

**EDS FINANCE PLC**  
**DIRECTORS' REPORT AND FINANCIAL**  
**STATEMENTS**  
**31 DECEMBER 2006**



# **EDS FINANCE PLC**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2006**

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# **EDS FINANCE PLC**

## **OFFICERS AND PROFESSIONAL ADVISERS COMPANY INFORMATION**

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**The board of directors**

Ms I Atkins  
Mr W Thomas  
Mr M Lewthwaite  
Mr I Wilson

**Company secretary**

EDS Secretarial Services Limited

**Registered office**

4 Roundwood Avenue  
Stockley Park  
Uxbridge  
Middlesex  
UB11 1BQ

**Auditor**

KPMG LLP  
Chartered Accountants  
& Registered Auditor  
8 Salisbury Square, London  
EC4Y 8BB

**Bankers**

Citibank  
1 North Wall Quay,  
Dublin 1  
Ireland

# **EDS FINANCE PLC**

## **THE DIRECTORS' REPORT**

### **YEAR ENDED 31 DECEMBER 2006**

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The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2006

#### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company during the year was to continue to trade as a finance company, providing a range of services to EDS group companies

#### **RESULTS AND DIVIDENDS**

The loss for the year, after taxation, amounted to \$714,000 (2005 profit \$13,324,000) The directors do not recommend a dividend (2005 \$nil)

#### **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The company carries out treasury functions for various member companies of the EDS world-wide group While the functional currency of the company is considered to be US Dollars, the company has significant assets and liabilities denominated in other currencies, comprising short term intra-group loans on which interest is chargeable at commercial rates, and cash balances and short term money market investments Intra-group loans are predominantly repayable by agreement and the interest rates applicable to them are determined by reference to current money market rates

The company is exposed to both foreign exchange risk and interest rate risk on these balances The company's policy is to manage these risks by entering into foreign currency forward contracts, with amounts and durations matched to the maturity of the underlying assets and liabilities These contracts hedge against the combined foreign exchange and interest rate risk. The company does not enter into foreign currency forward contracts for speculative or trading purposes

#### **KEY PERFORMANCE INDICATORS (KPIs)**

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance and position of the Company

#### **DIRECTORS**

The directors who served the company during the year were as follows

Ms I Atkins  
Mr W Thomas  
Mr M Lewthwaite  
Mr S Poole  
Mr I Wilson

None of the directors who held office at the end of the financial year had any disclosable interest in the shares or debentures of the company

Mr S Poole resigned as a director on 20 April 2007

The directors are exempt under Statutory Instrument 1985 No802 3(1)(a) from disclosing their interests in any body corporate in the group incorporated outside Great Britain

#### **POLITICAL AND CHARITABLE CONTRIBUTIONS**

The Company made no political or charitable donations or incurred any political expenditure during the year

#### **DISCLOSURE OF INFORMATION TO AUDITORS**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**EDS FINANCE PLC**

**THE DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 31 DECEMBER 2006**

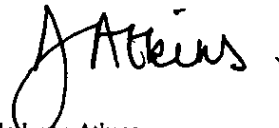
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**AUDITORS**

Pursuant to a shareholders' resolution, the company is not obliged to re-appoint its auditors annually and KPMG LLP will therefore continue in office

Registered office  
4 Roundwood Avenue  
Stockley Park  
Uxbridge  
Middlesex  
UB11 1BQ

Signed on behalf of the directors



Ms Irene Atkins  
Director  
4 Roundwood Avenue  
Stockley Park  
Uxbridge  
Middlesex  
UB11 1BQ

Approved by the directors on 19<sup>th</sup> July 07

# **EDS FINANCE PLC**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

**YEAR ENDED 31 DECEMBER 2006**

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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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 these 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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

## EDS FINANCE PLC

### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF EDS FINANCE PLC

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We have audited the financial statements of EDS Finance Plc for the year ended 31 December 2006 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.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors Responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 if, 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 UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its loss 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.

*KPMG LLP*

KPMG LLP  
Chartered Accountants  
& Registered Auditor

8 Salisbury Square, London  
EC4Y 8BB

*19 July 2007*

**EDS FINANCE PLC****PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 DECEMBER 2006**

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	Note	2006 \$000	2005 \$000
<b>TURNOVER</b>		—	—
Administrative expenses		(1,780)	(2,080)
<b>OPERATING LOSS</b>	2	(1,780)	(2,080)
Other interest receivable and similar income	4	62,615	73,061
Interest payable and similar charges	5	(58,597)	(45,351)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		2,238	25,630
Tax on profit on ordinary activities	6	(2,952)	(12,306)
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		(714)	13,324

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All of the activities of the company are classed as continuing

**Statement of total recognised gains and losses**

There is no difference between the company's historical profit and that reported on the profit and loss account. The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 8 to 11 form part of these financial statements.



**EDS FINANCE PLC**  
**BALANCE SHEET**  
**31 DECEMBER 2006**

	Note	2006 \$000	2005 \$000
<b>CURRENT ASSETS</b>			
Debtors	7	986,758	1 038,063
Investments	8	525,724	579,804
Cash at bank and in hand		247,971	218 116
		<u>1,760,453</u>	<u>1,835,983</u>
<b>CREDITORS: Amounts falling due within one year</b>	9	<u>(1,661,046)</u>	<u>(1 735,862)</u>
<b>NET CURRENT ASSETS</b>		<u>99,407</u>	<u>100 121</u>
<b>NET ASSETS</b>		<u>99,407</u>	<u>100,121</u>
<b>CAPITAL AND RESERVES</b>			
Called up equity share capital	10	44,282	44,282
Profit and loss account		55,125	55 839
<b>EQUITY SHAREHOLDERS' FUNDS</b>	11	<u>99,407</u>	<u>100 121</u>

These financial statements were approved by the directors on the 19<sup>th</sup> July 07 and are signed on their behalf by



Ms Irene Atkins  
Director

The notes on pages 8 to 11 form part of these financial statements.

# **EDS FINANCE PLC**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2006**

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### **1. ACCOUNTING POLICIES**

#### **Basis of preparation**

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

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

The Financial Statements are prepared in US Dollars as this is considered to be the company's functional currency

#### **Cash flow statement**

Under Financial Reporting Standard No 1 (revised) the company is exempt from the requirement to produce a cashflow statement as the ultimate parent undertaking, Electronic Data Systems Corporation, includes the company in its own published consolidated financial statements, which are available from the address given in note 12

#### **Related parties transactions**

The company is a wholly owned subsidiary of Electronic Data Systems Corporation, the consolidated accounts of which are available from the address given in note 12. Accordingly, the company has taken advantage of the exemption in Financial Reporting Standard No 8 from disclosing transactions or balances with entities of the group or investees of the group

#### **Pension costs contribution to pension funds**

The E D S International Limited group operates a number of defined benefit and contribution pension schemes. All EDS Finance Plc staff is on secondment from fellow subsidiary undertakings. Contributions to the defined benefit and contribution schemes are borne by fellow group undertakings and hence not disclosed in the financial statements of EDS Finance Plc

#### **Taxation**

The charge for taxation is based on the (profit/(loss)) for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

#### **Foreign currencies**

Transactions denominated in other foreign currencies are translated into US Dollars and recorded at the rate of exchange ruling at the date of the transactions. Balances denominated in other currencies, including forward foreign exchange commitments, are translated into US Dollars at rates ruling at the balance sheet date and the gains and losses on translation arising are included in the profit and loss account.

#### **Current asset investment**

Current asset investments are stated at lower of cost and net realisable value

# EDS FINANCE PLC

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 DECEMBER 2006

#### 2. OPERATING LOSS

Operating loss is stated after charging

	2006 \$000	2005 \$000
Auditor's remuneration		
- as auditor	57	-

The auditor's remuneration is borne by fellow group undertaking. Audit fees in 2006 comprises \$28,566 charged in respect of 2005 and \$29,166 accrued in respect of 2006.

#### 3. DIRECTORS' EMOLUMENTS AND PARTICULARS OF EMPLOYEES

The directors did not receive any emoluments from the company during the year. Electronic Data Systems Limited has charged the company with \$119,071 (2005 \$107,591) in respect of services provided by one of the directors. The company has no employees.

#### 4. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2006 \$000	2005 \$000
Bank interest receivable	25,173	16,798
Interest from group undertakings	37,442	39,840
Foreign exchange (gains)/losses	-	16,423
	<u>62,615</u>	<u>73,061</u>

#### 5. INTEREST PAYABLE AND SIMILAR CHARGES

	2006 \$000	2005 \$000
Interest payable on bank borrowing	7	40
Interest payable to group undertakings	50,035	45,311
Foreign exchange (gains)/losses	8,555	-
	<u>58,597</u>	<u>45,351</u>

#### 6. TAXATION ON ORDINARY ACTIVITIES

##### (a) Analysis of charge in the year

	2006 \$000	2005 \$000
Current tax		
<b>UK Taxation</b>		
UK Corporation tax based on the results for the year at 30% (2005 - 30%)	1,549	7,891
Adjustments in respect of prior periods	(3)	3,315
	<u>1,546</u>	<u>11,206</u>
Double taxation relief	(286)	(243)
	<u>1,260</u>	<u>10,963</u>
<b>Foreign tax</b>		
Current tax on income for the year	1,604	1,316
Adjustments in respect of prior periods	88	27
	<u>1,692</u>	<u>1,343</u>
Total current tax	<u>2,952</u>	<u>12,306</u>

# EDS FINANCE PLC

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 DECEMBER 2006

#### 6. TAXATION ON ORDINARY ACTIVITIES *(continued)*

##### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2005 - 30%)

	2006	2005
	\$000	\$000
Profit on ordinary activities before taxation	<u>2,238</u>	<u>25,630</u>
Tax on profit on ordinary activities at standard rate	671	7,689
Additional tax arising on overseas income	1,406	1,100
Adjustments to corporation tax charge in respect to previous periods	(3)	3,315
Expenses not deductible for tax purposes	878	202
Total current tax (note 6(a))	<u>2,952</u>	<u>12,306</u>

#### 7. DEBTORS

	2006	2005
	\$000	\$000
Amounts owed by group undertakings	934,118	1,028,688
Prepayments and accrued income	<u>52,640</u>	<u>9,375</u>
	<u>986,758</u>	<u>1,038,063</u>

#### 8. INVESTMENTS

	2006	2005
	\$000	\$000
Short term deposits	<u>525,724</u>	<u>579,804</u>

#### 9. CREDITORS: Amounts falling due within one year

	2006	2005
	\$000	\$000
Amounts owed to group undertakings	1,597,438	1,715,973
Corporation tax	11,950	9,967
Accruals and deferred income	<u>51,658</u>	<u>9,922</u>
	<u>1,661,046</u>	<u>1,735,862</u>

#### 10. SHARE CAPITAL

##### Authorised share capital:

	2006	2005
	\$000	\$000
29,001,000 Ordinary shares of £1 each	<u>44,282</u>	<u>44,282</u>

##### Allotted and called up:

	2006		2005	
	No	\$000	No	\$000
Ordinary shares of £1 each	<u>29,001,000</u>	<u>44,282</u>	<u>29,001,000</u>	<u>44,282</u>

# **EDS FINANCE PLC**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **YEAR ENDED 31 DECEMBER 2006**

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#### **11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>2006</b>	<b>2005</b>
	<b>\$000</b>	<b>\$000</b>
(Loss)/Profit for the financial year	<b>(714)</b>	<b>13,324</b>
Opening shareholders' funds	<b>100,121</b>	<b>86,797</b>
Closing shareholders' funds	<b>99,407</b>	<b>100,121</b>

#### **12. ULTIMATE PARENT COMPANY PARENT UNDERTAKING & ULTIMATE PARENT COMPANY**

The parent undertaking which heads the smallest group in which these results are consolidated is E D S International Limited, a company incorporated in England and Wales. These accounts may be obtained from the following address

E D S International Limited  
4 Roundwood Avenue  
Stockley Park  
Uxbridge  
Middlesex  
UB11 1BQ

The ultimate parent company which heads the largest group in which these accounts are consolidated is Electronic Data Systems Corporation, a company incorporated in the United States of America. The consolidated accounts may be obtained from the following address

Electronic Data Systems Corporation  
5400 Legacy Drive  
Plano  
Texas 75024  
United States of America