFRS 1 First-time Adoption of International Financial Reporting Standards;
- the requirements of paragraph 45 (b) and 46 to 52 of IFRS 2, Share-based Payment.

2.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all fixed assets to write off the cost of the asset, less estimated residual value, on a straight-line basis over its estimated useful life, as follows:

Leasehold improvements	-	10 years or lease term
Plant and equipment	-	3 to 5 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

2. Accounting policies (continued)

2.6 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is provided on all intangible fixed assets to write off the cost of the asset, less estimated residual value, on a straight-line basis over its estimated useful life, as follows: Software- 3 to 5 years.

2.7 Stocks and work in progress

Stocks have been valued at the lower of cost and net realisable value, after making allowances for any obsolete or slow-moving items. Finished goods stock comprises the original price at which goods are purchased from other Nokia Group companies or external companies and any direct costs attributable to location and condition. Cost of work in progress comprises staff time spent on projects, with an appropriate element of overheads. Net realisable value is the amount estimated to be subsequently receivable, less costs to completion and related selling and distribution costs. In the opinion of the directors, the valuation of stocks is not materially different from replacement cost.

2.8 Contingent liabilities

Financial guarantees related to duty deferment bonds are not recorded in the balance sheet and are disclosed in note 28.

2.9 Financial assets and liabilities

IFRS 9 addresses the classification and measurement of financial assets and liabilities, introduces a new impairment model and a new hedge accounting model.

Financial assets

The company classifies its financial assets into one of the following categories: financial assets at fair value through other comprehensive income, loans and receivables, or financial assets at fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Financial assets at amortised cost

The company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

(ii) Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

The company assesses expected credit losses on financial assets on a forward-looking basis. The company's financial assets comprise cash in hand and at bank and debtors (mainly comprised of amounts owed by group companies and trade debtors).

Financial liabilities

Financial liabilities are classified into one of the following two categories:

- financial liabilities at amortised cost; or
- financial liabilities at fair value through the profit or loss (FVTPL).

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

2. Accounting policies (continued)

2.9 Financial assets and liabilities (continued)

Financial liabilities at amortised cost measurement

After initial recognition, financial liabilities at amortised cost are measured at amortised cost using the EIR method. Gains and losses are recognised in profit and loss account when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as interest payable in the profit and loss account.

Derecognition

A financial liability is derecognised 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 of the terms of a financial asset are modified, the company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to the cash flows from the original financial asset are deemed to expire. In this case the original financial asset is derecognised and a new financial asset is recognised at either amortised cost or fair value.

If the cash flows are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the company recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the statement of income. Modification is treated as the de-recognition of the original liability and the recognition.

Impairment of non-financial assets

The company assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. If any such indication exists, or when annual impairment testing is required, the company makes an estimate of the non-financial asset's recoverable amount in order to determine the extent of the impairment loss. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the rate of return expected on an equally risky investment. Where the carrying amount of an investment exceeds its recoverable amount, the investment is considered impaired and is written down to its recoverable amount. Impairment losses on continuing operations are recognised in the profit and loss account.

For assets where an impairment loss subsequently reverses, the carrying amount of the investment or cash generating unit is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined, net of depreciation, had no impairment losses been recognised for the asset or cash generating unit in prior years. A reversal of impairment loss is recognised immediately in the profit and loss account.

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

2. Accounting policies (continued)

2.9 Financial assets and liabilities (continued)

Impairment of financial assets

Assets carried at amortised cost

The company assesses, at the end of each reporting period, whether there is objective evidence that a financial asset or group of financial assets is impaired. The carrying amount of the financial asset is reduced by the impairment loss..

2.10 Trade and other debtors

Trade and other receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business, if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

2.11 Cash and cash equivalents

Cash and short term deposits in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity of three months or less.

2.12 Turnover

Under IFRS 15, turnover is recognized at a point in time to reflect the transfer of promised goods and services to customers for amounts that reflect the consideration to which the company expects to be entitled in exchange for those goods and services.

Turnover from the sale of hardware is typically recognised upon delivery. Where installation is required, turnover is typically recognised upon customer acceptance. Turnover from the provision of software is recognised when persuasive evidence of an arrangement exists, acceptance has been received and delivery has occurred. Turnover from professional services is recognised when the service has been performed.

Turnover from maintenance fees is recognised based upon the scope of the service on a time basis over the term of the agreement.

Costs that do not relate to UK specific activity are recharged within the Nokia Group at cost plus margin. These recharges are included in turnover and recognised when the costs are incurred.

2.13 Research and development

Research and development costs are expensed and are recharged to the related principal companies.

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

2. Accounting policies (continued)

2.14 Interest receivable

Interest receivable is recognised as interest accrues using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to its net carrying amount.

2.15 Interest payable

Interest payable is recognised using the effective interest rate method. In calculating interest payable, the effective interest rate is applied to the amortised cost of the liability.

2.16 Taxation

Income tax expense represents the sum of the corporation tax and deferred tax charges. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method.

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.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

2. Accounting policies (continued)

2.17 Foreign currencies

Transactions denominated in foreign currencies are recorded in sterling at the rate ruling at the dates of the transactions. Gains or losses are reported in the profit and loss account to reflect changes in exchange rates subsequent to the date of the transaction.

Monetary assets and liabilities, which are denominated in foreign currencies, are translated at the rates of exchange ruling at the year-end. Resulting gains or losses are reported in the profit and loss account.

2.18 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period. Contributions to defined contribution schemes are recognised in the income statement in the period in which they become payable.

The company has consolidated the defined benefit pension schemes, as at the balance sheet date there is only one defined benefit scheme. Trustees hold the assets of the schemes independently of the company.

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligation) and is based on actuarial advice. Past service costs are recognised in profit or loss. When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs, the obligation and related plan assets are remeasured using current actuarial assumptions and the resultant gain or loss recognised in the income statement during the period in which the settlement or curtailment occurs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Re-measurements, comprising actuarial gains and losses, the effect of any asset ceiling and the return on the net assets (excluding amounts included in net interest), are recognised immediately in other comprehensive income in the period in which they occur.

The defined benefit pension asset or liability in the balance sheet as prepared by the Plan Actuary, comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds that have been rated at AA or equivalent status), less the fair-value of the plan assets out of which the obligations are to be settled directly. Fair value of assets is based on market price information and in the case of quoted securities is the published mid-price. The value of any net pension benefit asset is limited to any amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

2. Accounting policies (continued)

2.19 Share based payments

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined at a corporate level using an appropriate pricing model.

In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the company (market conditions).

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions, number of equity instruments that will ultimately vest or, in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement, with a corresponding entry in equity.

Where the terms of an equity-settled award are modified, or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the income statement for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value being treated as an expense in the income statement.

2.20 Leases

The company leases offices with contracts typically made for periods of 2 to 25 years but may have break clauses and extension options. The building lease contracts may contain both lease and non-lease components however, the company has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a range of terms and conditions. The lease agreements do not impose any covenants other than security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Until the 2018 financial year, leases of property were classified as operating leases and from 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company.

Assets and liabilities arising from the leases are initially measured on a present value basis, using both fixed and variable lease payments. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. Lease payments are discounted to present value using Nokia's incremental borrowing rate, updated quarterly by Nokia Corporate Finance. The discount rate is dependent on the contract currency and the IFRS 16 lease term. Subsequent to the initial measurement, the present value of the lease continues to be based on the discount rate selected on the lease commencement date. Only in circumstances where a reassessment or modification of the lease occurs, will there be a need to remeasure the present value of the lease based on the latest available discount rate.

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

2. Accounting policies (continued)

2.20 Leases (continued)

The company is exposed to potential future increases in variable lease payments based on market rates, which are not included in the lease liability until they take effect. When adjustments to lease payments based on market rates take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are depreciated over the lease term on a straight-line basis.

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

Payments associated with short-term leases of equipment and vehicles and leases of low-value assets are recognised on a straight-line basis as an expense in the profit and loss. Short-term leases are leases with a lease term of 12 months or less.

3. Critical accounting judgements and key sources of estimation uncertainty

The company's financial statements prepared in accordance with FRS 101 require management to make judgements and estimates that affect amounts reported in the financial statements and related notes. The judgements and estimates used in the financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the company's financial statements. Actual results could differ from such estimates. Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements in applying the company's accounting policies

There are no judgements that have a significant effect on amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Taxation

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Since the prior year accounts were signed, the reported profitability of the Nokia Group has increased significantly, and the Nokia Group share price has increased. Given that brought-forward losses can be used indefinitely against future profits, the directors consider it appropriate to recognise the full deferred tax asset as at the balance sheet date.

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

Pension benefits

The costs of defined benefit pensions plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population of bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates for the respective country.

4. New and amended standards and interpretations

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2022 that have a material impact on the company's financial statements.

5. Turnover

An analysis of turnover by geographical market is given below:

	2022	2021
	£000	£000
United Kingdom	305,559	331,838
Europe	135,617	111,851
North America	27	27
Other	50	-
	441,253	443,716

Turnover for the current year is attributable to the continuing activity of the sale, distribution and maintenance of communication services and equipment.

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

6. Profit before tax

Profit before tax is stated after charging/(crediting):

	2022	2021
	£000	£000
Auditors' remuneration - audit fees paid by the Nokia Group	120	120
Interest receivable and similar income (note 9)	(646)	(22)
Interest payable and similar expenses (note 10)	126	205
Other (income)/expense (note 11)	(3,395)	800
Amortisation and depreciation of intangible and tangible assets (notes 13 and 14)	1,126	1,865
Depreciation of right-of-use assets (note 14)	1,348	1,599
Defined contribution pension cost	7,517	7,178
Costs of stocks recognised as an expense (included in cost of sales)	208,320	171,545
Share based payment charge (note 25)	4,388	2,911
Operating lease rentals for motor vehicles	377	476

Amortisation of intangible assets is included in Cost of sales (2021: Cost of sales).

Within profit before tax, there has been no write down of inventories recognised as an expense (2021: none).

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

7. Directors' remuneration

	2022 £000	2021 £000
Salaries and other remuneration	570	571
Pension contributions	37	38
	607	609

The number of directors who were members of the pension schemes at the end of the financial year is as follows:

	2022 No.	2021 No.
Defined contribution (money purchase) schemes	3	3
Defined benefit (final salary) schemes	1	1

In respect of the highest paid director:

	2022 £000	2021 £000
Salaries and other remuneration	310	281
Pension contributions	17	17
	327	298

There was no compensation to any director for loss of office in the year (2021: £nil).

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

8. Employees

	2022	2021
	£000	£000
Wages and salaries	98,335	100,205
Social security costs	14,760	13,855
Other pension costs	7,517	7,178
	120,612	121,238

Included in wages and salaries is an expense for share-based payments of £4,388k (2021: £2,911k) (note 25), which arises from transactions accounted for as equity-settled share-based payment transactions.

The average monthly number of employees during the year, including executive directors, was as follows:

	2022	2021
	No.	No.
Services	443	484
Research and development	114	100
Sales and marketing	227	234
Administration	107	101
	891	919

9. Interest receivable and similar income

	2022	2021
	£000	£000
Bank interest income	26	3
Interest receivable from other group companies	610	6
Interest receivable on sub-leases	10	13
	646	22

10. Interest payable and similar charges

	2022	2021
	£000	£000
Interest payable to other group companies	3	1
Interest payable on lease liabilities	123	204
	126	205

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

11. Other income/(expenses)

	2022	2021
	£000	£000
Foreign exchange differences	3,855	(680)
Other finance expenses	(460)	(120)
	3,395	(800)

12. Tax on profit

(a) Analysis of credit in year:

	2022	2021
	£000	£000
Current taxation		
UK corporation tax on the profit for the year	620	301
Adjustments in respect of previous periods	(70)	-
Total current income tax	550	301
Deferred tax		
Origination and reversal of timing differences	(6,157)	(20,323)
Total deferred tax	(6,157)	(20,323)
Tax credit in the income statement	(5,607)	(20,022)

Notes to the Financial Statements
For the Year Ended 31 December 2022

12. Tax on profit (continued)

(b) Factors affecting the current tax expense for the year

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £000	2021 £000
Profit before taxation	<u>14,827</u>	<u>13,330</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	2,817	2,533
Effects of:		
Expenses not deductible for tax purposes	249	244
Capital allowances in excess of depreciation	(876)	(1,225)
Deferred tax rate change	(7,492)	(21,760)
Origination and reversal of temporary differences	1,335	1,437
Prior year adjustments	(70)	-
Utilisation of trading losses	(1,570)	(1,251)
Tax income in the income statement	<u><u>(5,607)</u></u>	<u><u>(20,022)</u></u>

(c) Deferred tax

A deferred tax asset of £120,834k (2021: £114,676k) has been recognised at 31 December 2022 for all trading losses and accelerated capital allowances carried forward which are available indefinitely for offset against future taxable profits of the company (note 21).

There is no unrecognised deferred tax asset as at the balance sheet date (2021: nil) based on trading losses and accelerated capital allowances carried forward that are available indefinitely for offset against future taxable profits of the company.

(d) Changes in corporation tax rates

The standard rate of corporation tax in the UK at the balance sheet date is 19%. This gives a corporation tax rate for the company for the full period of 19% (2021: 19%).

Legislation has been introduced to increase the main rate of corporation tax from 19% to 25% (effective from 1 April 2023), which was substantively enacted on 24 May 2021 (enacted on 10 June 2021). For deferred tax assets and liabilities at the balance sheet date the rate of 25% has been used.

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

13. Intangible assets

	Software £000	Total intangible assets £000
Cost		
At 1 January 2022	1,251	1,251
Additions	8	8
Disposals	(126)	(126)
At 31 December 2022	<u>1,133</u>	<u>1,133</u>
Accumulated amortisation		
At 1 January 2022	1,164	1,164
Charge for the year	44	44
On disposals	(82)	(82)
At 31 December 2022	<u>1,126</u>	<u>1,126</u>
Net book value		
At 31 December 2022	<u>7</u>	<u>7</u>
At 31 December 2021	<u>87</u>	<u>87</u>

Notes to the Financial Statements
For the Year Ended 31 December 2022

14. Tangible assets

	Leasehold improvements £000	Plant and machinery £000	Right of use assets £000	Total tangible assets £000
Cost				
At 1 January 2022	5,185	6,170	9,666	21,021
Additions	-	418	-	418
Impairment	-	-	71	71
Disposals	(1,086)	(53)	(156)	(1,295)
At 31 December 2022	<u>4,099</u>	<u>6,535</u>	<u>9,581</u>	<u>20,215</u>
Accumulated depreciation				
At 1 January 2022	2,817	5,133	5,016	12,966
Charge for the year	615	467	1,348	2,430
Disposals	(987)	(46)	-	(1,033)
Impairment	-	-	71	71
At 31 December 2022	<u>2,445</u>	<u>5,554</u>	<u>6,435</u>	<u>14,434</u>
Net book value				
At 31 December 2022	<u>1,654</u>	<u>981</u>	<u>3,146</u>	<u>5,781</u>
At 31 December 2021	<u>2,368</u>	<u>1,037</u>	<u>4,650</u>	<u>8,055</u>

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

15. Investments

	Investments £000
At 1 January 2022	19,841
At 31 December 2022	19,841

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Principal activity	Class of shares	Holding
Apertio Limited	The Hive 01 Arlington Business Park Theale, Reading RG7 4SA, UK, Incorporated in England	Telecommunications	Ordinary	100%
Nokia Solutions and Networks UK Limited (dissolved 16 May 2023)	1 More London Place, London, SE1 2AF, UK, Incorporated in England	Dormant	Ordinary	100%

Under the provisions of Section 400 of the Companies Act 2006, the company is exempt from the obligation to prepare and deliver group financial statements on the grounds that it is a wholly-owned subsidiary of Nokia Solutions and Networks Oy, a member of the Nokia Group whose financial statements are consolidated in the publicly-available Nokia Group financial statements.

16. Related party transactions

The company has taken advantage of the exemption available under IAS 24 not to disclose transactions with group undertakings. The directors believe there were no other related party transactions during 2022 (2021: £nil).

17. Stocks

	2022 £000	2021 £000
Finished goods and work in progress	13,352	14,416
Spares	2,060	2,055
	15,412	16,471

The spares stock is net of an obsolescence provision of £787k (2021: £805k).

There is no material difference between the balance sheet value of stocks and their replacement cost.

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

18. Debtors

	2022 £000	2021 £000
Due after more than one year		
Lease receivables falling due after one year but less than five years	351	546
	<u>351</u>	<u>546</u>
Due within one year		
Amounts owed by group companies	115,530	93,710
Trade debtors	70,897	100,248
Prepayments and contract assets	1,762	2,014
Amounts recoverable on long-term contracts	1,707	102
Other debtors	6,811	719
Recoverable withholding tax	1,799	829
	<u>198,506</u>	<u>197,622</u>

Amounts owed by group undertakings include monies on deposit with Nokia Corporation which are interest-bearing with no fixed terms of repayment and trade-related receivables which are unsecured, not interest-bearing and have no fixed terms of repayment. Settlement of inter-company invoices is on a monthly basis.

19. Creditors: amounts falling due within one year

	2022 £000	2021 £000
Payments on account	86,760	74,612
Amounts owed to other group undertakings	53,829	66,072
Accruals	25,142	31,615
Other taxes and social security costs	12,317	12,114
Trade creditors	16,436	12,668
Lease liabilities	2,185	2,740
Amount recoverable under contracts	1,428	621
Corporation tax payable	1,135	593
	<u>199,232</u>	<u>201,035</u>

Amounts owed to group undertakings are trade-related payables which are unsecured, not interest-bearing and have no fixed terms of repayment. Settlement of inter-company invoices is on a monthly basis.

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

19. Creditors: amounts falling due after more than one year

	2022	2021
	£000	£000
Lease liabilities falling due after one year but less than five years	5,118	6,800

20. Provisions for liabilities

The movement in provisions is as follows:

	Deferred tax liability on pension assets £000	Total £000
Balance at 1 January 2021	82,861	82,861
Charged to other comprehensive income	(706)	(706)
Balance at 31 December 2021 and 1 January 2022	82,155	82,155
Charged to other comprehensive income:		
Movement charged to OCI - actuarial	(38,164)	(38,164)
Movement charged to OCI - rate change	2,908	2,908
Total	(35,256)	(35,256)
Balance at 31 December 2021	46,898	46,898

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

21. Deferred tax asset

	Deferred tax asset on losses £000	Deferred tax asset on ACAs £000	Deferred tax asset on others £000	Total £000
Balance at 1 January 2021	86,619	7,156	578	94,353
Credited to profit and loss	18,742	1,388	193	20,323
Balance at 31 December 2021 and 1 January 2022	105,361	8,544	771	114,676
Credited to profit and loss	5,698	346	114	6,158
Balance at 31 December 2022	111,059	8,890	885	120,834

22. Called up share capital

	2022 £000	2021 £000
Authorised, Allotted, called up and fully paid		
876,411,268 (2021 - 876,411,268) Ordinary shares of £1.00 each	876,411	876,411

The ordinary shares as disclosed above have attached to them full voting, dividend and capital rights. They do not confer any rights of redemption.

23. Reserves

Share premium account

Consists of amounts received by shareholders over the par value of the share.

Capital contribution account

Consists of share-based payments accounted for in the profit and loss but paid by another Group entity.

Merger reserve

Arising on Group restructure.

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

24. Pensions

Nokia operates two pensions plans in the UK.

The Nokia UK Retirement Savings Plan is a defined contribution plan providing retirement benefits based on employee and employer contributions and the performance of the investments held in the plan. This plan is used for all new defined contribution investments. The assets are held separately from the company and do not form part of the pension asset in the company balance sheet.

The Nokia Retirement Plan for former NSN & ALU Employees consists of a defined benefit section and a defined contribution section with a Guaranteed Minimum Pension (GMP) underpin. The defined benefit section results from the 2019 merger of the legacy Nokia plan into the legacy Alcatel-Lucent plan. The defined benefit section is closed to future benefit accrual, with the legacy Nokia plan closing on 30 April 2012 and the legacy Alcatel-Lucent plan on 30 April 2018. The defined benefit is determined by the member's relevant compensation and years of service. For the defined contribution with GMP underpin, the pension benefit is dependent on the greater of the value of GMP at retirement date or the pension value resulting from the member's invested funds.

Nokia engages the services of external Trustees to manage the Nokia Retirement Plan for former NSN & ALU Employees. The plan operates under UK law where the defined benefit section needs to meet the statutory funding objective by having sufficient and appropriate assets to cover the technical provisions. The Pensions Act 2004 states the obligations of trustees of pension plans, including, setting the statutory funding objective, setting the funding level, ensuring timely contributions, determining the investment strategy and managing the investments. The assets of the plan are held separately to those of the company. The pension plan has not invested in any of the company's own financial instruments nor in properties or other assets used by the company. If the assets of the plan are less than the technical provisions at the effective date of the statutory funding valuation, the Trustees and company must agree a contribution schedule to meet the shortfall. The Scheme Actuary must certify the contributions are not lower than the contributions they would have provided for had they had responsibility of setting them. Given the funding levels, the company has not been required to make further contributions following the closure of the legacy Alcatel-Lucent defined benefit sections to future accrual. The company is the participating employer and the principal employer and in line with rules of the individual sections, has an unconditional right to a refund of surplus assets in each section. The net asset is limited to the present value of assets which can be recovered from the plan. The pension cost relating to the plan is assessed in accordance with the advice of an independent qualified actuary.

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

24. Pensions (continued)

	2022 Nokia Plan £000	2021 Nokia Plan £000
Scheme assets at fair value:		
Fair value of plan assets with a quoted market price	666,220	1,156,447
Assets held by insurance	166,637	228,257
Debt (leveraged gilts and global credit)	660,922	1,146,887
Equity securities	3,453	4,888
Cash and short-term investments	3,796	7,484
Other	515	302
Fair value of scheme assets	835,323	1,387,818
Present value of scheme liabilities	(647,730)	(1,037,479)
Defined benefit pension plan asset	187,593	350,339

The amounts recognised in the Income Statement and Statement of Comprehensive Income for the year are as follows:

	2022 Nokia Plan £000	2021 Nokia Plan £000
Administration expenses paid directly from scheme	3,440	3,852
Recognised in arriving at operating profit	3,440	3,852

The current service cost and administration expenses were charged to administrative expenses

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

24. Pensions (continued)

	2022 Nokia Plan £000	2021 Nokia Plan £000
Net interest income on plan assets	6,519	5,471
Reconciliation of Other finance income/(cost)		
Interest income on plan assets	25,595	18,996
Interest expense on benefit obligation	(19,076)	(13,525)
Net interest income on plan assets	6,519	5,471
Taken to the Statement of Other Comprehensive Income		
Return on plan assets (excluding amounts included in net interest expense)	(539,881)	(121,108)
Actuarial changes arising from changes in demographic assumptions	846	(4,902)
Actuarial changes arising from changes in financial assumptions	373,210	38,627
Recognised in the Statement of Other Comprehensive Income	(165,825)	(87,383)
Changes in the present value of the defined benefit obligations are analysed as follows:		
	2022 Nokia Plan £000	2021 Nokia Plan £000
Opening defined benefit obligation	1,037,479	1,089,133
Past service cost	-	-
Interest expense on benefit obligation	19,076	13,525
Benefits paid	(34,769)	(31,454)
Effect of changes of demographic assumptions	(846)	4,902
Actuarial gains and losses	(373,210)	(38,627)
Defined benefit obligation	647,730	1,037,479

The defined benefit obligations are from plans that are wholly or partly funded.

Notes to the Financial Statements
For the Year Ended 31 December 2022

24. Pensions (continued)

Changes in the fair value of plan assets are analysed as follows:

	2022 Nokia Plan £000	2021 Nokia Plan £000
Opening fair value of plan assets	1,387,818	1,525,237
Interest income on plan assets	25,595	18,996
Benefits paid	(34,769)	(31,454)
Administration expenses paid directly from scheme assets	(3,440)	(3,852)
Actuarial gains and losses	(539,881)	(121,109)
Closing fair value of plan assets	835,323	1,387,818

Pension contributions are determined with advice from independent qualified actuaries on the basis of annual valuations using the projected unit credit method. The projected unit credit method is an accrued benefits valuation method in which the scheme liabilities make allowance for future earnings. Scheme assets are stated at their market values at the respective balance sheet dates and overall expected rates of return are established by the Investment Manager.

The major assumptions, as at the balance sheet date, used by the actuary were:

	Nokia Plan 2022 %	Nokia Plan 2021 %
Main assumptions		
Rate of salary increase	3.10	3.80
Rate of increase of pensions in payment	3.10	3.30
Discount rate	4.76	1.87
Inflation assumptions (RPI)	3.10	3.30
Inflation assumptions (CPI)	-	-

The total contributions to the defined benefit schemes in 2022 are expected to be £nil (2021: £nil).

Notes to the Financial Statements
For the Year Ended 31 December 2022

24. Pensions (continued)

A sensitivity analysis for the principal assumptions is set out below:

	2022 £000	2021 £000
Present value of defined benefit obligation		
Discount rate - 100 basis points	758,538	1,272,791
Discount rate + 100 basis points	564,512	861,330
Salary increase rate - 100 basis points	645,267	1,029,638
Salary increase rate + 100 basis points	654,581	1,047,183
Pensions-in-payment increase rate - 100 basis points	605,202	928,223
Pensions-in-payment increase rate + 100 basis points	704,481	1,158,321
Price inflation rate - 100 basis points	576,710	896,700
Price inflation rate + 100 basis points	717,372	1,201,211
Health care cost trend rates - 100 basis points	647,730	1,037,479
Health care cost trend rates + 100 basis points	647,730	1,037,479
Withdrawal assumption - 100	647,730	1,037,479
Withdrawal assumption + 100	647,730	1,037,479
Post-retirement mortality assumption - 1 year	669,344	1,079,289
Post-retirement mortality assumption + 1 year	631,530	996,540
	2022 %	2021 %
% impact on the defined benefit obligation		
Discount rate - 100 basis points	17.11	22.68
Discount rate + 100 basis points	(12.85)	(16.98)
Salary increase rate - 100 basis points	(0.38)	(0.76)
Salary increase rate + 100 basis points	1.06	0.94
Pensions-in-payment increase rate - 100 basis points	(6.57)	(10.53)
Pensions-in-payment increase rate + 100 basis points	8.76	11.65
Price inflation rate - 100 basis points	(10.98)	(13.57)
Price inflation rate + 100 basis points	10.75	15.78
Health care cost trend rates - 100 basis points	-	-
Health care cost trend rates + 100 basis points	-	-
Withdrawal assumption - 100	-	-
Withdrawal assumption + 100	-	-
Post-retirement mortality assumption - 1 year	3.34	4.03
Post-retirement mortality assumption + 1 year	n-2.5	(3.95)

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

24. Pensions (continued)

	2022	2021
	£000	£000
Change in the defined benefit obligation		
Discount rate - 100 basis points	110,809	235,312
Discount rate + 100 basis points	(83,218)	(176,149)
Salary increase rate - 100 basis points	(2,463)	(7,841)
Salary increase rate + 100 basis points	6,851	9,704
Pensions-in-payment increase rate - 100 basis points	(42,528)	(109,256)
Pensions-in-payment increase rate + 100 basis points	56,752	120,842
Price inflation rate - 100 basis points	(71,119)	(140,779)
Price inflation rate + 100 basis points	69,642	163,732
Post-retirement mortality assumption - 1 year	21,614	41,810
Post-retirement mortality assumption + 1 year	(16,200)	(40,939)
	2022	2021
	in years	in years
Weighted average duration of defined benefit obligation		
Discount rate - 100 basis points	15.79	20.44
Discount rate + 100 basis points	13.75	18.61

25. Share based payments

The company awards long-term incentives to certain employees. These awards operate on a three-year cycle whereby the performance of key metrics such as turnover, cashflow, earnings per share, of the Nokia Group in the first two years determine the number of shares awarded to the employee. The shares vest shortly after the end of the third year. The key metrics may change from year to year. The employee will receive the prescribed number of shares irrespective of the market value when vested. To receive the shares, the employee must be employed at the time when the shares are vested. The Nokia Group estimates the percentage of forfeiture.

The Nokia Group operates a voluntary "Share in Success" ("SIS") scheme whereby employees are able to purchase a restricted number of shares each month and Nokia contributes one share for every two purchased and held in the twelve months to the end of the "holding period".

The grant of these shares by the parent undertaking is shown as a capital contribution, see the Statement of Change in Equity on page 16.

Notes to the Financial Statements
For the Year Ended 31 December 2022

25. Share based payments (continued)

The expenses for 2022 are as follows:

Grant Name	Grant Date	Total Number of Shares Granted	Total Value of Shares Granted	Price per Share (rounded)	Number of shares accrued in 2022	Accrued value
Performance Share Plans:						
2019 Q3 PS Award	03-Jul-2019	435,925	1,499,912	3.44	16,450	56,600
2019 Q3 PS Executive Award	03-Jul-2019	108,465	373,202	3.44	3,410	11,733
2019 Q4 II PS AWARD	11-Dec-2019	12,296	28,197	2.29	464	1,064
2019 Q4 PS AWARD OC	02-Oct-2019	3,657	12,313	3.37	138	465
2020 Q1 V1 PS AWARD	18-Mar-2020	27,156	14,812	0.55	10,430	5,689
2020 Q4 V3 PS AWARD	06-Nov-2020	1,080,466	2,404,707	2.23	362,682	807,193
2020 Q4 V3 PS AWARD	06-Nov-2020	47,140	104,915	2.23	10,888	24,234
2021 Q1 PS AWARD	25-Mar-2021	130,022	326,897	2.51	41,094	102,710
2021 Q2 ELTI PS AWARD	01-Jun-2021	253,943	1,032,348	4.07	91,556	371,689
2021 Q2 PS AWARD	19-May-2021	124,258	472,315	3.80	45,370	172,188
2021 Q3 PS AWARD	05-Aug-2021	24,641	148,262	6.02	8,457	50,963
2021 Q4 PS AWARD	15-Dec-2021	7,213	44,013	6.10	2,410	14,700
2021 Q4 PS AWARD	15-Oct-2021	315,511	1,836,570	5.82	106,758	620,682
2022 PS AWARD	06-Jul-2022	550,402	1,637,107	2.97	89,892	267,374
2022 Q4 PS AWARD	15-Dec-2022	11,755	31,459	2.68	182	488
Restricted Share Plans:						
2019 Q4 II RS AWARD	11-Dec-2019	36,367	84,687	2.33	3,659	7,634
2020 Q1 RS AWARD	18-Mar-2020	24,841	49,192	1.98	4,199	8,316
2020 Q3 RS AWARD	16-Sep-2020	44,641	147,466	3.30	11,263	37,205
2021 Q2 RS DVS 4 OC AWARD	19-May-2021	112,100	392,567	3.50	39,907	139,753
2021 Q2 RS DVS 6 OC AWARD	19-May-2021	14,058	49,230	3.50	5,965	20,887
2021 Q4 RS AWARD	15-Oct-2021	584,571	2,575,723	4.41	194,584	857,374
2021 Q4 RS DVS 18 OC AWARD	15-Dec-2021	25,531	116,195	4.55	12,810	58,300
2022 Q1 RS DVS 2 OC AWARD	18-Mar-2022	18,280	75,558	4.13	11,010	45,511
2022 Q4 RS DVS 16 OC AWARD	12-Oct-2022	5,616	21,083	3.75	946	3,565
2022 Q4 RS DVS 20 OC AWARD	12-Oct-2022	6,281	22,779	3.63	464	1,683
2022 Q4 RS DVS 26 OC AWARD	15-Dec-2022	8,658	31,415	3.63	134	487
2022 RS AWARD	06-Jul-2022	726,032	2,568,504	3.54	118,576	419,491

Notes to the Financial Statements
For the Year Ended 31 December 2022

25. Share based payments (continued)

Grant Name	Grant Date	No of Shares	Share Price	% of cost in 2022	Cost attributed to 2022
Share in Success:					
SiS 2021 Plan	04-Feb-2022	18,222	4.28	88%	68,693
SiS 2021 Plan	29-Apr-2022	18,349	4.12	88%	66,468
SiS 2021 Plan	25-Jul-2022	17,410	4.28	88%	65,635
SiS 2021 Plan	29-Oct-2021	18,827	4.21	88%	69,733
SiS 2022 Plan	30-Sep-2022	128	3.73	12%	57
SiS 2022 Plan	28-Oct-2022	20,622	3.73	12%	9,223
Grand Total					4,387,788

26. Other financial commitments

The company has entered into commercial leases on certain motor vehicles, and data services. These leases have a duration of between 1 and 5 years. There are no restrictions placed upon the lessee by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases for each of the following periods:

	Motor vehicles £000	2022 Data services £000	Motor vehicles £000	2021 Data Services £000
Within one year	171	18	378	71
In two to five years	73	-	191	18
Over five years	-	-	-	-
	244	18	569	89

27. Contingent liabilities

The company has a guarantee of £200k (2021: £200k) in respect of duty deferment on behalf of HMRC.

28. Capital commitments

At 31 December 2022 and 2021, there are no capital commitments.

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

29. Ultimate parent undertaking and controlling party

As at the balance sheet date, the company was a subsidiary undertaking of Nokia Solutions and Networks Oy incorporated in Finland, which was also considered the controlling party.

Nokia Solutions and Networks Oy is the smallest undertaking to consolidate these financial statements at the balance sheet date, and thereafter. The consolidated statements are available from Nokia Solutions and Networks Oy at PO Box 226, FIN-00045, Nokia Group, Espoo, Finland.

The ultimate parent undertaking and controlling party is Nokia Corporation, a company incorporated in Finland. Nokia Corporation is the largest undertaking to consolidate these financial statements at the balance sheet date, and thereafter. The consolidated statements are available from Nokia Corporation at PO Box 226, FIN-00045, Nokia Group, Espoo, Finland.

30. Events since the balance sheet date

The directors do not believe there are any post balance sheet events.