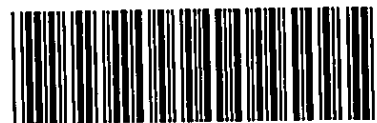


# **EDS Finance Limited**

## **Report and Financial Statements**

31 October 2011

TUESDAY



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COMPANIES HOUSE

# EDS Finance Limited

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Registered No 2099503

## **Directors**

S Burr

R Putland

## **Secretary**

R Putland

## **Auditors**

Ernst & Young LLP

Apex Plaza

Forbury Road

Reading

Berkshire

RG1 1YE

## **Registered Office**

Amen Corner

Cain Road

Bracknell

Berkshire

RG12 1HN

## Directors' report

The directors present their report and financial statements of the company for the year ended 31 October 2011

### Principal activities and review of the business

The principal activity of the company is to act as an intermediary re-biller company for entities in the former EDS Group. The company's activities are in the process of being integrated into the larger HP group.

The directors have considered and reviewed business risks relating to EDS Finance Limited. At this time they do not consider that there are any risks solely in relation to EDS Finance Limited. On an annual basis the directors review the financial statements. The directors continually assess the performance of the company and the financing structure of the entity.

### Going Concern

The directors have a reasonable expectation that the company has adequate resources or will receive the necessary support from its parent to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the report and the financial statements.

### Results and dividends

The loss for the year, after taxation, amounted to \$560,000 (2010: loss of \$31,550,000). The directors have not recommended a dividend (2010: £nil).

### Directors

The directors during the year, and to date, were as follows:

S Burr	(appointed 01 May 2011)
R Putland	(appointed 01 March 2012)
J Savage	(resigned 01 March 2012)
M Lewthwaite	(resigned 01 May 2011)

No directors have any interests in the share capital of the company.

During the year, and up to the date of approval of the financial statements, the company had in place third party indemnity provision for the benefit of all the directors of the company.

### Auditors

Ernst & Young LLP continue as the company's auditor. In accordance with the elective resolution passed by the company under section 386 of the Companies Act 1985, which continues in force under the Companies Act 2006, the company has elected to dispense with the obligation to appoint auditors annually.

## Directors' report (continued)

### Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirms that

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware, and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information

On behalf of the Board



S Burr  
Director

Date 31 July 2012

## **Statement of directors' responsibilities in respect of the financial statements**

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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, and
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

# **Independent auditor's report**

## **to the members of EDS Finance Limited**

We have audited the financial statements of EDS Finance Limited for the year ended 31 October 2011 which comprise the Profit and Loss account, the Balance Sheet and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditors' 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**

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). These standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on the financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 October 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

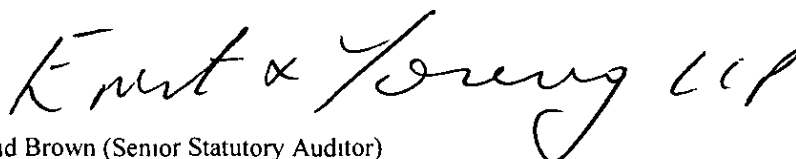
## Independent auditor's report (continued)

to the members of EDS Finance Limited

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

A handwritten signature in black ink, appearing to read 'Ernst & Young LLP', written in a cursive, flowing style.

David Brown (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP, Statutory Auditor  
Reading

Date 31/07/12

## Profit and loss account

for the year ended 31 October 2011

	<i>Note</i>	<i>2011</i> <i>\$000</i>	<i>2010</i> <i>\$000</i>
Administrative expenses		(740)	(22,619)
<b>Operating loss</b>	2	(740)	(22,619)
Interest receivable	4	201	3,762
Interest payable	5	(21)	(1,802)
<b>Loss on ordinary activities before taxation</b>		(560)	(20,659)
Tax on loss on ordinary activities	6	-	(10,891)
<b>Loss for the financial year</b>	10	(560)	(31,550)

All of the activities of the company are classed as continuing

There are no recognised gains or losses other than those passing through the profit and loss account



## Balance sheet

at 31 October 2011

	Note	2011 \$000	2010 \$000
<b>Current assets</b>			
Debtors	7	256,607	376,410
Cash at bank		54	6,873
		<u>256,661</u>	<u>383,283</u>
<b>Current liabilities</b>			
Creditors amounts falling due within one year	8	(185,117)	(311,179)
		<u>71,544</u>	<u>72,104</u>
<b>Net current assets</b>			
		<u>71,544</u>	<u>72,104</u>
<b>Total assets less current liabilities</b>		<u>71,544</u>	<u>72,104</u>
<b>Capital and Reserves</b>			
Called up share capital	9	44,282	44,282
Profit and loss account	10	27,262	27,822
		<u>71,544</u>	<u>72,104</u>
<b>Equity shareholders' funds</b>	10	<u>71,544</u>	<u>72,104</u>

Approved by the Board



S Burr  
Director

Date 31 July 2012

## Notes to the financial statements

at 31 October 2011

### 1. Accounting policies

#### Accounting convention

The financial statements are prepared in accordance with applicable United Kingdom accounting standards, under the historical cost convention and on a going concern basis

#### Foreign currencies

The company's functional currency is US dollar. 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 the rate ruling at the balance sheet date and the gains and losses on translation arising are included in the profit and loss account.

#### Cash flow statement

In accordance with Financial Reporting Standard 1 (revised), EDS Finance Limited has not published a cash flow statement as its ultimate parent company, Hewlett-Packard Company, which is incorporated in the United States of America, has published consolidated financial statements in which the cash flows of the company are included.

#### Taxation

The charge/(credit) for taxation is based on the profit/(loss) for the year/period 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 that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in future or a right to pay less tax in future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in taxable profits in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

### 2. Operating loss

Operating loss is stated after charging

	2011	2010
	\$000	\$000
Foreign exchange loss	(1,014)	(14,736)

The auditors' remuneration has been borne by a fellow group company, HP Enterprise Services Limited, in the current year.

## Notes to the financial statements

at 31 October 2011

### 3. Directors' emoluments

Directors' emoluments have been borne by fellow group companies. The directors of the company are also directors or officers of other companies within the Hewlett-Packard group. The directors' services to the company do not occupy a significant amount of their time and are considered to be incidental. As such these directors do not consider that they receive any remuneration for their services to the company for the years ended 31 October 2011 and 31 October 2010.

### 4. Interest receivable

	<i>2011</i>	<i>2010</i>
	<i>\$000</i>	<i>\$000</i>
Interest receivable from group undertakings	201	3,762
	<u>201</u>	<u>3,762</u>

### 5. Interest payable

	<i>2011</i>	<i>2010</i>
	<i>\$000</i>	<i>\$000</i>
Interest payable on bank borrowing	-	88
Interest payable to group undertakings	21	1,714
	<u>21</u>	<u>1,802</u>

## Notes to the financial statements

at 31 October 2011

### 6. Taxation on ordinary activities

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

	2011 \$000	2010 \$000
<b>Current taxation</b>		
UK Corporation tax based on loss for the year at 26.83% (2010: 28%)	-	-
Adjustments in respect of prior periods	-	10,370
	-	10,370
<b>Foreign tax</b>		
Current tax on income for the year	-	521
Total foreign tax	-	521
Total tax (note 6b)	-	10,891

#### b) Factors affecting current tax charge

	2011 \$000	2010 \$000
Loss on ordinary activities before tax	(560)	(20,659)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26.83% (2010: 28%)	(150)	(5,785)
<b>Factors affecting charge</b>		
Overseas withholding tax suffered	-	521
Adjustments to corporation tax charge in respect of previous periods	-	10,370
Expenses not deductible for tax purposes	374	2,370
Losses surrendered to fellow group company	-	3,415
Utilization of losses from fellow group company	(224)	-
Total current tax (note 6a)	-	10,891

## Notes to the financial statements

at 31 October 2011

### 6. Taxation on ordinary activities (continued)

#### c) Factors affecting tax charge

In his Budget 2011 on 23 March 2011, the Chancellor of the Exchequer announced a reduction in the UK rate of corporation tax to 26%. This reduced rate applied from 1 April 2011 and was enacted using secondary legislation, called the Provisional Collection of Taxes Act. A further 1% rate reduction to 25% was also announced and it was intended that this would be effective from 1 April 2012. However, in his budget of 21 March 2012, the Chancellor of the Exchequer announced a number of further changes to the UK Corporation Tax rate. These included a reduction in the UK corporation tax rate from 25% to 24% effective from 1 April 2012 (and substantively enacted as of 26 March 2012 and dealt with by Resolution under the Provisional Collection of Taxes Act) and reduction from 24% to 23% from 1 April 2013 which was substantively enacted on 3 July 2012. The UK government intends to further reduce the UK corporate income tax rate to 22% by 1 April 2014, which is likely to be enacted in the next Finance Bill. Consequently, the company will only recognise the impact of the rate change which is substantively enacted at that time in its financial statements.

### 7. Debtors

	2011 \$000	2010 \$000
Amounts owed by group undertakings	255,868	375,627
Corporation tax	739	783
	<u>256,607</u>	<u>376,410</u>

### 8. Creditors: amounts falling due within one year

	2011 \$000	2010 \$000
Amounts owed to group undertakings	185,117	311,179
	<u>185,117</u>	<u>311,179</u>

### 9. Called up share capital

	2011 \$000	2010 \$000
<i>Issued</i>		
29,001,000 Ordinary shares of £1 each	44,282	44,282
	<u>44,282</u>	<u>44,282</u>

## Notes to the financial statements

at 31 October 2011

### 10. Reconciliation of shareholders' funds and movements on reserves

	<i>Share capital \$000</i>	<i>Profit and loss account \$000</i>	<i>Total \$000</i>
At 31 October 2009	44,282	59,372	103,654
Loss for the year	-	(31,550)	(31,550)
At 31 October 2010	44,282	27,822	72,104
Loss for the year	-	(560)	(560)
At 31 October 2011	44,282	27,262	71,544

### 11. Parent undertaking and controlling party

The company's immediate parent undertaking is EDS International Limited, a company incorporated in England and Wales

The ultimate parent company and controlling party and the largest undertaking which consolidates these financial statements is Hewlett-Packard Company, which is incorporated in the United States of America. Copies of the group financial statements of Hewlett-Packard Company can be obtained from 3000 Hanover Street, Palo Alto, California 94304, USA

### 12. Sterling exchange rate

The financial statements are presented in the Company's functional currency, US dollars

The exchange rate at the balance sheet date is \$1 614 to £1 (2010 \$1 600 to £1)

### 13. Related parties

The company has taken advantage of the exemption available to wholly owned subsidiary undertakings under Financial Reporting Standard Number 8 ("Related Party Transactions"), and accordingly has not provided details of its transactions with other wholly owned entities forming part of the Hewlett-Packard Company group

## Notes to the financial statements

at 31 October 2011

### 13. Related parties (continued)

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year, not including those covered by the exemption under Financial Reporting Standard Number 8 ("Related Party Transactions")

		Bilings to related parties during the year	Bilings from related parties during the year	Amounts owed by related parties as at 31 October*	Amounts owed to related parties as at 31 October*
		\$'000	\$'000	\$'000	\$'000
MphasIS Australia Pty Limited	2011	19	73,641	-	5,038
	2010	52	69,347	2	14,946
MphasIS Belgium BVBA	2011	5	-	1	-
	2010	1	-	1	-
MphasIS Deutschland GmbH	2011	-	1,239	-	93
	2010	2	338	2	316
MphasIS UK Limited	2011	31	39,294	2	1,711
	2010	23	14,595	2	2,801
MphasIS Consulting Limited	2011	3	39	1	16
	2010	4	414	-	14
MphasIS Ireland Limited	2011	1	-	1	-
	2010	1	-	-	-
MphasIS Limited	2011	54	396,740	572	29,790
	2010	700	562,758	1,274	37,259
MsourceE (India) Private Limited	2011	-	8,165	-	2,458
	2010	-	1,531	-	247
MphasIS Europe BV	2011	5	12,468	-	399
	2010	3	3,577	-	967
MphasIS Pte Limited	2011	6	571	1	44
	2010	3	239	-	26
MphasIS Coporation	2011	425	110,140	605	7,955
	2010	301	53,224	523	8,559
Fondiaris-SAI Servizi Tecnologici SPA	2011	13,311	24	1,402	-
	2010	12,599	-	1,290	-

The ultimate parent company, Hewlett-Packard Company, has a 60.75% indirect shareholding in all of the companies listed above, except Fondiaris-SAI Servizi, which Hewlett-Packard Company has a 49% indirect shareholding in

\* the amounts are classified as amounts to/from group undertakings within debtors and creditors respectively