

**NORTEL NETWORKS PROPERTIES LIMITED**  
**DIRECTORS' REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2000**



**NORTEL NETWORKS PROPERTIES LIMITED**

**REPORT OF THE DIRECTORS**

**FOR THE YEAR ENDED 31 DECEMBER 2000**

The directors submit their annual report and accounts for the year ended 31 December, 2000.

**PRINCIPAL ACTIVITY AND RESULTS**

The Company has not traded during the year ended 31 December 2000. There has been no income or expenditure and therefore no change in the Company's position has arisen. Any expenses have been met by the Company's parent company, Nortel Networks UK Limited.

**DIRECTORS**

The following served as directors of the Company during the year:-

D J E Roberts (resigned 1 October 2001)  
T G Hungle (resigned 31 January 2001)  
I J Morgan  
M Gollogly (appointed 22 February 2001)  
Gareth Pugh (appointed 1 October 2001)  
Gordon Davies (appointed 1 October 2001)

**DIRECTORS' INTERESTS**

The directors held no declarable interests in any Group company at 31 December 2000.

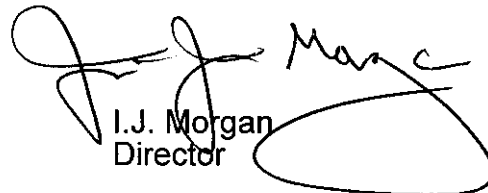
**AUDITORS**

Pursuant to Section 250 of the Companies Act 1985, a special resolution not to appoint auditors was passed on 18 March 1997.

**BY ORDER OF THE BOARD**

Registered Office:

Maidenhead Office Park  
Westacott Way  
Maidenhead  
Berkshire  
SL6 3QH

  
I.J. Morgan  
Director


**NORTEL NETWORKS PROPERTIES LIMITED****BALANCE SHEET at 31 December 2000**


	Note	2000 £'000	1999 £'000
<b>CURRENT ASSETS</b>			
Debtors - Amounts owed by fellow subsidiary undertakings		30,898	30,898
		<hr/>	<hr/>
<b>NET ASSETS</b>		30,898	30,898
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	2	-	-
Profit and loss account		30,898	30,898
		<hr/>	<hr/>
<b>TOTAL CAPITAL EMPLOYED</b>		30,898	30,898
		<hr/>	<hr/>

This Company was dormant (within the meaning of Section 250 of the Companies Act 1985) throughout the accounting reference period ended 31 December 2000.

These financial statements were approved by the Board of Directors on 26 October 2001.

Signed on behalf of the Board of Directors

  
J.J. Morgan  
Director



The accompanying notes are an integral part of this balance sheet .

**NORTEL NETWORKS PROPERTIES LIMITED**

**NOTES TO THE ACCOUNTS**  
**for the year ended 31 December 2000**

**1. ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policy, which has been applied consistently, is set out below.

**Basis of Accounting:**

The financial statements have been prepared in accordance with the historical cost basis of accounting.

**2. CALLED UP SHARE CAPITAL**

The authorised share capital consists of 100 Ordinary shares of £1 each, which are allotted and fully paid.

**3. ULTIMATE HOLDING 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, One Brunswick Square, Atrium Suite 100, Saint John, New Brunswick, E2L 4VL, Canada. Copies of the group financial statements of Nortel Networks UK Limited are available from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.