Nokia UK Limited

Annual report and financial statements for the year ended 31 December 2020

Registered Number: 02650571

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Nokia UK Limited
Annual report and financial statements
for the year ended 31 December 2020

Contents

Directors and advisors

Directors
T. Foster
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Strategic report for the year ended 31 December 2020

The directors present their strategic report and the financial statements for the company, registered number 02650571, for the year ended 31 December 2020.

Principal activities and review of the business

At Nokia, we create technology that helps the world act together. As a trusted partner for critical networks, we are committed to innovation and technology leadership across mobile, fixed and cloud networks. We create value with intellectual property and long-term research, led by the award-winning Nokia Bell Labs. Adhering to the highest standards of integrity and security, we help build the capabilities needed for a more productive, sustainable and inclusive world.

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:

	2020	*2019*	*Change*
	£000	*£000*	*%*
Turnover	**430,279**	480,969	(11)
Operating profit	**12,810**	20,314	(36)
Profit before taxation	**16,906**	17,570	(4)
Profit for the financial year	**103,945**	17,094	508
Total Shareholders' funds	**470,734**	330,415	42

The directors believe turnover in 2020 met expectations following particularly high turnover in 2019. 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 before taxation is in line with expectations and at a rate consistent with the previous year. Profit for the year increases with full recognition of the deferred tax asset. Shareholders' funds benefit from recognition of the deferred tax asset in full and the increase in the net pension asset. The company did not take any Government assistance in relation to Covid-19. 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.

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.

Pension risks

The directors of the company and the Nokia Group recognise the 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.

Strategic report for the year ended 31 December 2020 (continued)

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 he considers, 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.

Long-term business, business relationships and business reputation
The directors believe the long-term consequences of local decision-making is key to retaining customer business, supplier support and employee engagement.

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 directors also believe it is 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 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.

During 2020, 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.

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.

Employees
The directors place great emphasis on the engagement of the company's employees in order for the company to be successful in short, medium and long term. The directors actively manage the following aspects.

Strategic report for the year ended 31 December 2020 (continued)

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

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 that 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. In 2020 the Employee Forum supported employees through the restructuring process. 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.

The directors support the annual training programme ensuring that all employees complete the common courses. In 2020 the mandatory training sessions were; "Ethical business training", "Staying safe and well at Nokia" and "I own quality".

Equality

Nokia UK continued the "StrongHer" program to highlight and promote the success of women in the workplace. International Women's Day was celebrated in March and the StrongHer community ran workshops entitled "I am Remarkable" open to all UK employees.

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.

Community and 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.

Shareholders
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.

Strategic report for the year ended 31 December 2020 (continued)

Energy and carbon reporting

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

	2020
Energy consumption to calculate emissions	
Gas combustion Kilowatt Hours ('kWh')	-
Purchased electricity kWh	2,524,331
Transport fuel* kWh	-
Total energy consumption kWh	**2,524,331**
Emissions	
Gas combustion tonnes CO2 equivalent ('tCO2e') (Scope 1)	-
Purchased electricity tCO2e (Scope 2, location-based)	536
Business travel tCO2e (Scope 3)	-
Total gross emissions tCO2e based on above	**536**
Intensity ratios	
tCO2e per £m turnover	1.25

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.

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 of directors and signed on behalf of the board.

Trevor Foster
Director

25 March 2022

Directors' report for the year ended 31 December 2020

The directors present their annual report and the audited financial statements of the company, registered number 02650571, for the year ended 31 December 2020.

Matters covered in the Strategic Report
Details on future developments, a review of the business, employees, and principal risks and uncertainties are provided in the Strategic Report on pages three to six.

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

H-J. Daub	(resigned 17 August 2020)
M. Elliott	(appointed 17 August 2020 and resigned 17 June 2021)
T. Foster	(appointed 17 June 2021)
P. Siveter	(appointed 1 January 2021)
I. Tassopoulou	(resigned 5 February 2020, appointed 14 December 2020, resigned 21 December 2021)
S. Wallberg	(appointed 5 February 2020, resigned 14 December 2020, appointed 21 December 2021)
C. Whelan	(resigned 31 December 2020)

Directors' qualifying third party indemnity provision
The company has granted an indemnity to all 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 (2019: nil).

Political and charitable contributions
No charitable contributions were made during the year (2019: £nil).

No contributions to the funds of political parties were made during the year (2019: £nil).

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

Credit risk
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.

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.

Directors' report for the year ended 31 December 2020 (continued)

Research and development

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.

COVID-19

During March 2020 the coronavirus (COVID-19) outbreak became a global pandemic and has had a significant negative effect on the global economy and financial markets across the world as Governments in many countries have imposed travel restrictions and quarantine measures as well as introducing measures to slow down the spread of the virus. The virus as well as the measures taken to combat the virus have together increased the risks related to Nokia's supply chain operations, demand for products and services, access to financing as well as health and well-being of employees.

The operating model of the company, including the funding arrangements with the parent company and other Group companies, remain unchanged. To date, the company has not seen, nor expects to see in the near future, a major impact on its operations from the coronavirus, however, should the epidemic continue for an extended period of time, there's a possibility that the risks will materialize and hence have an impact on the company's financial performance, financial position and cash flows.

Brexit

The directors have not seen a material impact on the company's operations or financial performance as a result of Brexit, and do not expect to see a material impact in the near future. The directors will continue to monitor the situation.

Going concern

The directors believe the company has a strong position in the UK marketplace and expects this to continue for the foreseeable future. The directors have assessed the relevant risks and have implemented strategies to mitigate. The company continues to receive support from the Nokia Group and specifically, the annual confirmation of financial support for twelve months from the date of signing these statements. The directors therefore believe the company should adopt the going concern basis in preparing the Annual Report and Financial Statements.

Post Balance sheet events

The directors believe there are no significant post balance sheet events.

Directors' report for the year ended 31 December 2020 (continued)

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 regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;.
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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 is approved:

- 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.

During the year, PricewaterhouseCoopers LLP resigned and the directors appointed Deloitte LLP for provision of independent auditing services. Deloitte LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

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

T. Foster
Director

25 March 2022

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 view of the state of the company's affairs as at 31 December 2020 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 29.

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Other information

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

Independent auditors' report to the members of Nokia UK Limited

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

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

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

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

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

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

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and 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.

Independent auditors' report to the members of Nokia UK Limited (continued)

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

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

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management 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.

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 has been prepared in accordance with applicable legal requirements.

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

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

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

We have nothing to report in respect of these matters.

Independent auditors' report to the members of Nokia UK Limited (continued)

Use of our report

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

James Brass FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London
United Kingdom
25 March 2022

Profit and loss account for the year ended 31 December 2020

	Note	2020 £000	2019 £000
Turnover	4	**430,279**	480,969
Cost of sales		**(401,995)**	(444,473)
Gross profit		**28,284**	36,496
Administrative expenses		**(15,474)**	(16,182)
Operating profit		**12,810**	20,314
Interest receivable and similar income	8	**59**	553
Interest payable and similar expenses	9	**(333)**	(179)
Other income / (expense)	10	**4,370**	(3,118)
Profit before taxation	5	**16,906**	17,570
Tax on profit	11	**87,039**	(476)
Profit for the financial year		**103,945**	17,094

The notes on pages 17 to 43 form part of these financial statements.

All amounts relate to continuing activities.

Statement of comprehensive income for the year ended 31 December 2020

	Note	2020 £000	2019 £000
Profit for the financial year		**103,945**	17,094
Other comprehensive income			
Items that cannot be reclassified to profit or loss:			
Actuarial gain on defined benefit pension	23	**41,884**	45,550
Deferred tax liability on pension asset	19	**(8,305)**	(15,728)
Total other comprehensive income		**33,579**	29,822
Total comprehensive income for the year		**137,524**	46,916

Statement of changes in equity for the year ended 31 December 2020

	Called up share capital	Share premium account	Capital contribution account	Merger reserve	Profit and loss account	Total shareholders' Funds
	£000	£000	£000	£000	£000	£000
As at 1 January 2019	**876,411**	**47,289**	**54,738**	**(79,607)**	**(618,624)**	**280,207**
Profit for the financial year	-	-	-	-	17,094	17,094
Other comprehensive income	-	-	-	-	29,822	29,822
Credit for share-based payments	-	-	3,292	-	-	3,292
As at 31 December 2019 and 1 January 2020	**876,411**	**47,289**	**58,030**	**(79,607)**	**(571,708)**	**330,415**
Profit for the financial year	-	-	-	-	103,945	103,945
Other comprehensive income	-	-	-	-	33,579	33,579
Credit for share-based payments	-	-	2,795	-	-	2,795
As at 31 December 2020	**876,411**	**47,289**	**60,825**	**(79,607)**	**(434,184)**	**470,734**

Balance sheet as at 31 December 2020

	Note	2020 £000	2019 £000
Fixed assets			
Intangible assets	12	**364**	725
Tangible assets	13	**12,631**	13,183
Investments	14	**19,841**	19,841
Debtors: amounts falling due after one year	17	**739**	877
Deferred tax asset	20	**94,353**	7,143
Pension asset	23	**436,104**	392,394
		564,032	434,163
Current assets			
Stocks	16	**10,884**	9,749
Debtors	17	**165,887**	126,610
Cash at bank and in hand		**967**	5,532
		177,738	141,891
Creditors: amounts falling due within one year	18	**(178,727)**	(163,825)
Net current liabilities		**(989)**	(21,934)
Total assets less current liabilities		**563,043**	412,229
Creditors: amounts falling due after one year	18	**(9,449)**	(7,258)
Provisions for liabilities	19	**(82,860)**	(74,556)
Net assets		**470,734**	330,415
Capital and reserves			
Called up share capital	21	**876,411**	876,411
Share premium account	22	**47,289**	47,289
Capital contribution account	22	**60,825**	58,030
Merger reserve	22	**(79,607)**	(79,607)
Profit and loss account		**(434,184)**	(571,708)
Total shareholders' funds		**470,734**	330,415

The financial statements on pages 14 to 43 were approved and authorised for issue by the Board on 25 March 2022 and were signed on its behalf by

T. Foster
Director

25 March 2022

Notes to the financial statements for the year ended 31 December 2020

1. General information

Corporate information
Nokia UK Limited (the 'company') is a private company limited by share capital incorporated in the United Kingdom 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

Statement of compliance
The financial statements of Nokia UK Limited for the year ended 31 December 2020 were authorised for issue by the board of directors on 25 March 2022 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.

Basis of preparation
These financial statements are prepared on a going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 as applicable to companies using FRS 101.

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.

Going concern
The company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, details of its financial instruments and its exposures to price, credit, liquidity and cash flow risk are described in the Directors' Report on page 7.

Assurance of financial support is given by a letter of support from Nokia Corporation for twelve months from the date of signing these financial statements. The directors are of the opinion that Nokia Corporation will continue to provide financial support for the foreseeable future.

On this basis, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

Notes to the financial statements for the year ended 31 December 2020 (continued)

2. Accounting policies (continued)

Disclosure exemptions taken
The company has taken advantage of the following disclosure exemptions under FRS 101:
(a) the requirements of IFRS 7 Financial Instruments: Disclosures;
(b) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
(c) the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
(i) paragraph 79(a)(iv) of IAS 1; and
(ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment;
(d) the requirements of paragraphs 10(d) and 111, 16, 38A to 38D, and 134-136 of IAS 1 Presentation of Financial Statements;
(e) the requirements of IAS 7 Statement of Cash Flows;
(f) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
(g) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
(h) 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; and
(i) the requirements of paragraphs 6 and 21 of IFRS 1 First-time Adoption of International Financial Reporting Standards;
(j) the requirements of paragraph 45 (b) and 46 to 52 of IFRS 2, Share-based Payment.

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.

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.

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.

Contingent Liabilities
Financial guarantees related to duty deferment bonds are not recorded in the balance sheet and are disclosed in note 26.

Notes to the financial statements for the year ended 31 December 2020 (continued)

2. Accounting policies (continued)

Financial assets and liabilities

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.

Financial Liabilities
Financial liabilities within the scope of IFRS9 are classified as financial liabilities at fair value through profit or loss or loan and borrowings, as appropriate. The company determines its classification of its financial liabilities at initial recognition.

Trade creditors are stated at cost. Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

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 2020 (continued)

2. Accounting policies (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.

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.

Cash at bank
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.

Turnover
Under IFRS 15, turnover is recognized 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.

Research and development
Costs incurred by research and development teams are expensed and recharged to the related principal companies.

Notes to the financial statements for the year ended 31 December 2020 (continued)

2. Accounting policies (continued)

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.

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.

Notes to the financial statements for the year ended 31 December 2020 (continued)

2. Accounting policies (continued)

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. As at the balance sheet date, all defined benefit plans were closed to future accrual. 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 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.

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.

Notes to the financial statements for the year ended 31 December 2019 (continued)

2. Accounting policies (continued)

Share-based payments (continued)

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.

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.

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).

Notes to the financial statements for the year ended 31 December 2020 (continued)

2. Accounting policies (continued)

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.

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.

The company has adopted IFRS16 to account for leases, retrospectively from 1 January 2019. The company has not restated comparatives for 2018, as permitted under the specific transition provisions in the standard. The reclassifications arising on adoption are recognised as an adjustment to the opening balance sheet.

Notes to the financial statements for the year ended 31 December 2020 (continued)

3. Critical accounting judgements and key sources of estimation uncertainty

The company's financial statements prepared in accordance with FRS101 require management to make judgments and estimates that affect amounts reported in the financial statements and related notes. The judgments 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. Judgments 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
In the process of applying the company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements:

Operating lease commitments
The company has entered into commercial property leases as a lessee; it obtains the use of property, plant and equipment. The classification of such leases as operating or finance lease requires the company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet.

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.

Estimates of impairment for financial and non-financial assets, estimates of useful life of fixed assets, Estimates of fair value of share-based payments, Estimates of net realisable values of inventories, Estimates of DTA recoverability/non-recoverability.

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. If the directors had recognised the deferred tax asset on the same basis as the prior year, the amount recognised would be £7,143k. Further details are contained in note 11.

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.

Notes to the financial statements
for the year ended 31 December 2020 (continued)

4. Turnover

An analysis of turnover by geographical market is given below:

	2020	*2019*
	£000	*£000*
United Kingdom	321,587	327,750
Europe	108,662	153,153
North America	30	30
Other	-	36
	430,279	480,969

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

5. Profit before tax

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

	2020	*2019*
	£000	*£000*
Auditors' remuneration – audit fees paid by the Nokia Group	120	272
Auditors' remuneration – non-audit fees paid by the company	-	77
Interest receivable and similar income (note 8)	(59)	(553)
Interest payable and similar expenses (note 9)	333	179
Other (income) / expense (note 10)	(4,370)	3,118
Depreciation and amortisation of intangible and tangible assets (notes 12 and 13)	2,583	1,032
Depreciation of right-of-use assets (note 13)	1,654	2,298
Costs of stocks recognised as an expense (included in cost of sales)	162,173	194,014
Share based payment charge (note 24)	2,795	3,292
Operating lease rentals for motor vehicles	516	663

Amortisation of intangible assets is included in administration expenses (2019: administration expenses).
Within profit before tax, there has been no write down of inventories recognised as an expense (2019: none).

Notes to the financial statements for the year ended 31 December 2020 (continued)

6. Directors' remuneration

	2020 £000	2019 £000
Salaries and other remuneration	652	845
Pension contributions	34	46
	686	891

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

	2020 No.	2019 No.
Defined contribution (money purchase) schemes	3	3

In respect of the highest paid director:	2020 £000	2019 £000
Salaries and other remuneration	439	446
Pension contributions	17	17
	456	463

There was no compensation to any director for loss of office in the year (2019: nil)

7. Staff costs

	2020 £000	2019 £000
Wages and salaries	92,708	98,371
Social security costs	13,010	12,868
Other pension costs	7,464	8,167
	113,182	119,406

Included in wages and salaries is an expense for share-based payments of £2,795k (2019: £3,292k) (note 24), which arises from transactions accounted for as equity-settled share-based payment transactions. The company did not take any Government assistance in relation to Covid-19

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

	2020 No.	2019 No.
Services	510	566
Research and development	118	136
Sales and marketing	234	245
Administration	113	125
	975	1,072

Notes to the financial statements for the year ended 31 December 2020 (continued)

8. Interest receivable and similar income

	2020	*2019*
	£000	*£000*
Bank interest income	1	13
Interest receivable from other group companies	28	521
Interest receivable on sub-leases	30	19
	59	553

9. Interest payable and similar expenses

	2020	*2019*
	£000	*£000*
Bank interest and charges	-	5
Interest payable from other group companies	203	5
Interest payable on lease liabilities	130	169
	333	179

10. Other income / (expense)

	2020	*2019*
	£000	*£000*
Foreign exchange differences	700	(2,920)
Loan reassigned	4,336	-
Other finance expenses	(666)	(198)
	4,370	(3,118)

11. Tax on profit

(a) Analysis of charge in year

	2020	*2019*
	£000	*£000*
Current tax:		
UK corporation tax on the profit for the year	646	476
Prior year adjustment	(476)	-
Total current income tax	170	476
Deferred tax:		
Origination and reversal of temporary differences	(87,210)	-
Total deferred tax	(87,210)	-
Tax expense in the income statement	(87,040)	476

Notes to the financial statements for the year ended 31 December 2020 (continued)

11. Tax on profit (continued)

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

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%). The differences are explained below:

	2020 £000	2019 £000
Profit before taxation	16,906	17,570
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	3,212	3,338
Effects of:		
Expenses not deductible for tax purposes	148	473
Capital allowances in excess of depreciation	(1,118)	(1,909)
Origination and reversal of temporary differences	(87,210)	-
Prior year adjustments	(476)	-
Utilisation of trading losses for which no deferred tax asset was previously recognised	(1,596)	(1,426)
Tax (income) / expense in the income statement	(87,040)	476

(c) Deferred tax

A deferred tax asset has been recognised at 31 December 2020 for all trading losses and accelerated capital allowances carried forward which are available indefinitely for offset against future taxable profits of the company (2019: £7,143k) (note 20).

There is no unrecognised deferred tax asset as at the balance sheet date (2019: £89,288k) based on trading losses and accelerated capital allowances carried forward that are available indefinitely for offset against future taxable profits of the company. In the prior year, the unrecognised deferred tax asset on losses and fixed asset timing differences was reported as £76,573k, but this was understated. The note below has been updated with a prior year unrecognised deferred asset on losses and fixed asset timing differences of £89,288k

The unrecognised deferred tax asset is comprised as follows:

	2020 £000	2019 £000
Fixed asset timing differences	-	7,536
Losses	-	81,752
Total unrecognised deferred tax asset	-	89,288

(d) Changes in corporation tax rates

In the 2020 Budget it was announced that the UK corporation rate from 1 April 2020 would remain at 19%. The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These include an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These financial statements do not reflect the impact of this change as it was not substantively enacted by the balance sheet date. These changes were substantively enacted on 24 May 2021.

Notes to the financial statements for the year ended 31 December 2020 (continued)

12. Intangible fixed assets

	Software	Total intangible assets
	£000	£000
Cost:		
At 1 January 2020	1,691	1,691
Additions	49	49
Disposals	-	-
At 31 December 2020	1,740	1,740
Accumulated amortisation:		
At 1 January 2020	966	966
Charge for year	410	410
Disposals	-	-
At 31 December 2020	1,376	1,376
Net book value:		
At 31 December 2020	364	364
At 31 December 2019	725	725

13. Tangible assets

	Leasehold improvements	Plant and machinery	Right of use assets	Total tangible assets
	£000	£000	£000	£000
Cost:				
At 1 January 2020	7,786	6,464	7,584	21,834
Additions	2	192	4,000	4,194
Impairment	-	-	(919)	(919)
Disposals	88	(452)	-	(364)
At 31 December 2020	7,876	6,204	10,665	24,745
Accumulated depreciation:				
At 1 January 2020	2,314	4,039	2,298	8,651
Charge for year	911	1,262	1,654	3,827
Disposals	88	(452)	-	(364)
At 31 December 2020	3,313	4,849	3,952	12,114
Net book value:				
At 31 December 2020	4,563	1,355	6,713	12,631
At 31 December 2019	5,472	2,425	5,286	13,183

Notes to the financial statements for the year ended 31 December 2020 (continued)

14. Investments

	£000
At 31 December 2020	19,841
At 31 December 2019	19,841

The company has the following subsidiaries as at the balance sheet date:

Subsidiary	*Country of incorporation and operation*	*Class of share*	*Effective Interest in issued share capital*	*Nature of business*
Apertio Limited	The Hive 01 Arlington Business Park Theale, Reading RG7 4SA, UK Incorporated in England	Ordinary	100%	Telecommunications
Alcatel-Lucent Pension Trustees Limited (Dissolved on 23 March 2021)	The Hive 01 Arlington Business Park Theale, Reading RG7 4SA, UK Incorporated in England	Ordinary	99%	Dormant
Nokia Solutions and Networks UK Limited	1 More London Place London, SE1 2AF UK Incorporated in England	Ordinary	100%	Dormant

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.

15. 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 2020 (2019: nil).

16. Stocks

	2020 *£000*	*2019* *£000*
Finished goods for resale	8,634	8,387
Spares	2,250	1,362
	10,884	9,749

The spares stock is net of an obsolescence provision of £751k (2019: £785k)
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 2020 (continued)

17. Debtors

	2020 £000	2019 £000
Amounts owed by group undertakings	119,064	56,273
Trade debtors	42,331	58,298
Prepayments and contract assets	2,183	1,920
Amounts recoverable on long-term contracts	1,584	9,130
Other debtors	725	989
	165,887	126,610

Amounts receivable from 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.

Debtors: amounts falling due after one year

	2020 £000	2019 £000
Lease receivables falling due after one year but less than five years	739	877
	739	877

18. Creditors: amounts falling due within one year

	2020 £000	2019 £000
Payments on account	74,029	67,443
Amounts owed to other group undertakings	54,779	34,843
Accruals	25,215	31,025
Other taxes and social security costs	10,896	7,641
Trade creditors	10,753	13,909
Lease liabilities	2,000	3,382
Amounts receoverable under contracts	1,040	4,423
Other creditors	15	744
	178,727	163,410

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.

Creditors: amounts falling due after one year

	2020 £000	2019 £000
Lease liabilities falling due after one year but less than five years	9,449	7,258
	9,449	7,258

Notes to the financial statements for the year ended 31 December 2020 (continued)

19. Provisions for liabilities

The movement in provisions is as follows:

	Vacant property provision	*Claims*	*Other*	*Deferred tax liability*	*Total*
	£000	*£000*	*£000*	*£000*	*£000*
Balance at 1 January 2019	717	95	427	58,828	60,067
Charged to profit and loss	(717)	(95)	(427)	-	(1,239)
Charged to other comprehensive income	-	-	-	15,728	15,728
Balance at 31 December 2019 and 1 January 2020	-	-	-	74,556	74,556
Charged to other comprehensive income	-	-	-	8,305	8,305
Balance at 31 December 2020	-	-	-	82,861	82,861

Deferred tax liabilities:

	Deferred tax liability on pension assets	*Total*
	£000	*£000*
Balance at 1 January 2019	58,828	58,828
Charged to other comprehensive income	15,728	15,728
Balance at 31 December 2019 and 1 January 2020	74,556	74,556
Charged to other comprehensive income	8,305	8,305
Balance at 31 December 2020	82,861	82,861

Vacant property provision
This represents an onerous lease provision against vacated properties. As at the balance sheet date, the leases had expired.

Claims
These relate to provisions for liquidated damages and contract losses expected to be utilised within the next year.

Other
This relates to grants.

Notes to the financial statements for the year ended 31 December 2020 (continued)

20. Deferred tax asset

Deferred tax assets:

	Deferred tax asset on losses	*Deferred tax asset on ACAs*	*Deferred tax asset on others*	*Total*
	£000	*£000*	*£000*	*£000*
Balance at 1 January 2019	6,463	680	-	7,143
Charged to profit and loss	-	-	-	-
Balance at 31 December 2019 and 1 January 2020	6,463	680	-	7,143
Charged to profit and loss	80,156	6,476	578	87,210
Balance at 31 December 2020	86,619	7,156	578	94,353

21. Called up share capital

	No.	*2020 £000*	*No.*	*2019 £000*
Authorised				
Ordinary shares of £1 each				
Allotted, called up and fully paid				
Ordinary shares of £1 each	876,411,268	876,411	876,411,268	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.

22. 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 2020 (continued)

23. Pensions

In 2019, the Alcatel / ALU UK, Lucent and ATRBP sections of the pension plan were desectionalised and treated as one section. From 31 December 2019 this section was merged with the NSN plan and renamed "The Nokia Retirement Plan for former NSN and ALU Employees" (Nokia Plan). As at the balance sheet date, the company has one defined benefit section plus a small value remaining in the NSN UK defined benefit plan to cover future costs.

All defined benefit sections and plans were closed to new entrants before the start of the accounting period. The NSN UK plan was closed to future accrual from 2012. All other defined benefit sections were closed to future accrual from May 2018.

The assets of the Schemes are held independently of the company in a separate fund, administered by a corporate trustee, and the Schemes do not invest in the company.

The pension cost relating to the Schemes is assessed in accordance with the advice of independent qualified actuaries and employer's contributions to the Schemes are paid as recommended by the actuaries.

The Schemes operate under UK law. In the UK, defined benefit (DB) schemes need to meet the statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions (accrued liabilities). The Pensions Act 2004 states the obligations of trustees of pension schemes. Ultimately pension scheme trustees are responsible for ensuring that the right contributions are collected at the right time, deciding the investment strategy and investing accordingly.

If the assets of the Schemes are less than the technical provisions at the effective date of any statutory funding actuarial valuation, the Trustees and Company must agree the contributions required to meet the shortfall. In addition, the Scheme Actuary must certify that the contributions are not lower than the contributions they would have provided for had they had responsibility of setting them.

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 Scheme. Given the funding levels, the company has not been required to make further contributions following the close of the defined benefit sections to future accrual.

The pension Schemes have not invested in any of the company's own financial instruments nor in properties or other assets used by the company.

In 2019 the liabilities for the Lucent pensioners, not already secured by an insurance company, were secured with an insurance company and subsequently all pensioner liabilities secured with an insurance company were bought out by the insurance company, thus extinguishing the scheme's pensioner liabilities. The cost was £20.8m and the liability £17.3m, resulting in a settlement loss of approximately £3.487m

Notes to the financial statements
for the year ended 31 December 2020 (continued)

23. Pensions (continued)

	Nokia Plan	Lucent	ATRBP	NSN UK	Total
Year ended 31 December 2020					
	£000	£000	£000	£000	£000
Scheme assets at fair value:					
Assets held by insurance	343,346	-	-	-	343,346
Debt (leveraged gilts and global credit)	892,307	-	-	-	892,307
Investment funds	243,030	-	-	-	243,030
Cash and short-term investments	40,822	-	-	-	40,822
Other	5,732	-	-	-	5,732
Fair value of scheme assets	1,525,237	-	-	-	1,525,237
Present value of scheme liabilities	(1,089,133)	-	-	-	(1,089,133)
Defined benefit pension plan asset	436,104	-	-	-	436,104

	Alcatel / ALU UK	Lucent	ATRBP	NSN UK	Total
Year ended 31 December 2019					
	£000	£000	£000	£000	£000
Scheme assets at fair value:					
Assets held by insurance	306,890	-	-	-	306,890
Debt (leveraged gilts and global credit)	938,265	-	-	-	938,265
Equity securities	-	-	-	-	-
Investment funds	39,550	-	-	-	39,550
Cash and short-term investments	54,639	-	-	300	54,939
Other	12,491	-	-	-	12,491
Fair value of scheme assets	1,351,835	-	-	300	1,352,135
Present value of scheme liabilities	(959,641)	-	-	(100)	(959,741)
Defined benefit pension plan asset	392,194	-	-	200	392,394

Notes to the financial statements for the year ended 31 December 2020 (continued)

23. Pensions (continued)

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

Year ended 31 December 2020	*Nokia Plan*	*Lucent*	*ATRBP*	*NSN UK*	*Total*
	£000	*£000*	*£000*	*£000*	*£000*
Recognised in the Income Statement					
Past service cost	617	-	-	-	617
Administration expenses paid directly from scheme assets	4,843	-	-	-	4,843
Recognised in arriving at operating profit	5,460	-	-	-	5,460

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

	Nokia Plan	*Lucent*	*ATRBP*	*NSN UK*	*Total*
	£000	*£000*	*£000*	*£000*	*£000*
Net interest income on plan assets	7,483	-	-	-	7,483
Reconciliation of Other finance income (cost)					
Interest income on plan assets	25,557	-	-	-	25,557
Interest expense on benefit obligation	(18,074)	-	-	-	(18,074)
Net interest income on plan assets	7,483	-	-	-	7,483

	Nokia Plan	*Lucent*	*ATRBP*	*NSN UK*	*Total*
	£000	*£000*	*£000*	*£000*	*£000*
Taken to the Statement of Comprehensive Income					
Return on plan assets (excluding amounts included in net interest expense)	189,295	-	-	-	189,295
Actuarial changes arising from changes in demographic assumptions	575	-	-	-	575
Actuarial changes arising from changes in financial assumptions	(147,986)	-	-	-	(147,986)
Recognised in the Statement of Comprehensive Income	41,884	-	-	-	41,884

Notes to the financial statements for the year ended 31 December 2020 (continued)

23. Pensions (continued)

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

Year ended 31 December 2019	*Alcatel / ALU UK £000*	*Lucent £000*	*ATRBP £000*	*NSN UK £000*	*Total £000*
Recognised in the Income Statement					
Current service cost	-	-	-	-	-
Past service cost	-	131	-	-	131
Loss on settlements	-	3,487	-	-	3,487
Administration expenses paid directly from scheme assets	4,032	565	-	960	5,557
Recognised in arriving at operating profit	4,032	4,183	-	960	9,175

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

	Alcatel / ALU UK £000	*Lucent £000*	*ATRBP £000*	*NSN UK £000*	*Total £000*
Net interest income on plan assets	5,819	3,422	54	681	9,976
Reconciliation of Other finance income (cost)					
Interest income on plan assets	22,296	11,403	95	3,325	37,119
Interest expense on benefit obligation	(16,477)	(7,981)	(41)	(2,644)	(27,143)
Net interest income on plan assets	5,819	3,422	54	681	9,976

	Alcatel / ALU UK £000	*Lucent £000*	*ATRBP £000*	*NSN UK £000*	*Total £000*
Taken to the Statement of Comprehensive Income					
Return on plan assets (excluding amounts included in net interest expense)	123,369	57,187	607	7,615	188,778
Actuarial changes arising from changes in demographic assumptions	4,316	2,786	74	953	8,129
Actuarial changes arising from changes in financial assumptions	(77,400)	(51,228)	(1,083)	(21,646)	(151,357)
Recognised in the Statement of Comprehensive Income	50,285	8,745	(402)	(13,078)	45,550

Notes to the financial statements for the year ended 31 December 2020 (continued)

23. Pensions (continued)

Changes in the present value of the defined benefit obligations are analysed as follows:

Year ended 31 December 2020	*Nokia Plan*	*Lucent*	*ATRBP*	*NSN UK*	*Total*
	£000	*£000*	*£000*	*£000*	*£000*
Defined benefit obligation as at 1 January 2020	959,641	-	-	100	959,741
Past service cost	617	-	-	-	617
Interest expense on benefit obligation	18,073	-	-	-	18,073
Benefits paid	(36,608)	-	-	-	(36,608)
Effect of changes of demographic assumptions	(575)	-	-	-	(575)
Actuarial gains and losses	147,985	-	-	(100)	147,885
Defined benefit obligation as at 31 December 2020	1,089,133	-	-	-	1,089,133

Year ended 31 December 2019	*Alcatel / ALU UK*	*Lucent*	*ATRBP*	*NSN UK*	*Total*
	£000	*£000*	*£000*	*£000*	*£000*
Defined benefit obligation as at 1 January 2019	579,824	280,796	1,414	90,810	952,844
Past service cost	-	131	-	-	131
Settlement payments	-	(127,184)	-	-	(127,184)
Loss on settlements	-	3,487	-	-	3,487
Interest expense on benefit obligation	16,477	7,981	41	2,644	27,143
Benefits paid	(23,333)	(11,200)	-	(5,375)	(39,908)
Increase / (decrease) due to plan combinations	313,589	(202,453)	(2,464)	(108,672)	-
Effect of changes of demographic assumptions	(4,316)	(2,786)	(74)	(953)	(8,129)
Actuarial gains and losses	77,400	51,228	1,083	21,646	151,357
Defined benefit obligation as at 31 December 2019	959,641	-	-	100	959,741

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

Notes to the financial statements
for the year ended 31 December 2020 (continued)

23. Pensions (continued)

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

Year ended 31 December 2020	*Nokia Plan £000*	*Lucent £000*	*ATRBP £000*	*NSN UK £000*	*Total £000*
Fair value of plan assets at 31 December 2019 and 1 January 2020	1,351,835	-	-	300	1,352,135
Interest income on plan assets	25,557	-	-	-	25,557
Benefits paid	(36,608)	-	-	-	(36,608)
Administration expenses paid directly from Scheme assets	(4,843)	-	-	-	(4,843)
Actuarial gains and losses	189,296	-	-	(300)	188,904
Fair value of plan assets as at 31 December 2020	1,525,237	-	-	-	1,525,237

Year ended 31 December 2019	*Alcatel / ALU UK £000*	*Lucent £000*	*ATRBP £000*	*NSN UK £000*	*Total £000*
Fair value of plan assets at 31 December 2018 and 1 January 2019	782,522	399,104	3,260	114,001	1,298,887
Interest income on plan assets	22,296	11,403	95	3,325	37,119
Settlement payments	-	(127,184)	-	-	(127,184)
Increase / (decrease) due to plan combinations	451,013	(328,745)	(3,962)	(118,306)	-
Benefits paid	(23,333)	(11,200)	-	(5,375)	(39,908)
Administration expenses paid directly from Scheme assets	(4,032)	(565)	-	(960)	(5,557)
Actuarial gains and losses	123,369	57,187	607	7,615	188,778
Fair value of plan assets as at 31 December 2019	1,351,835	-	-	300	1,352,135

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.

Notes to the financial statements for the year ended 31 December 2020 (continued)

23. Pensions (continued)

The major assumptions used by the actuary were:

	Nokia Plan 2020 %	*Lucent 2020 %*	*ATRBP 2020 %*	*NSN UK 2020 %*
Main assumptions:				
Rate of salary increase	3.4	-	-	-
Rate of increase of pensions in payment	2.9	-	-	-
Discount rate	1.3	-	-	-
Inflation assumptions (RPI)	2.9	-	-	-
Inflation assumptions (CPI)	-	-	-	-

	Alcatel / ALU UK 2019 %	*Lucent 2019 %*	*ATRBP 2019 %*	*NSN UK 2019 %*
Main assumptions:				
Rate of salary increase	3.4	3.4	2.2	3.3
Rate of increase of pensions in payment	2.9	2.9	2.2	2.2
Discount rate	1.9	1.9	1.9	1.9
Inflation assumptions (RPI)	2.9	2.9	2.9	2.9
Inflation assumptions (CPI)	2.2	2.2	2.2	2.2

The total contributions to the defined benefit schemes in 2020 are expected to be £nil (2019: £nil).

24. 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 contribute 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 15.

Notes to the financial statements for the year ended 31 December 2020 (continued)

24. Share-based payments (continued)

The expenses for 2020 are as follows:

Grant	*Grant date*	*No. of units granted*	*Fair value at grant date £*	*Vesting period %age*	*Payout factor*	*Forfeiture estimation*	*Annual expense £'000*
PS Q2 2018	18.04.2018	6,500	3.81	35.3%	57%	0%	5
PS Q3 2018	04.07.2018	2,071,766	3.87	39.7%	57%	13%	1,583
PS Q4 2018 (1)	03.10.2018	175,936	3.79	44.5%	57%	9%	154
PS Q4 2018 (2)	12.12.2018	8,000	4.26	47.3%	57%	2%	9
PS Q3 2019	03.07.2019	1,463,100	3.95	39.9%	22%	15%	431
PS Q4 2019	11.12.2019	63,200	2.77	49.5%	19%	15%	14
PS Q1 2020	18.03.2020	34,200	0.57	24.1%	100%	15%	4
PS Q4 2020	06.11.2020	1,547,900	2.31	5.6%	100%	15%	170
				Sub-total			2,370

Grant	*Total shares granted*	*No. of units granted*	*Annual expense £'000*
RS Q3 2017	1,925,108	24,867	3
RS Q4 2017	418,400	60,100	35
RS Q4 2018	707,200	13,100	10
RS Q4 2019	75,500	50,900	45
RS Q1 2020	255,900	25,000	8
RS Q3 2020	143,700	45,500	12
RS Q4 2020	34,800	22,300	4
Sub-total			117

SIS Plan	*SIS Matching Shares (unvested)*	*Fair value at grant date £*	*Pro-rated duration*	*Annual Expense £'000*
2019 Plan	94,647	3.27	88%	272
2020 Plan	104,808	2.88	12%	36
Sub-total				308
Grand Total				2,795

Notes to the financial statements for the year ended 31 December 2020 (continued)

25. Other financial commitments

The company has entered into commercial leases on certain properties, motor vehicles, buildings and services. These leases have an average 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:

			2020			*2019*
	Motor vehicles	*Services*	*Land and buildings*	*Motor vehicles*	*Services*	*Land and buildings*
	£000	*£000*	*£000*	*£000*	*£000*	*£000*
Within one year	483	391	411	460	931	50
In two to five years	624	-	-	978	373	-
Over five years	-	-	-	-	-	-
	1,107	391	411	1,438	1,304	50

26. Contingent liabilities

The company has a guarantee of £6,000k (2019: £6,000k) in respect of duty deferment on behalf of HMRC.

27. Capital commitments

At 31 December 2020 and 2019, there are no capital commitments.

28. 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.

29. Events since the balance sheet date

The directors believe there are no significant post balance sheet events.