

**NCR UK FINANCE LIMITED**

**ANNUAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2003**

**The Company's registered number is 4403044**



# NCR UK FINANCE LIMITED

## CONTENTS

<i>Company information</i>	3
<i>Directors' Report</i>	4
<i>Independent Auditors' report to the members of NCR UK Finance Ltd</i>	5
<i>Profit and loss account for the year ended 31 December 2003</i>	6
<i>Company balance sheet as at 31 December 2003</i>	7
<i>Notes to the accounts for the year ended 31 December 2003</i>	8 - 11

# **NCR UK FINANCE LIMITED**

## **COMPANY INFORMATION**

### **Directors**

YG Patel  
RJ Bracken  
KP Rowling  
H Ghantiwala

### **Secretary**

YG Patel

### **Registered office**

206 Marylebone Road  
London  
NW1 6LY

### **Independent Auditors**

PricewaterhouseCoopers LLP  
Chartered Accountant & Registered Auditors  
Harman House  
1 George Street  
Uxbridge  
Middlesex  
UB8 1QQ

## NCR UK FINANCE LIMITED

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2003

The directors present their report and the audited financial statements of the company for the year ended 31 December 2003.

#### Principal activity, business review and future developments.

The principal business of the company is as a holding company for NCR Ltd.

#### Results and Dividends

The results of the company for the year ended 31 December 2003 are shown in the attached financial statements. The company's loss on ordinary activities after taxation amounted to £19,419,000 (2002: £20,692,000). No dividends were paid during the year ended 31 December 2003 (2002: £Nil), and the retained loss was transferred to reserves.

#### Directors & their interests

Directors who served during the year and up to the date of signing the accounts are as follows:

TJ Cook	(appointed 25/03/2002 - resigned 31/05/2003)
YG Patel	(appointed 25/03/2002)
AJ Lane	(appointed 25/03/2002 – resigned 11/06/2004)
JR Shand	(appointed 15/05/2003 – resigned 12/04/2004)
SP Rubin	(appointed 15/05/2003 – resigned 23/03/2005)
H Ghantiwala	(appointed 14/06/2004)
RJ Bracken	(appointed 19/04/2005)
KP Rowling	(appointed 15/07/2005)

The directors held no interest other than those noted below in the share capital of any body corporate in the NCR Group required to be disclosed under schedule 7 of the Companies Act, 1985.

#### Statement of Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for the year. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

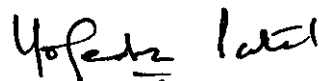
The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2003 and those applicable accounting standards have been followed.

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.

#### Auditors

A resolution to re-appoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the next annual general meeting.

By order of the Board,



YG Patel  
Director

Date: 24<sup>th</sup> August 2005

## NCR UK FINANCE LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

#### NCR UK FINANCE LIMITED

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

#### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 directors' report is not consistent with the financial statements, if 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 transactions is not disclosed.

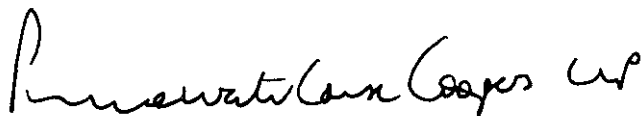
#### **Basis of opinion**

We conducted our audit in accordance with Auditing Standards 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 of the state of affairs of the company at 31 December 2003 and of the loss of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
West London

Date: 24 August 2005

# NCR UK FINANCE LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2003

	Notes	2003 £'000	2002 £'000
Administrative and other expenses	3	(21,127)	(22,804)
Other operating income	4	<u>4,932</u>	<u>4,954</u>
<b>Operating loss</b>	3	(16,195)	(17,850)
Interest payable and similar charges	5	<u>(2,492)</u>	<u>(1,937)</u>
<b>Loss on ordinary activities before taxation</b>		(18,687)	(19,787)
Tax charge on loss on ordinary activities	6	<u>(732)</u>	<u>(905)</u>
<b>Loss for the financial year</b>	13	<u>(19,419)</u>	<u>(20,692)</u>

The above results relate to continuing operations for the year ended 31 December 2003.

The company has no material recognised gains and losses other than the gains above and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the loss on ordinary activities before taxation and the retained loss for the year stated above and their historical cost equivalents.

The notes on pages 8 to 11 form an integral part of these accounts.

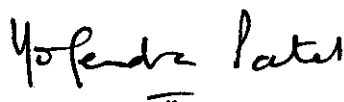
# NCR UK FINANCE LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2003

	Notes	2003 £'000	2002 £'000
<b>Fixed assets</b>			
Investments	8	67,319	88,446
<b>Current assets</b>			
Debtors	9	748	581
<b>Creditors: amounts falling due within one year</b>	10	<u>(48,616)</u>	<u>(50,157)</u>
<b>Net current liabilities</b>		<u>(47,868)</u>	<u>(49,576)</u>
<b>Net assets</b>		<u><b>19,451</b></u>	<u><b>38,870</b></u>
<b>Capital and reserves</b>			
Called up share capital	11	12	12
Share premium account	12	59,550	59,550
Profit and loss account	12	<u>(40,111)</u>	<u>(20,692)</u>
<b>Total shareholders' funds – equity</b>	13	<u><b>19,451</b></u>	<u><b>38,870</b></u>

The financial statements on pages 6 to 11 were approved by the board of directors on 24<sup>th</sup> August 2005 and signed on its behalf by:



YG Patel  
Director

The notes on pages 8 to 11 form an integral part of these accounts.

# NCR UK FINANCE LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2003

### *Principal accounting policies*

- a) The financial statements are prepared on a going concern basis in accordance with applicable UK accounting standards under the historical cost convention. These statements are in compliance with the Companies Act 1985 and the accounting policies have been applied consistently. The company will continue to receive full managerial support for the foreseeable future and in any event for a period of at least 12 months from the signing of these financial statements.

The principal accounting policies used in the preparation of the accounts are summarized below:

- b) Foreign currency balances are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions denominated in foreign currencies are translated at the exchange rate ruling at the transaction date. Resulting exchange differences are taken to the profit and loss account.
- c) Deferred tax is recognised 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 the future or a right to pay less tax in the future have occurred at the balance sheet date.

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 against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

- d) The company is a subsidiary of NCR UK Group Ltd and is included in the consolidated accounts of NCR UK Group Ltd. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 228(1) (b) of the companies Act 1985.
- e) Investments are valued at historical cost less any diminution arising from impairment reviews.
- f) Promissory notes issued are recorded at the balance sheet date at the issue price plus accrued interest.

### **Note 2**      *Cash flow statement, related party disclosures, and consolidated accounts*

The company's ultimate parent company is NCR Corporation and these accounts are included in the consolidated financial statements of NCR Corporation, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996). The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the NCR Corporation or investees of the NCR Corporation.

### **Note 3**      *Operating loss*

Operating loss on ordinary activities is stated after charging the following amounts:

	Year ended 31 December 2003 £'000	Period to 31 December 2002 £'000
Impairment provision against investment in NCR Ltd (see note 8)	<u>21,127</u>	<u>22,804</u>

Auditors' remuneration was borne by NCR Limited. The company had no employees and no employee costs were paid by the company during the year.



# NCR UK FINANCE LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2003 (Continued)

### Note 4 *Other operating income*

	2003 £'000	2002 £'000
Gain on translation of group foreign currency promissory notes	<u>4,932</u>	<u>4,954</u>
	<u>4,932</u>	<u>4,954</u>

### Note 5 *Other interest payable and similar charges*

	2003 £'000	2002 £'000
Interest payable on promissory notes payable to fellow group companies	<u>2,492</u>	<u>1,937</u>
	<u>2,492</u>	<u>1,937</u>

### Note 6 *Taxation on Loss on ordinary activities*

	2003 £'000	2002 £'000
Current tax:		
UK corporation tax at 30% (2002: 30%)	899	1,486
<b>Total current tax</b>	<u>899</u>	<u>1,486</u>
Deferred tax:		
Origination and reversal of timing differences	(167)	(581)
<b>Total deferred tax</b>	<u>(167)</u>	<u>(581)</u>
<b>Total tax charge on loss on ordinary activities</b>	<u>732</u>	<u>905</u>

#### Factors affecting tax charge for the year

The tax assessed for the year is higher (2002: higher) than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2003 £'000	2002 £'000
Loss on ordinary activities before tax	<u>(18,687)</u>	<u>(19,787)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2002: 30%)	(5,606)	(5,936)
Effects of:		
Impairment provision not deductible for tax purposes	6,338	6,841
Movement in deferred tax (note 9)	<u>167</u>	<u>581</u>
<b>Total current tax charge</b>	<u>899</u>	<u>1,486</u>

### Note 7 *Directors' remuneration*

No director's remuneration was paid during the year (2002: £nil).

# NCR UK FINANCE LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2003 (Continued)

### **Note 8**      *Investment in subsidiary undertakings*

The company holds 4,335,000 ordinary shares of £1 each in NCR Limited, comprising 51% of the current share capital of that company.

The directors have reviewed the 2003 results and the forecast for the following year of its subsidiary and are of the opinion that the carrying value of the investment should be reduced to £67,319,000.

NCR Ltd is incorporated in Great Britain. Its principal activities are the sale and maintenance of ATMs and store automation.

Investment in subsidiary undertakings comprises:

	2003 £'000	2002 £'000
Balance at 1 January	88,446	-
Additions	-	111,250
Impairment provision	<u>(21,127)</u>	<u>(22,804)</u>
Balance at 31 December	<u>67,319</u>	<u>88,446</u>

### **Note 9**      *Debtors*

	2003 £'000	2002 £'000
Deferred taxation - short term timing differences	<u>748</u>	<u>581</u>
	<u>748</u>	<u>581</u>

### **Note 10**      *Creditors: amount falling due within one year*

	2003 £'000	2002 £'000
Promissory Note	46,231	48,671
Taxation	<u>2,385</u>	<u>1,486</u>
	<u>48,616</u>	<u>50,157</u>

On 19 April 2002 NCR UK Finance Ltd issued a promissory note for US\$74,637,413 to NCR UK Partners LLP. This note bore interest at 5.75% per annum and was repaid on 15 December 2003, at the redemption price of \$81,849,771 (being the original capital plus the accrued interest). The promissory note is unsecured.

A new promissory note was issued by NCR UK Finance Ltd commencing on the 16<sup>th</sup> December 2003 with a value of US\$81,843,771 to NCR UK Partners LLP. This note bore interest at 5.75% per annum and was repaid on 15<sup>th</sup> December 2004, at the redemption price of US\$86,556,133. The promissory note is unsecured.

### **Note 11**      *Called up share capital*

	2003 £'000	2002 £'000
<b>Authorised:</b>		
20,000 ordinary shares of US \$1 each	<u>14</u>	<u>14</u>
<b>Issued, allotted and fully paid:</b>		
18,002 ordinary shares of US \$1 each	<u>12</u>	<u>12</u>

# NCR UK FINANCE LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2003 (Continued)

**Note 12**      *Reserves*

	Share premium account	Profit and loss account	Total
	2003 £'000	2003 £'000	2003 £'000
As at 1 January	59,550	(20,692)	38,858
Retained loss for the financial year	<u>-</u>	<u>(19,419)</u>	<u>(19,419)</u>
<b>At 31 December</b>	<b><u>59,550</u></b>	<b><u>(40,111)</u></b>	<b><u>19,439</u></b>

**Note 13**      *Reconciliation of movement in shareholders' funds*

	2003 £'000	2002 £'000
Opening shareholders' funds	38,870	-
Share capital issued	-	12
Retained loss for the year	(19,419)	(20,692)
Premium on shares issued	<u>-</u>	<u>59,550</u>
<b>Closing shareholders' funds – equity</b>	<b><u>19,451</u></b>	<b><u>38,870</u></b>

**Note 14**      *Immediate and ultimate parent undertaking*

The immediate parent undertaking is NCR UK Group Limited, a company incorporated in United Kingdom.

The ultimate parent undertaking and controlling party is NCR Corporation, a company incorporated in the United States.

NCR Corporation is the largest group of undertakings to consolidate these financial statements at 31 December 2003.

The consolidated financial statements of NCR Corporation are available from 1700 South Patterson Boulevard, Dayton, Ohio, United States of America.

NCR UK Group is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of NCR UK Group can be obtained from 206 Marylebone Road, London, NW1 6LY.