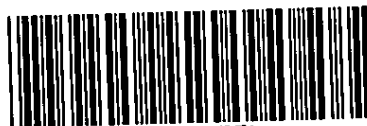


**Nokia Mobile Phones (UK) Limited**  
**Annual report**  
**for the year ended 31 December 2007**

Registered Number 1787336

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**Nokia Mobile Phones (UK) Limited**  
**Annual report**  
**for the year ended 31 December 2007**  
**Contents**

Directors and advisers	3
Directors' report	4
Independent auditors' report to the members of Nokia Mobile Phones (UK) Ltd	6
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9

# **Nokia Mobile Phones (UK) Limited**

## **Directors and advisers for the year ended 31 December 2007**

### **Directors**

EJP Morris  
G Doyle

### **Secretary and registered office**

EJP Morris

Nokia House  
Summit Avenue  
Southwood  
Farnborough  
Hampshire  
GU14 0NG

### **Registered auditors**

PricewaterhouseCoopers LLP  
Abacus House  
Castle Park  
Cambridge  
CB3 0AN

### **Bankers**

National Westminster Bank plc  
Camberley Branch  
45 Park Street  
Camberley  
Surrey  
GU15 3PA

# **Nokia Mobile Phones (UK) Limited**

## **Directors' report for the year ended 31 December 2007**

The directors present their report and the audited financial statements for the year ended 31 December 2007

### **Principal activities**

Following the cessation of the company's support activities for the group in 1997 the company has had no significant activity

### **Review of business and future developments**

There was no operating activity during the year and the directors do not expect this situation to change in the future

### **Dividends**

The directors do not recommend the payment of a dividend (2006 £Nil)

### **Directors**

The directors of the company who served during the year ended 31 December 2007 are

EJP Morris

TD Foster (resigned 1 April 2007)

G Doyle (appointed 1 April 2007)

### **Financial Risk Management**

The company's operations expose it to a variety of financial risks that may include credit risk, liquidity risk and interest rate risk

#### **a) Credit risk**

The company currently has no exposure to credit concentration risk as it has no third party sales

#### **b) Liquidity and interest rate risk**

The company has interest bearing assets Debt due from group undertakings is at interest rates of 5.69% and 6.04% (see note 7) Cash balances earn interest at a floating rate The company also has non-interest bearing liabilities in the form of debt due to group undertakings

### **Disclosure of information to auditors**

As required under Companies Act 1985, section 234ZA(2), the directors confirm that, to their knowledge, there is no relevant audit information of which the company's auditors are unaware

The directors have taken all the steps that ought to have been 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

# **Nokia Mobile Phones (UK) Limited**

## **Directors' report for the year ended 31 December 2007 (continued)**

### **Statement of directors' responsibilities in respect of the Annual Report and the financial statements**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

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

### **Statement on special provision for small company**

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

### **Auditors**

PricewaterhouseCoopers LLP have indicated their willingness to continue as auditors.

**On behalf of the board**





**Director**

# Nokia Mobile Phones (UK) Limited

## Independent auditors' report to the members of Nokia Mobile Phones (UK) Limited

We have audited the financial statements of Nokia Mobile Phones (UK) Limited for the year ended 31 December 2007 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of audit opinion


We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

  
PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Cambridge

13<sup>th</sup> March 2008

## Nokia Mobile Phones (UK) Limited

### Profit and loss account for the year ended 31 December 2007

	Notes	2007 £'000	2006 £'000
<b>Operating profit</b>		-	-
Interest receivable and similar income	4	1,871	1,585
Interest payable and similar charges	5	-	(5)
<b>Profit on ordinary activities before taxation</b>		1,871	1,580
Tax on profit on ordinary activities	6	(341)	(474)
<b>Profit for the financial year</b>	10	1,530	1,106

The company has no recognised gains and losses other than the profits above and therefore no separate statement of total recognised gains and losses has been presented

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

All of the above results relate to continuing activities

# Nokia Mobile Phones (UK) Limited

## Balance sheet as at 31 December 2007

	Notes	2007 £'000	2006 £'000
<b>Current assets</b>			
Debtors	7	36,398	34,527
Cash at bank and in hand		1,345	1,345
		<b>37,743</b>	<b>35,872</b>
<b>Creditors: amounts falling due within one year</b>	8	<b>(3,853)</b>	<b>(3,512)</b>
<b>Net current assets</b>		<b>33,890</b>	<b>32,360</b>
<b>Total assets less current liabilities</b>		<b>33,890</b>	<b>32,360</b>
<b>Net assets</b>		<b>33,890</b>	<b>32,360</b>
<b>Capital and reserves</b>			
Called up share capital	9	60	60
Share premium account	10	1,268	1,268
Capital reserve	10	4,010	4,010
Profit and loss account	10	28,552	27,022
<b>Total shareholders' funds</b>	11	<b>33,890</b>	<b>32,360</b>

The financial statements on pages 7 to 12 were approved by the board of directors on 26.02.2008 and were signed on its behalf by

*ETP Harris*



Director



# **Nokia Mobile Phones (UK) Limited**

## **Notes to the financial statements for the year ended 31 December 2007**

### **1 Principal accounting policies**

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards. The principal accounting policies are set out below.

#### **Foreign currencies**

Normal trading activities denominated in foreign currencies are recorded in sterling at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year-end are reported at the rates of exchange prevailing at the year-end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is reported as an exchange gain or loss in the profit and loss account.

#### **Group financial statements**

The consolidated financial statements of Nokia Corporation, in which the results of NEM Technical & Finance Limited (immediate parent company of Nokia Mobile Phones (UK) Limited) and its subsidiaries are included, are available from the address given in note 13.

#### **Cash flow statement**

The company has taken advantage of the exemption in FRS 1 from publishing a cash flow statement as its results are incorporated into the consolidated financial statements of Nokia Corporation.

#### **Related party transactions**

The company has taken advantage of the exemption within FRS 8 "Related party transactions" not to disclose transactions with other group companies.

#### **Financial instruments**

Financial instruments are included at historical cost.

### **2 Directors' emoluments and employee information**

The directors are remunerated by other group companies for their services to the group as a whole. No charge is made in these financial statements in respect of such remuneration (2006: £nil). There are no employees (2006: none).

### **3 Profit on ordinary activities before taxation**

The audit fee of £4,000 (2006: £3,000) for the company for the financial year has been borne by the ultimate parent company Nokia Corporation.

# Nokia Mobile Phones (UK) Limited

## 4 Interest receivable and similar income

	2007 £'000	2006 £'000
On loans to group undertakings	1,871	1,585

## 5 Interest payable and similar charges

	2007 £'000	2006 £'000
On bank loans and overdrafts	-	5

## 6 Taxation on the profit for the year

### a) Analysis of charge for the year

	2007 £'000	2006 £'000
United Kingdom taxation based on profits for the year:		
Current tax		
Current corporation tax on profits for the year	441	474
Prior year adjustment	(100)	-
Tax charge on profit on ordinary activities	341	474

### b) Factors affecting tax charge for the year

	2007 £'000	2006 £'000
Profit on ordinary activities before tax	1,871	1,580
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006 30%)	561	474
UK to UK TP adjustment	(120)	-
Prior year adjustment	(100)	-
Current tax charge for the year (note 6a)	341	474

The company has no recognised or unrecognised deferred tax



# Nokia Mobile Phones (UK) Limited

## 7 Debtors

	2007 £'000	2006 £'000
Amounts falling due within one year		
Amounts owed by group undertakings	36,398	34,527

The amounts owed by group undertakings are made up of an unsecured loan due from Nokia R&D (UK) Ltd for £6,477,000 (2006 £6,144,000) with an interest rate of 6.04% and a maturity date of 31 December 2008 (2006 interest rate of 5.31%) and an unsecured loan due from Nokia Finance International for £29,327,000 (2006 £27,895,000) with an interest rate of 5.69% (2006 4.81%) and a maturity date of the 16 May 2008 (2006 17 May 2007). Included within the amounts owed by Group undertakings is £594,000 (2006 £488,000) of interest not yet received.

## 8 Creditors: amounts falling due within one year

	2007 £'000	2006 £'000
Amounts owed to group undertakings	3,512	3,038
Corporation tax	341	474
	3,853	3,512

The amounts owed to group undertakings includes £436,000 (2006 £436,000) due to Vertu Limited for group relief claimed in 2005 and £3,076,000 (2006 £2,602,000) due to Nokia (UK) Limited for tax paid on behalf of Nokia Mobile Phones (UK) Limited.

## 9 Called up share capital

	2007 £'000	2006 £'000
<b>Authorised</b>		
47,099,100 (2006 47,099,100) ordinary shares of 10p each	4,710	4,710
<b>Allotted, called up and fully paid</b>		
600,000 (2006 600,000) ordinary shares of 10p each	60	60

# Nokia Mobile Phones (UK) Limited

## 10 Share premium account and reserves

Movements in the year were as follows

	Profit and loss account £'000	Share premium account £'000	Capital reserve £'000
At 1 January 2007	27,022	1,268	4,010
Profit for the year	1,530	-	-
<b>At 31 December 2007</b>	<b>28,552</b>	<b>1,268</b>	<b>4,010</b>

## 11 Reconciliation of movements in shareholders' funds

	2007 £'000	2006 £'000
Opening shareholders' funds	32,360	31,254
Profit for the financial year	1,530	1,106
<b>Closing shareholders' funds</b>	<b>33,890</b>	<b>32,360</b>

## 12 Contingent liabilities

The company is liable, under the terms of a cash pooling arrangement with National Westminster Bank Plc, to contribute to the overdrafts of certain fellow UK subsidiaries of Nokia Corporation. The liability is limited to the fellow subsidiaries' overdraft balances with that bank which amounted to £Nil (2006 £Nil) at 31 December 2007. The directors consider that the likelihood of any loss arising from this arrangement is remote.

## 13 Ultimate parent company and controlling party

The directors regard Nokia Corporation, a company incorporated in Finland as the ultimate parent company and ultimate controlling party and copies of the financial statements of Nokia Corporation can be obtained from PO Box 226, SF 00101, Helsinki, Finland. These are the only consolidated accounts including the results of the company.