

Registration number: 03557954

Unisys Finance Limited

Annual Report and Financial Statements

For the year ended 31 December 2017

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COMPANIES HOUSE

Unisys Finance Limited

Company Information

Directors F Mallia
M Piercy
G Purvey

Company secretary G Reeves

Registered number 03557954

Registered office 1st Floor
Building 6 Chiswick Park
566 Chiswick High Road
London
W4 5HR

Independent auditor KPMG LLP
Arlington Business Park
Theale
Reading
United Kingdom
RG7 4SD

Unisys Finance Limited

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Strategic Report

for the Year Ended 31 December 2017

The financial statements have been denominated in US dollars.

Results and dividends

The profit for the year after taxation amounted to \$1,577,000 (2016: \$2,562,000). The retained profit brought forward was \$28,531,000 leaving a retained profit carried forward of \$30,108,000. The directors do not recommend any dividends for the year (2016: \$nil).

Principal activity, review of business and future developments

The principal activity of the company is the provision of financing for the Unisys Corporation group of companies. Surplus cash balances are borrowed from group companies and either loaned within the group or invested.

The directors monitor the company's progress against its business objectives on a regular basis. As part of this process the most significant key performance indicators used by the company are the amounts of loans receivable and payable, interest income and expense and foreign currency exposures.

The repayment of foreign currency borrowings are covered by short term forward exchange contracts.

The company continued to meet the operational cash needs of its clients during the year and is expected to do so in the future.

Principal risks and uncertainties

The main risks arising from the company's financial instruments are cash flow, interest rate risk, liquidity risk, foreign currency risk and credit risk. The Board reviews and agrees policies for managing these risks.

The directors do not consider the company to have any significant exposure to interest rate risk as all debts are in the form of fixed rate loans provided by other Unisys Corporation group companies. The company either deposits surplus funds with reputable UK banks or makes fixed rate short term loans to other Unisys Corporation group companies. The company does not trade in interest rate derivatives.

The currency risk arising on all foreign currency loans and foreign currency borrowings is managed using short term forward exchange contracts. The company's policy is to roll over foreign exchange contracts so that over the life of the loan the foreign exchange forward contracts match the maturity date of the loan.

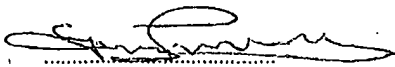
The company manages its liquidity risk by matching the maturity date of the loans to and from other Unisys group companies.

The company trades only with other Unisys group companies and as such directors consider the company has minimal exposure to credit risks which is restricted to the ability of other group companies to settle the debt. The company is exposed to counterparty risk as cash balances are invested in fixed interest overnight deposits with a reputable UK bank and also as foreign exchange contracts are made with reputable financial institutions.

Unisys Finance Limited

Strategic Report
for the Year Ended 31 December 2017 (continued)

This report was approved by the board on 27/9/2018 and signed on its behalf by:



G Purvey
Director

Date: 27/9/2018

Unisys Finance Limited

Directors' Report
for the Year Ended 31 December 2017

The Directors present their report and the audited financial statements for the year ended 31 December 2017.

Directors

The directors who held office during the year and up to the date of signing this report were as follows:

S Battersby (resigned 8 August 2017)

F Mallia

M Piercy

G Purvey

The directors at 31 December 2017 had no interest, nor options, in the ordinary share capital of the company at the beginning or end of the year.

Unisys Corporation, the company's ultimate parent company, has granted an indemnity to one or more of the company's directors against liability in respect of proceedings brought by third parties, subject to the conditions set in the Companies Act 2006 Section 232. Such qualifying third party indemnity provision remains in force as at the date of approving the director's report.

Secretary

G Reeves

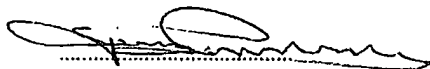
Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each auditor has taken all steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

This report was approved by the board on 27/12/2017 and signed on its behalf by:



G Purvey
Director

Registered number: 03557954
1st Floor, Building 6 Chiswick Park, 566 Chiswick High Road, London, W4 5HR

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS102 The Financial Reporting Standard applicable in United Kingdom and Ireland.

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 these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting 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
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of Unisys Finance Limited

Opinion

We have audited the financial statements of Unisys Finance Limited ("the company") for the year ended 31 December 2017 which comprise the Profit and Loss Account, Statement of Other Comprehensive Income, Balance Sheet, and Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent Auditor's Report to the Members of Unisys Finance Limited (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

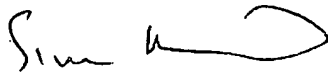
A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Unisys Finance Limited

Independent Auditor's Report
to the Members of Unisys Finance Limited (continued)

The purpose of our audit work and to whom we owe our responsibilities

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 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.



.....
Simon Baxter (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

Arlington Business Park
Theale
Reading
United Kingdom
RG7 4SD

Date: 28 September 2018

Unisys Finance Limited

Profit and Loss Account

for the year ended 31 December 2017

		2017	2016
	<i>Note</i>	\$ 000	\$ 000
Administrative expenses		(14)	(32)
Foreign exchange (loss) / gain		(446)	714
Operating (loss)/profit		(460)	682
Interest receivable	4	4,158	6,022
Interest payable	5	(1,821)	(3,502)
		<u>2,337</u>	<u>2,520</u>
Profit before tax		1,877	3,202
Taxation charge on profit	6	(300)	(640)
Profit for the year		<u>1,577</u>	<u>2,562</u>

All results relate to continuing operations.

Statement of Other Comprehensive Income

for the year ended 31 December 2017

There is no other comprehensive income in the current year other than the profit attributable to shareholders of the company of \$1,577,000 (2016: profit of \$2,562,000).

The notes on pages 11 to 17 form an integral part of these financial statements.

Unisys Finance Limited

Balance Sheet
as at 31 December 2017

	Note	2017 \$ 000	2016 \$ 000
Current assets			
Debtors	7	173,874	141,974
Cash at bank and in hand		<u>474</u>	<u>251</u>
		174,348	142,225
Creditors: Amounts falling due within one year	8	<u>(129,240)</u>	<u>(98,694)</u>
Net current assets		<u>45,108</u>	<u>43,531</u>
Capital and reserves			
Called up share capital	10	9,000	9,000
Share premium account		6,000	6,000
Profit and loss account		<u>30,108</u>	<u>28,531</u>
Total equity		<u>45,108</u>	<u>43,531</u>

The financial statements were approved and authorised for issue by the board on 31/9/2018 and signed on its behalf by:



G Purvey
Director
Date:
Registered number: 03557954

The notes on pages 11 to 17 form an integral part of these financial statements.

Unisys Finance Limited

Statement of Changes in Equity

for the Year Ended 31 December 2017

	<i>Called up Share capital \$000</i>	<i>Share premium account \$000</i>	<i>Profit and loss account \$000</i>	<i>Total equity \$000</i>
At 1 January 2016	9,000	6,000	25,969	40,969
Profit for the year	-	-	2,562	2,562
At 31 December 2016	9,000	6,000	28,531	43,531
Profit for the year	-	-	1,577	1,577
At 31 December 2017	9,000	6,000	30,108	45,108

The notes on pages 11 to 17 form an integral part of these financial statements.

Notes to the Financial Statements

for the Year Ended 31 December 2017

1 Fundamental Accounting Concept

The company has sufficient financial resources and, as the maturity profile of the loans receivable and payable are matched, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

2 Accounting policies

Unisys Finance Ltd. (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with the Financial Reporting Standard 102. The financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statement is US dollar. All amounts in the financial statements have been rounded to the nearest \$1,000.

The Company's ultimate parent undertaking, Unisys Corporation includes the Company in its consolidated financial statement. The consolidated financial of Unisys Corporation incorporated in state of Delaware, and the residing at 801 Lakeside Drive, STE 100, Bluebell Pennsylvania, 19422 USA are available to the public and may be obtained from the Company Secretary, Unisys Limited, Building 6, Chiswick Park, 566 Chiswick High Road, London W4 5HR. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of period;
- Cash Flow Statement and related notes;
- Key Management Personnel compensation; and
- Related party transactions with wholly owned group companies

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Accounting convention

The accounts have been prepared under historical cost convention and in accordance with applicable accounting standards as defined in section 464 of the Companies Act 2006 with the exception of certain financial instruments which have been shown at fair value.

Functional currency

The company prepares financial statements in United States (US) Dollar as this is the company's functional currency. US Dollar is the functional currency as it is the primary operational currency of the entity. The directors of the company are of the opinion that to prepare financial statements in Sterling, with the resultant exchange fluctuations, would distort the results of the company.

Notes to the Financial Statements

for the Year Ended 31 December 2017 (continued)

2 Accounting policies (continued)

Translation of foreign currencies

Transactions in foreign currencies are translated into US Dollars at rates which approximate to those ruling on the dates of the transactions. Monetary assets and liabilities are translated into US Dollars at exchange rates approximating to those ruling on the market at the end of the financial period unless covered by a matching forward exchange contract in which case the exchange rate specified in the forward contract is used.

Taxation

The charge for taxation is based on the profit 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 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, or a right to pay less, tax in the future have occurred. Deferred tax assets, are recognised only to the extent that the directors consider that it is more likely than not that their will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the period in which timing differences reverse, based on the tax rates and laws enacted or substantively enacted at the balance sheet date.

Basic financial instruments

Interest-bearing borrowings classified as basic financial instruments.

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances.

Other financial instruments

Financial instruments not considered to be Basic financial instruments (*Other financial instruments*)

Other financial instruments not meeting the definition of Basic financial instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit and loss. The company uses foreign exchange forward contracts to eliminate its exposure to market risks from changes in foreign exchange rates. These forward exchange contracts have maturities of less than 3 months and are entered into for the sole purpose of hedging certain transactional exposures.

Notes to the Financial Statements
for the Year Ended 31 December 2017 (continued)

3 Profit before taxation

(a) Auditor's remuneration for audit services of \$6,000 (2016: \$11,000) is paid by a fellow group undertaking and therefore included in the financial statements of that company.

(b) The directors' remuneration including fees was borne by fellow group subsidiaries of the ultimate parent undertaking in the current year.

The directors' services to the company do not occupy a significant amount of their time and as such the directors do not consider that they have received any remuneration for their incidental services to the company during the years ended 31 December 2017 and 31 December 2016.

The directors received no share based payments in respect of their services as directors of the company.

No director exercised share option during year.

(c) The company has no employees.

4 Interest receivable

	2017 \$000	2016 \$000
From group undertakings	4,150	6,019
Bank and other interest	8	3
	<u>4,158</u>	<u>6,022</u>

5 Interest payable

	2017 \$000	2016 \$000
To group undertakings	<u>1,821</u>	<u>3,502</u>

6 Taxation

Tax charged in the income statement

	2017 \$000	2016 \$000
Current taxation		
UK corporation tax on profits for the period	<u>300</u>	<u>640</u>

Notes to the Financial Statements
for the Year Ended 31 December 2017 (continued)

6 Taxation (continued)

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2016 - higher than the standard rate of corporation tax in the UK) of 19.25% (2016 - 20%).

The differences are reconciled below:

	2017 \$000	2016 \$000
Profit before tax	<u>1,877</u>	<u>3,202</u>
Corporation tax at standard UK tax rate of 19.25% (2016: 20.00%)	361	640
Decrease in UK and foreign current tax from unrecognised temporary difference from a prior period	<u>(61)</u>	-
Total tax charge	<u>300</u>	<u>640</u>

The Finance Act (No 2) 2015 was enacted on 18 November 2015 and introduced a reduction in the headline rate of UK corporation tax from 20% to reduced rates of 19% and 18% with effect from 1 April 2017 and 1 April 2020 respectively. A further reduction in the headline rate to 17% to apply from 1 April 2020 was enacted in the Finance Act 2016 on 15 September 2016. This will reduce the company's future current tax charge accordingly.

There were no provided or unprovided deferred tax balances at 31 December 2017 (2016: \$nil).

7 Debtors

	2017 \$ 000	2016 \$ 000
Amounts owed by group undertaking	173,068	141,974
Other debtors	105	-
Other financial assets held for trading derivatives	<u>701</u>	-
	<u>173,874</u>	<u>141,974</u>

Amounts owed by group undertakings are unsecured and repayable on demand.

Notes to the Financial Statements
for the Year Ended 31 December 2017 (continued)

8 Creditors

	2017 \$ 000	2016 \$ 000
	<i>Note</i>	
<i>Due within one year</i>		
Amounts owed to group undertakings	126,148	94,606
Other taxes and social security	2,527	3,253
Other financial liabilities held for trading derivatives	565	835
	<u>129,240</u>	<u>98,694</u>

Amounts owed to group undertakings are unsecured and repayable on demand.

9 Financial instruments

Carrying amount of financial instruments:

	2017 \$ 000	2016 \$ 000
Financial assets		
Financial assets measured at fair value through profit or loss	701	-
Financial assets measured at amortised cost	173,173	141,974
	<u>173,874</u>	<u>141,974</u>
Financial liabilities		
Financial liabilities measured at fair value through profit or loss	(565)	(835)
Financial liabilities measured at amortised cost	(126,148)	(94,606)
	<u>(126,713)</u>	<u>(95,441)</u>

Notes to the Financial Statements

for the Year Ended 31 December 2017 (continued)

9 Financial instruments (continued)

Financial assets measured at fair value

Derivative financial instruments

At 31 December 2017, the company had net foreign current liabilities of \$72,427,620 (2016: net foreign liabilities \$70,518,243, which was fully managed by matching foreign currency exchange forward contracts with maturity period of less than 3 months. These forward contracts are denominated in various currencies and all expire within 1 month of the balance sheet date.

The fair value of forward exchange contracts is based on their listed market price.

Derivative financial instruments are not significant to the company's financial statements. Financial instruments have been disaggregated in note 7 and 8 above.

The main risks arising from the company's financial instruments are cash flow, interest rate risk, liquidity risk, foreign currency risk and credit risk. The Board reviews and agrees policies for managing these risks.

The directors do not consider the company to have any significant exposure to interest rate risk as all debts are in the form of fixed loans provided by other Unisys Corporation group companies. The company either deposits surplus funds with reputable UK banks or makes fixed rate short term loans to other Unisys corporation group companies. The company does not trade in interest rate derivatives.

The currency risk arising on all foreign currency loans and foreign currency borrowings is managed using short term forward exchange contracts. The company's policy is to roll over foreign exchange contracts so that over the life of the loan the foreign exchange forward contracts match the maturity date of the loan.

The company manages its liquidity risk by matching the maturity date of the loans to and from other Unisys group companies.

The company trades only with other Unisys group companies and as such directors consider the company has minimal exposure to credit risk which is restricted to the ability of other group companies to settle the debt. The company is exposed to counterparty risk as cash balances are invested in fixed interest overnight deposits with a reputable UK bank and also as foreign exchange contracts are made with reputable financial institutions.

10 Share capital

Allotted, called up and fully paid shares

	2017		2016	
	No. 000	\$000	No. 000	\$000
Ordinary shares of £1 each	<u>9,000</u>	<u>9,000</u>	<u>9,000</u>	<u>9,000</u>

Notes to the Financial Statements

for the Year Ended 31 December 2017 (continued)

11 Ultimate parent undertaking and ultimate controlling party

The parent undertaking for the smallest and largest group of undertakings for which group financial statements are drawn up and of which the company is a member, is Unisys Corporation incorporated in State of Delaware, and residing at 801 Lakeside Drive, STE 100, Bluebell, Pennsylvania, 19422 USA. Unisys Corporation is a public company listed on the New York Stock Exchange. Copies of the group financial statements of Unisys Corporation are available from the Company Secretary, Unisys Limited, Building 6, Chiswick Park, 566 Chiswick High Road, London W4 5HR.

The directors consider Unisys Corporation to be the company's controlling party and the ultimate parent.

The company's immediate parent is Unisys Global Holding BV, incorporated in Storkstraat 7-9, 3833 LB Leusden, Netherlands.