

American Express Europe Limited

Unaudited Financial Statements

31 December 2000

Registered in England and Wales under Branch BR897
Registered number FC11790



American Express Europe Limited

Unaudited Financial Statements

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2000

	Notes	2000 \$000	1999 \$000
GROSS PROFIT		701,036	718,872
Operating and administrative expenses		(707,274)	(731,987)
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST		(6,238)	(13,115)
Interest receivable	5	9,431	9,728
Interest payable	6	(8,526)	(8,171)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(5,333)	(11,558)
Taxation		1,867	4,046
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(3,466)	(7,512)
LOSS RETAINED FOR THE FINANCIAL YEAR		(3,466)	(7,512)

All profits and losses earned are derived from continuing activities.

There are no recognised gains and losses other than those as stated above.

Accordingly, no separate statement of total recognised gains and losses is presented.

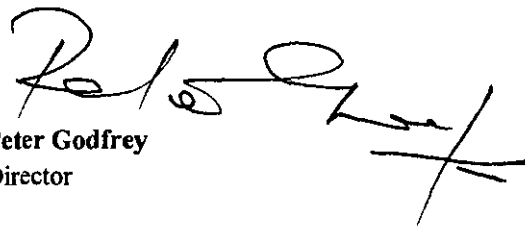
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BALANCE SHEET

as at 31 December 2000

	Notes	2000 \$000	1999 \$000
FIXED ASSETS			
Intangible assets	7	34,235	41,537
Tangible assets	8	22,492	27,325
		<u>56,727</u>	<u>68,862</u>
CURRENT ASSETS			
Debtors	9	951,760	834,910
Cash at bank and in hand		486,263	271,513
		<u>1,438,023</u>	<u>1,106,423</u>
CREDITORS: amounts falling due within one year	10	<u>(1,347,906)</u>	<u>(1,020,056)</u>
NET CURRENT ASSETS		90,117	86,367
TOTAL ASSETS LESS CURRENT LIABILITIES		146,844	155,229
CREDITORS: amounts falling due after more than one year	11	<u>(60,161)</u>	<u>(65,080)</u>
		<u>86,683</u>	<u>90,149</u>
CAPITAL AND RESERVES			
Called up share capital	12	1	1
Share premium account	13	49,999	49,999
Capital surplus	14	9,422	9,422
Profit and loss account	14	27,261	30,727
EQUITY SHAREHOLDERS' FUNDS		<u>86,683</u>	<u>90,149</u>

Approved by the Board of Directors on 28 June 2001 and signed on its behalf by:


Peter Godfrey
Director

American Express Europe Limited

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NOTES TO THE ACCOUNTS

for the year ended 31 December 2000

1. ACCOUNTING POLICIES

Accounting convention

The company is incorporated in the United States of America. The accounts are prepared under US GAAP taking advantage of exemptions disclosed in the Oversea Companies (Accounts) (Modifications and Exemptions) Order 1990.

Goodwill

Goodwill is the difference between the amount paid on the acquisition of a business, and the fair value of the net assets acquired. Goodwill is amortised over the directors' estimate of its useful economic life of 15 years

Depreciation

Depreciation is provided on all tangible fixed assets except freehold land at rates calculated to write off the original cost or valuation, less estimated residual value over the expected useful life of the assets as follows:

- Leasehold improvements - over 5 to 10 years or the lease term if less
- Fixtures and fittings - over 8 years
- Plant and machinery - over 3 to 8 years

Foreign currencies

Transactions of the company denominated in foreign currencies are translated into dollars at the rates ruling at the dates of the transactions. All transaction gains and losses are borne by the parent company.

Monetary assets and liabilities denominated in foreign currencies are translated into dollars at exchange rates prevailing at the end of the year. Resulting exchange gains and losses are taken to the profit and loss account.

The assets and liabilities of UK branches are translated into dollars at the year end rate of exchange and the gains and losses arising from the translation are borne by the parent company.

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NOTES TO THE ACCOUNTS

for the year ended 31 December 2000

1. ACCOUNTING POLICIES (continued)

Leasing commitments

Rentals payable under operating leases are charged to the profit and loss account in equal amounts over the lease term.

Pensions

Contributions are made to the company's pension scheme for the funding of retirement benefits for each scheme member during his or her working life. The expected cost of providing pensions, as calculated by professional actuaries, is charged to the profit and loss account so as to spread the cost evenly over the service lives of employees in the scheme.

2. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging:

	2000 \$000	1999 \$000
Depreciation of owned fixed assets	7,381	7,551
Amortisation of goodwill	4,545	4,900
Loss on disposal of fixed assets	637	697
Operating lease rentals	11,798	12,302
- land and buildings		
- plant and machinery	1,928	2,668

3. DIRECTORS' REMUNERATION

	2000 \$000	1999 \$000
Remuneration	1,509	843

One director was a member of the American Express defined benefits scheme.

Three directors were members of money purchase pension schemes. No contributions were paid by the company during the year in respect of money purchase schemes (1999 - \$nil).

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for the year ended 31 December 2000

4. STAFF COSTS

	2000 \$000	1999 \$000
Wages and salaries	115,064	102,306
Social security costs	9,669	9,616
Other pension costs	3,332	2,872
	<u>128,065</u>	<u>114,794</u>

The average number of employees during the year was as follows:

	2000 No.	1999 No.
Management	79	73
Associate	2,699	3,150
	<u>2,778</u>	<u>3,223</u>

5. INTEREST RECEIVABLE

	2000 \$000	1999 \$000
Group undertakings	6,258	6,586
Other interest receivable	3,173	3,142
	<u>9,431</u>	<u>9,728</u>

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for the year ended 31 December 2000

6. INTEREST PAYABLE

	2000	1999
	\$000	\$000
Group undertakings	5,278	7,018
Bank overdrafts	3,248	1,153
	<u>8,526</u>	<u>8,171</u>

7. INTANGIBLE FIXED ASSETS

Goodwill

\$000

Cost:

At 1 January 2000

72,611

Exchange differences

(5,489)

At 31 December 2000

67,261

Amortisation

At 1 January 2000

31,074

Provided during the year

4,545

Exchange differences

(2,594)

At 31 December 2000

33,025

Net book value:

At 31 December 2000

34,235

At 31 December 1999

41,537

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NOTES TO THE ACCOUNTS

for the year ended 31 December 2000

8. TANGIBLE FIXED ASSETS

	Leasehold improvements	Fixtures and fittings	Plant and machinery	Assets in course of construction	Total
	\$000	\$000	\$000	\$000	\$000
Cost:					
At 1 January 2000	28,080	7,758	27,200	1,787	64,825
Transfers	2,479	57	1,260	(3,796)	-
Additions	626	25	3,690	2,548	6,889
Disposals	(1,535)	(887)	(5,918)	-	(8,340)
Exchange differences	(2,123)	(586)	(2,056)	(135)	(4,900)
At 31 December 2000	27,527	6,367	24,176	404	58,474
Depreciation:					
At 1 January 2000	15,655	4,485	17,360	-	37,500
Provided during the year	2,933	552	3,896	-	7,381
Disposals	(638)	(582)	(4,845)	-	(6,065)
Exchange differences	(1,183)	(339)	(1,312)	-	(2,834)
At 31 December 2000	16,767	4,116	15,099	-	35,982
Net book value:					
At 31 December 2000	10,760	2,251	9,077	404	22,492
At 31 December 1999	12,425	3,273	9,840	1,787	27,325

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for the year ended 31 December 2000

9. DEBTORS

	2000	1999
	\$000	\$000
Trade debtors	166,475	160,008
Amounts receivable from group undertakings	650,892	598,038
Other debtors	122,301	61,381
Prepayments and accrued income	12,092	15,483
	<u>951,760</u>	<u>834,910</u>

10. CREDITORS: amounts falling due within one year

	2000	1999
	\$000	\$000
Bank overdrafts	442,439	141,470
Trade creditors	296,746	380,442
Amounts owed to group undertakings	360,901	309,618
Current corporation tax	82,242	78,196
Other taxes and social security costs	2,181	1,378
Other creditors	125,870	61,504
Accruals	37,527	47,448
	<u>1,347,906</u>	<u>1,020,056</u>

11. CREDITORS: amounts falling due after more than one year

	2000	1999
	\$000	\$000
Amounts owed to parent company	<u>60,161</u>	<u>65,080</u>

This loan falls due between one and two years of the balance sheet date.

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NOTES TO THE ACCOUNTS

for the year ended 31 December 2000

12. SHARE CAPITAL

Authorised

	2000	1999
	No.	No.
Ordinary shares of \$1 each	1,000,000	1,000,000
Preference shares of \$1 each	3,000	3,000

Allotted, called up and fully paid

	2000	1999	2000	1999
	No.	No.	\$	\$
Ordinary shares of \$1 each	10	10	10	10
Preference shares of \$1 each	500	500	500	500

The holders of the 4% preference stock are entitled to receive a dividend when and as declared by the Board of Directors. These preference shares carry no votes at meetings, except as required by law.

On a winding up of the company, the preference shareholders have a right to receive, in preference to any payments to the ordinary shareholders, \$100,000 per share.

13. SHARE PREMIUM

	2000	1999
	\$000	\$000
Share premium on preference shares	49,999	49,999

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for the year ended 31 December 2000

14. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share capital \$000	Share premium \$000	Capital surplus \$000	Profit and loss \$000	Total \$000
At 1 January 1999	1	49,999	9,422	38,239	97,661
Loss for the year	-	-	-	(7,512)	(7,512)
At 31 December 1999	1	49,999	9,422	30,727	90,149
Loss for the year	-	-	-	(3,466)	(3,466)
At 31 December 2000	1	49,999	9,422	27,261	86,683

15. OTHER FINANCIAL COMMITMENTS

	Land and buildings	
	2000 \$000	1999 \$000
Operating leases which expire:		
within one year	734	193
within two to five years	1,959	1,813
in over five years	5,467	5,897

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16. PARENT UNDERTAKINGS

The parent undertaking of the largest group of companies, for which group accounts are drawn up and of which the company is a member, is American Express Company, which is incorporated in the United States of America. The parent undertaking of the smallest such group is American Express Travel Related Services Company Inc. which is also incorporated in the United States of America. Copies of the American Express Company accounts can be obtained from American Express Company, American Express Tower, World Financial Center, New York, NY 10285,

17. ULTIMATE PARENT COMPANY

The ultimate parent company is American Express Company, incorporated in the United States of America.