

**NORTEL PROPERTIES LIMITED**  
**DIRECTORS' REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 1997**



**NORTEL PROPERTIES LIMITED**  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 DECEMBER 1997**

The directors submit their annual report and accounts for the year ended 31 December, 1997.

**PRINCIPAL ACTIVITY AND RESULTS**

The Company has not traded during the year ended 31 December 1997. 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 plc.

**DIRECTORS**

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

D J E Roberts  
B Harris  
S C Pusey

**DIRECTORS' INTERESTS**

The directors held no declarable interests in any Group company at 31 December 1997.

**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



D J E Roberts  
Secretary

< 5<sup>th</sup> March > 1998

## NORTEL PROPERTIES LIMITED

BALANCE SHEET at 31 December 1997

	Note	1997 £'000	1996 £'000
CURRENT ASSETS			
Debtors - Amounts owed by fellow subsidiary undertakings		30,898	30,898
		<hr/>	<hr/>
NET ASSETS		30,898	30,898
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	2	-	-
Profit and loss account		30,898	30,898
		<hr/>	<hr/>
TOTAL CAPITAL EMPLOYED		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 1997.

These financial statements were approved by the Board of Directors on  
< 5th March > 1998.

Signed on behalf of the Board of Directors



Brian Harris

Director

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

**NORTEL PROPERTIES LIMITED**

**NOTES TO THE ACCOUNTS**  
**for the year ended 31 December 1997**

**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 BCE Inc., a company registered in Canada. The parent undertaking of the smallest such group is Nortel plc, a company registered in England. Copies of the group financial statements of BCE Inc. are available from 1000 Rue de la Gauchetière Ouest, Bureau 3700, Montreal, Quebec, Canada. Copies of the group financial statements of Nortel plc are available from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.