

EDS FINANCE PLC
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2000



Company No. 2099503

EDS FINANCE PLC

COMPANY INFORMATION

Directors

Mr M Lewthwaite
Mr WG Thomas
Mr SE Pownall
Mrs I Atkins
Mrs AJ Reilly

Secretary

EDS Secretarial Services Limited

Company number

2099503

Registered office

4 Roundwood Avenue
Stockley Park
Uxbridge
Middlesex
UB11 1BQ

Auditors

KPMG
PO Box 695
8 Salisbury Square
London
EC4Y 8BB

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EDS FINANCE PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2000

The directors present their report and the audited financial statements for the company for the year ended 31st December 2000.

Principal activities and review of business

The company continues to trade as a finance company, providing a range of services to the EDS group of companies.

Results and dividends

Both the level of business and the year end financial position were satisfactory, and the directors expect the present level of activity will be sustained for the foreseeable future.

The results for the year are set out in the profit and loss account on page 5.

The directors do not recommend a dividend .

Directors and their interests

The directors who held office during the year are given below:

Mr JA Malin (resigned 22 May 2000)

Mr RT Shelton (resigned 30 November 2000)

Mr AC Stevens (resigned 30 November 2000)

Mrs I Atkins (appointed 20 January 2000)

Mr JF Carrick (appointed 22 May 2000, resigned 22 November 2000)

Mr M Lewthwaite (appointed 20 January 2000)

Mr WG Thomas (appointed 31 October 2000)

Mr SE Pownall (appointed 31 October 2000)

Mrs AJ Reilly (appointed 1 December 2000)

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

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company or any other group company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

EDS FINANCE PLC

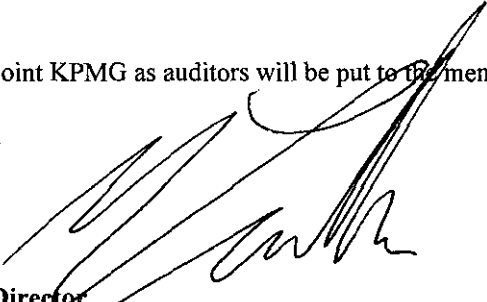
DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2000

Auditors

A resolution to re-appoint KPMG as auditors will be put to the members at the Annual General Meeting.

By order of the Board



Mr M Lewthwaite, Director

Date: 20th July 2001

4 Roundwood Avenue
Stockley Park
Uxbridge
Middlesex
UB11 1BQ

EDS FINANCE PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2000

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that year. In preparing those 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 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 which 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' REPORT TO THE SHAREHOLDERS OF EDS FINANCE PLC

We have audited the financial statements on pages 5 to 11.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with the applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by the profession's ethical guidance.

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. 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 with the company is not disclosed.

We read the other information accompanying the financial statements and consider whether it is consistent with those statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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 judgements 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 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 the information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG
Chartered Accountants and Registered Auditors
PO Box 695
8 Salisbury Square
London
EC4Y 8BB

Date:

24/7/01

EDS FINANCE PLC

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 2000

	Notes	2000 \$'000	1999 \$'000
Administrative expenses		(1,341)	(1,218)
Other operating income		2,718	2,370
Other operating expense		(15,027)	-
Operating (loss)/profit	2	(13,650)	1,152
Other interest receivable and similar income	5	77,810	65,421
Interest payable and similar charges	6	(65,080)	(60,652)
(Loss)/Profit on ordinary activities before taxation	2	(920)	5,921
Tax on (loss)/profit on ordinary activities	7	(1,910)	(5,704)
(Loss)/Profit for the financial year	12	(2,830)	217
Retained profit brought forward		35,586	35,369
Retained profit carried forward		32,756	35,586

All amounts relate to continuing activities.

There were no recognised gains or losses for 2000 or 1999 other than those included in the profit and loss account.

The results for this and the prior year disclosed in the profit and loss account are on a historical cost basis.

EDS FINANCE PLC

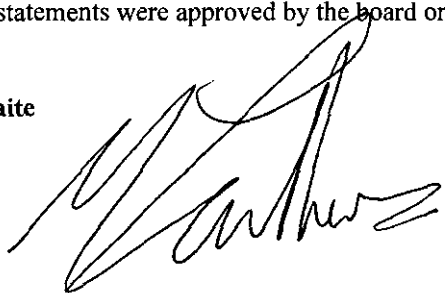
BALANCE SHEET

AS AT 31ST DECEMBER 2000

	Notes	2000 \$'000	1999 \$'000
Fixed assets			
Tangible assets	8	-	-
Current assets			
Debtors	9	1,611,841	1,587,944
Cash at bank and in hand		36,425	50,686
		<u>1,648,266</u>	<u>1,638,630</u>
Creditors: Amounts falling due within one year	10	(1,585,508)	(1,573,042)
Net assets		<u>62,758</u>	<u>65,588</u>
Capital and reserves			
Share capital	11	30,002	30,002
Profit and loss account	12	32,756	35,586
Equity shareholders' funds	13	<u>62,758</u>	<u>65,588</u>

These financial statements were approved by the board on 20th July 2001 and signed on its behalf by:

Mr M Lewthwaite
Director



EDS FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2000

1 Accounting policies

Basis of accounting

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

The financial statements are prepared in US Dollars as this is the principal currency in which the company's transactions are made.

Related Party Transactions

As the company is a wholly owned subsidiary of Electronic Data Systems Corporation, the company has taken advantage of the exemption contained in Financial Reporting Standard No. 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Electronic Data Systems Corporation, within which the company is included, can be obtained from the address given in note 15.

Cash flow statement

Under Financial Reporting Standard No. 1 (revised) the company is exempt from the requirement to produce a cash flow statement as the ultimate parent undertaking, Electronic Data Systems Corporation, includes the company in its own published consolidated financial statements. The consolidated financial statement of Electronic Data Systems Corporation can be obtained from the address given in note 15.

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. Provision is made for deferred tax using the liability method on all timing differences only to the extent that it is probable that an actual liability will crystallise.

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 the rates ruling at the balance sheet date and the gains or losses on translation arising are included in the profit and loss account.

Contribution to pension funds

The EDS International Limited group operates a number of defined benefit and contribution pension schemes. All EDS Finance Plc staff are 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.

EDS FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2000

2 (Loss)/Profit on ordinary activities before taxation

The loss on ordinary activities before taxation is stated after charging:

	2000	1999
	\$'000	\$'000
Exceptional item	15,027	-

The exceptional item relates to the write off of an intercompany loan payable to EDS Finance Plc by EDS Japan Ltd as a result of the liquidation of EDS Japan Ltd.

The auditors' remuneration is borne by a fellow group undertaking and is not recharged.

3 Remuneration of directors

The directors are employees of other group undertakings. Four directors received emoluments in relation to services provided to the company. No emoluments were paid to the other directors specifically in relation to their services to the company.

	2000	1999
	\$'000	\$'000
Directors' emoluments	300	217
Amounts receivable under long term incentive schemes	-	37
	300	254

	2000	1999
	Number	Number
Retirement benefits were accruing to directors as follows:		
Defined benefit schemes	3	3
The number of directors in respect of whose services shares were received or receivable under long term incentive schemes was	-	2

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was \$130,542 (1999: \$141,513). The highest paid director is not a member of a pension scheme administered within the EDS International Limited group. In the year ended 31st December 1999, the highest paid director was a member of a defined benefit scheme administered within the EDS International Limited group. His accrued pension at the 31st December 1999 was \$12,064.

4 Staff numbers and costs

All staff are on secondment from fellow subsidiary undertakings.

5 Interest receivable

	2000	1999
	\$'000	\$'000
From group undertakings	75,820	63,511
From third parties	1,990	1,910
	77,810	65,421

EDS FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2000

6 Interest payable and similar charges

	2000	1999
	\$'000	\$'000
To group undertakings	63,162	56,554
Bank loan and overdraft	169	178
Foreign exchange loss	1,749	3,920
	<u>65,080</u>	<u>60,652</u>

7 Taxation

	2000	1999
	\$'000	\$'000
Based on the (loss)/profit for the year:		
UK corporation tax at 30% (1999: 30.25%)	(531)	773
Overseas tax	1,696	4,082
	<u>1,165</u>	<u>4,855</u>
Prior periods:		
UK corporation tax	745	849
	<u>1,910</u>	<u>5,704</u>

8 Tangible fixed assets

	Computer equipment	Total
	\$'000	\$'000
Cost		
At 1st January 2000	200	200
Disposals	(200)	(200)
At 31st December 2000	<u>-</u>	<u>-</u>
Depreciation		
At 1st January 2000	200	200
Disposals	(200)	(200)
At 31st December 2000	<u>-</u>	<u>-</u>
Net book value		
At 31st December 2000	<u>-</u>	<u>-</u>
At 31st December 1999	<u>-</u>	<u>-</u>

EDS FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2000

9	Debtors	2000	1999
		\$'000	\$'000
	Amounts owed by parent and fellow subsidiary undertakings:		
	Intercompany loans	1,302,463	1,177,787
	Intercompany current accounts	268,654	393,602
	Prepayments and accrued income	36,291	14,306
	Corporation tax	4,433	2,249
		<u>1,611,841</u>	<u>1,587,944</u>
10	Creditors: amounts falling due within one year	2000	1999
		\$'000	\$'000
	Amounts owed to parent and fellow subsidiary undertakings:		
	Intercompany loans	1,279,820	1,196,725
	Intercompany current accounts	258,492	356,270
	Accruals and deferred income	47,196	20,047
		<u>1,585,508</u>	<u>1,573,042</u>
11	Share capital	2000	1999
		\$'000	\$'000
	Authorised, allotted, called up and fully paid		
	19,001,000 ordinary shares of £1 each	<u>30,002</u>	<u>30,002</u>
12	Reserves		Profit and loss account
			\$'000
	At 1st January 2000		35,586
	Loss for the year		(2,830)
	At 31st December 2000		<u>32,756</u>
13	Reconciliation of movement in shareholders' funds	2000	1999
		\$'000	\$'000
	(Loss)/Profit for the financial year	(2,830)	217
	(Decrease)/Increase in shareholders' funds	(2,830)	217
	Opening shareholders' funds	<u>65,588</u>	<u>65,371</u>
	Closing shareholders' funds	<u>62,758</u>	<u>65,588</u>

EDS FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2000

14 Intermediate holding company

The intermediate holding company is EDS International Limited, a company incorporated in England and Wales, which is the smallest group in which the accounts are consolidated. These accounts may be obtained from the following address:

EDS International Limited
4 Roundwood Avenue
Stockley Park
Uxbridge
Middlesex
UB11 1BQ

15 Ultimate holding company

The ultimate holding company was Electronic Data Systems Corporation, a company incorporated in the United States of America, which was the largest group in which the accounts were consolidated. These accounts may be obtained from the following address:

Electronic Data Systems Corporation
5400 Legacy Drive
Plano
Texas 75024
USA