

Company Registration Number 710790

Report of the Directors and
Financial Statements
for the 18 Month Period Ended 30 June 2009
for
Nortel Networks Properties Limited

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for the 18 Month Period Ended 30 June 2009

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Company Information
for the 18 Month Period Ended 30 June 2009

DIRECTORS: S Rolston
S Freemantle (appointed 17 December 2008)

SECRETARY: Nir Elbaz

REGISTERED OFFICE Maidenhead Office Park
Westacott Way
Maidenhead
BERKSHIRE
SL6 3QH

REGISTERED NUMBER: 710790 (England and Wales)

Report of the Directors
for the 18 Month Period Ended 30 June 2009

The directors present their report with the financial statements of the Company for the 18 month period ending 30 June 2009

PRINCIPAL ACTIVITY

The Company has not traded during the 18 month period ended 30 June 2009

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The results for the period and financial position of the Company are as shown in the annexed financial statements. The Company has not traded during the 18 month period ended 30 June 2009 and is not expected to trade in the foreseeable future. All administrative expenses have been met by the Company's parent company, Nortel Networks UK Limited.

DIVIDENDS

No dividend is proposed for the 18 month period ending 30 June 2009 (31 December 2007 Nil)

DIRECTORS

The directors during the 18 month period under review were

S Rolston
S Freemantle (appointed 17 December 2008)
D S Gill (resigned 17 December 2008)

The directors holding office at 30 June 2009 did not hold any beneficial interest in the issued share capital of the company and did hold any declarable interests in any group company at 1 January 2008 or 30 June 2009

OTHER INFORMATION

On 14th January 2009, Nortel Networks UK Limited entered into Administration under the Insolvency Act 1986. Also, on 14th January 2009, Nortel Networks Corporation, the ultimate parent undertaking of Nortel Networks UK Limited, obtained an Order from the Ontario Superior Court of Justice for creditor protection pursuant to the provisions of the Companies' Creditor Arrangement Act.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period 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,
- state whether applicable accounting standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. As explained in Note 1, the directors do not consider the going concern basis to be appropriate. Accordingly, the accounts have been prepared on a break-up basis.

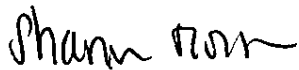
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal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

Report of the Directors
for the 18 Month Period Ended 30 June 2009 (continued)

AUDITORS

For the 18 month period ended 30 June 2009 the company was entitled to exemption under section 249aa(1) of the Companies Act 1985

ON BEHALF OF THE BOARD:



Sharon Rolston - DIRECTOR

Date 23.2.2010

Balance Sheet

	Notes	<u>30 June 2009</u>		<u>31 December 2009</u>	
		£	£	£	£
CURRENT ASSETS:					
Debtors	2	<u>100</u>		<u>100</u>	
NET CURRENT ASSETS.		<u>100</u>		<u>100</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES, BEING NET ASSETS:	3		<u>100</u>		<u>100</u>
CAPITAL AND RESERVES:					
Called up share capital	4		100		100
Profit and loss account			<u>-</u>		<u>-</u>
EQUITY SHAREHOLDERS' FUNDS:			<u>100</u>		<u>100</u>

For the 18 month period ended 30 June 2009 the company was entitled to exemption under section 249aa(1) of the Companies Act 1985

No members have required the company to obtain an audit of its accounts for the year in question in accordance with Section 249b(2)

The directors acknowledge their responsibility for (i) ensuring the company keeps accounting records which comply with section 221 and (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year/period, and of its profit and loss for the financial year/period in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company

ON BEHALF OF THE BOARD



Sharon Rolston - DIRECTOR

Approved by the Board on 23.2.2010

Notes to the Financial Statements
for the 18 Month Period Ended 30 June 2009

1 ACCOUNTING POLICIES

The particular policies adopted by the Directors are described below. These have been applied consistently throughout the current and preceding period.

Accounting convention

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

As there is currently no intention to commence or acquire replacement trade, the directors have prepared the financial statements on a break-up basis. The Directors are considering the future of the Company at this time.

2 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	2006 £
Amounts owed by group undertakings	<u>100</u>	<u>100</u>

This amount is owed to the Company by its immediate parent, Nortel Networks UK Limited, and this amount is secured by way of a cash backed guarantee.

3 CONTINGENT LIABILITIES

The Company remains lessee in respect of certain property lease arrangements where the beneficial ownership of the leasehold interest was transferred to the immediate parent company, Nortel Networks UK Limited, many years ago. As a result of Nortel Networks UK Limited entering into Administration on 14 January 2009, there is now uncertainty over what obligations may arise in the future for the Company in relation to those leases. At this time, the Directors are not aware of any formal claims made against the company, and it is not expected that the outcome will have any effect on the financial position of the company.

4 CALLED UP SHARE CAPITAL

Authorised equity		Nominal value	2007 £	2006 £
100	Ordinary	£1	<u>100</u>	<u>100</u>
Allotted, issued and fully paid equity		Nominal value	2007 £	2006 £
100	Ordinary	£1	<u>100</u>	<u>100</u>

5 **ULTIMATE PARENT COMPANY**

The Company's ultimate parent company and the parent undertaking of the largest group which includes the Company and for which group accounts are prepared is Nortel Networks Corporation, a company registered in Canada. The parent undertaking of the smallest such group is Nortel Networks UK Limited, a company registered in England.

Copies of the group financial statements of Nortel Networks Corporation are available from Nortel Networks, 5945 Airport Road, Suite 360, Mississauga, Ontario, L4V 1R9, Canada.

Copies of the group financial statements of Nortel Networks UK Limited are available from Companies House, Crown Way, Mandy, Cardiff, CF4 3UZ.