

Nortel Networks UK Limited (In Administration)

Joint Administrators' Abstract of Receipts and Payments from 14 January 2009 to 14 June 2019 (GBP)

Nortel Networks UK Limited (in Administration)			
Administrators' receipts and payments account for the period: 14 January 2009 to 14 June 2019			
Currency: GBP	Period 14 January 2009 to 13 January 2019	Period 14 January 2019 to 14 June 2019	Total to 14 June 2019
Opening balance	236,900,621		236,900,621
<u>Receipts</u>			
<i>Trading:</i>			
- Post-appointment intercompany	346,784,417	(265,063)	346,519,354
- Post-appointment sales	252,216,912	-	252,216,912
- Realisations from subsidiaries	3,502,720	-	3,502,720
- TSA receipts	43,322,739	-	43,322,739
- Asset sales	12,756,209	-	12,756,209
- Other receipts	5,899,209	-	5,899,209
- Other taxes	11,940,981	224,752	12,165,732
- Property income	2,420,194	-	2,420,194
- Pre-liquidation distribution from NN Saudi	1,908,194	-	1,908,194
- Overpayment refunds	943,911	100	944,011
<i>Other:</i>			
- Pre-appointment sales	64,978,537	-	64,978,537
- SPSA locked box proceeds	809,890,400	-	809,890,400
- Unclaimed Distribution funds held on behalf of EMEA entities	17,840	94,760	112,600
- Pre-appointment intercompany dividends - EMEA entities	58,306,677	4,785,553	63,092,229
- Pre-appointment intercompany dividends - Nortel Networks Limited	43,975,711	-	43,975,711
- Pre-appointment intercompany dividends - Asia Pacific entities	17,267,755	-	17,267,755
- Pre-appointment intercompany dividends - Nortel Networks Israel	203,011	-	203,011
- US Settlement Allocation on Claims	10,699,825	-	10,699,825
- Bank interest	7,916,676	115,596	8,032,272
	<u>1,694,951,918</u>	<u>4,955,698</u>	<u>1,699,907,615</u>
<u>Payments</u>			
<i>Trading:</i>			
- Accounts payable - inventory related	(290,691,120)	-	(290,691,120)
- Payroll, employee benefits, and payroll taxes	(177,652,518)	(1,086,430)	(178,738,948)
- Property costs	(34,961,858)	(47,479)	(35,009,337)
- Other payments	(30,315,300)	(137,769)	(30,453,069)
- Utilities	(8,924,504)	(536)	(8,925,040)
- Pension contributions	(9,565,186)	(993,060)	(10,558,246)
- Trade payables	(6,726,163)	-	(6,726,163)
- Contractors	(2,971,076)	-	(2,971,076)
<i>Other:</i>			
- Legal fees	(191,247,624)	(118,668)	(191,366,292)
- Joint Administrators' fees and disbursements	(105,468,515)	(1,746,432)	(107,214,947)
- Other professional services costs	(15,438,194)	(272,612)	(15,710,807)
- First dividend to unsecured creditors of 22.1p in the £ on 27 July 2017	(493,618,867)	-	(493,618,867)
- Second dividend to unsecured creditors of 16.5p in the £ on 5 Dec 2017	(369,604,426)	-	(369,604,426)
- Third dividend to unsecured creditors of 3.8p in the £ on 24 Aug 2018	(85,263,079)	(219)	(85,263,298)
- LRE payments	(4,776,247)	-	(4,776,247)
- Liquidators fees for winding up of subsidiaries	(89,646)	-	(89,646)
- Restructuring costs	(2,236,840)	-	(2,236,840)
- Other payments	(3,052,247)	-	(3,052,247)
- FX translation movement on FX transactions within the entity	(23,769,139)	(149)	(23,769,288)
- Bank charges and interest	(1,153,825)	(22,662)	(1,176,488)
- Capital expenditure	(115,282)	-	(115,282)
- FX translation movement	(4,239,926)	453	(4,239,473)
	<u>(1,861,881,583)</u>	<u>(4,425,564)</u>	<u>(1,866,307,147)</u>
Closing balance	<u>69,970,956</u>	<u>530,134</u>	<u>70,501,090</u>
Account reconciliations:			
Local Accounts	486,281	46,694	532,976
Administration Accounts	69,484,675	483,439	69,968,114
	<u>69,970,956</u>	<u>530,134</u>	<u>70,501,090</u>

Nortel Networks UK Limited (In Administration)

Notes to R & P

Note 1

Account balances have all been reported in the local currency.

Opening balances have been converted using January 2009 month-end spot rates and closing balances converted using May 2019 month-end spot rates which have been provided by the Company. This approach is in line with the Company's internal reporting procedures.

Transactions that have taken place through the accounts over the course of the reporting period (14 January 2019 to 14 June 2019) have been converted at average spot rates over this period, which have been sourced from Reuters.

Consequently, foreign exchange movements have occurred in the period as a result of fluctuations in currency conversion rates. These are translation movements only and do not reflect an actual receipt or payment.

Note 2

The numbers used to prepare the receipts and payments summary have been provided by the Company and are unaudited. Material items have been reviewed for accuracy and reasonableness.

Note 3

The amounts reported are inclusive of sales tax where applicable.

Note 4

The post appointment intercompany movement for the period 14 January 2019 to 14 June 2019 amounting to c.£265k mainly relates to c.£181k of management fees paid and the purchase of intercompany receivables owed by various Nortel EMEA companies from Nortel Networks N.V. and Nortel Networks Polska Sp. z o.o., amounting to c.£114k.

Against this, the Company received c.£44k from Nortel Networks (Ireland) Limited in respect of certain shared contract costs.

Note 5

Unclaimed distribution funds held on behalf of EMEA entities amounting to £94.8k reflect monies received from various other Nortel EMEA companies and held on trust by the Company. These funds may be claimed by creditors with unclaimed dividends in respect of agreed CVA claims into the respective EMEA companies. This mechanism was put in place to facilitate the expeditious termination of various CVAs relating to the EMEA companies (without it a number of CVAs would have been unable to terminate).

The Company will hold these funds for the benefit of the beneficiaries for a period of one year from the date of the final distribution of each respective Nortel EMEA company, at which time any unclaimed funds will be donated to a registered charity.

Note 6

Pre-appointment intercompany receipts for the period 14 January 2019 to 14 June 2019 amounting to c.£4.8m reflects dividends received relating to the Company's unsecured claims against various EMEA Nortel companies.

Note 7

Other payments for the period 14 January 2019 to 14 June 2019 relate largely to insurance, storage and security fees.

Note 8

Other professional fees for the period 14 January 2019 to 14 June 2019 amounting to c.£272.6k relate mainly to IT and software-related costs.

Note 9

The total FX translation movement to 14 June 2019 is a result of the fluctuations in historical exchange rates against the reporting currency. As such the interim FX translation movement does not represent a true monetary gain or loss.

Nortel Networks UK Limited - Saudi Arabia Branch (In Liquidation)

Joint Administrators' Abstract of Receipts and Payments from 14 January 2009 to 14 June 2019 (GBP)

Nortel Networks UK Limited - Saudi Arabia Branch (in Liquidation)			
Administrators' receipts and payments account for the period: 14 January 2009 to 14 June 2019			
Currency: GBP	Period 14 January 2009 to 13 January 2019	Period 14 January 2019 to 14 June 2019	Total to 14 June 2019
Opening balance	2,076,800		2,076,800
<u>Receipts</u>			
<i>Trading:</i>			
- Other receipts	13,744	-	13,744
<i>Other:</i>			
- Pre-appointment sales	1,530,885	-	1,530,885
- Intercompany	321,640	-	321,640
- Bank interest	27,761	-	27,761
- FX Translation movement	(163)	82	(81)
	<u>1,893,867</u>	<u>82</u>	<u>1,893,949</u>
<u>Payments</u>			
<i>Trading:</i>			
- Other payments	(613,597)	-	(613,597)
- Trade payables	(326,559)	-	(326,559)
- Other taxes	(211,099)	-	(211,099)
- Payroll, employee benefits, and payroll taxes	(161,925)	-	(161,925)
- Other professional services costs	(133,817)	-	(133,817)
- Property costs	(75,049)	-	(75,049)
- Utilities	(58,264)	-	(58,264)
- Contractors	(23,819)	-	(23,819)
<i>Other:</i>			
- Pre-liquidation distribution - NN UK	(2,352,528)	-	(2,352,528)
- FX translation movement on FX transactions within the entity	(7,145)	-	(7,145)
- Bank charges and interest	(772)	-	(772)
	<u>(3,964,574)</u>	<u>-</u>	<u>(3,964,574)</u>
Closing balance	<u>6,093</u>	<u>82</u>	<u>6,175</u>
Account reconciliations:			
Local Accounts	5,954	80	6,035
Administration Accounts	139	2	141
	<u>6,093</u>	<u>82</u>	<u>6,175</u>

Nortel Networks UK Limited – Saudi Arabia Branch (In Liquidation)

Notes to R & P

Note 1

Account balances are reported in the common currency for NNUK, GBP.

Opening balances have been converted using January 2009 month-end spot rates and closing balances converted using May 2019 month-end spot rates which have been provided by the Company. This approach is in line with the Company's internal reporting procedures.

Transactions that have taken place through the accounts over the course of the reporting period (14 January 2019 to 14 June 2019) have been converted at average spot rates over this period, which have been sourced from Reuters.

Consequently, foreign exchange movements have occurred in the period as a result of fluctuations in currency conversion rates. These are translation movements only and do not reflect an actual receipt or payment.

Note 2

The numbers used to prepare the receipts and payments summary have been provided by the Company and are unaudited. Material items have been reviewed for accuracy and reasonableness.

Note 3

The amounts reported are inclusive of sales tax where applicable.

Note 4

The total FX translation movement to 14 June 2019 is a result of the fluctuations in historical exchange rates against the USD. As such the interim FX translation movement does not represent a true monetary gain or loss.