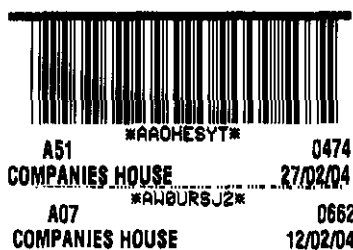


Gracechurch Services Corporation

000022/66

**Financial Statements**

**For the year ended 31 December 2001**



**REGISTERED NUMBER: FC022210**

# Gracechurch Services Corporation

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2001

	Note	2001 US \$	2000 US \$
Service fee income		53,379,176	49,039,132
Expenses	3	(53,274,128)	(50,010,263)
Income/(loss) before income taxes		<u>105,048</u>	<u>(971,131)</u>
Tax on profit/(loss) on ordinary activities		<u>439</u>	<u>(5,584,180)</u>
<b>Retained profit/(loss) for the financial year</b>		<b><u>105,487</u></b>	<b><u>(6,555,311)</u></b>
Retained profit/(loss) at the beginning of the year		(5,904,081)	651,230
Profit/(loss) for the financial year		<u>105,487</u>	<u>(6,555,311)</u>
<b>Retained profit/(loss) at the end of the year</b>		<b><u>(5,798,594)</u></b>	<b><u>(5,904,081)</u></b>

All recognised gains and losses are included in the profit and loss account.

Turnover and operating profit are derived from continuing activities. There is no difference between the results disclosed in the profit and loss account and the results on a modified historical cost basis.

## BALANCE SHEET AS AT 31 DECEMBER 2001

	Note	2001 US \$	2000 US \$
<b>ASSETS</b>			
Receivable from affiliates		1,061,641	7,332,412
Gracechurch Trust		-	3,400,000
Prepayments		2,570,345	-
Cash surrender value of insurance policies		<u>1,645,338</u>	<u>1,746,097</u>
Total Assets		5,277,324	12,478,509
<b>LIABILITIES</b>			
Payable to affiliates		5,094,417	10,915,465
Deferred compensation		-	3,400,000
Accrued benefits and expenses		<u>5,980,501</u>	<u>4,066,125</u>
Total liabilities		11,074,918	18,381,590
<b>NET ASSETS</b>		<b><u>(5,797,594)</u></b>	<b><u>(5,903,081)</u></b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	4	100	100
Share premium account		900	900
Profit and loss account		<u>(5,798,594)</u>	<u>(5,904,081)</u>
<b>Total shareholders' funds</b>		<b><u>(5,797,594)</u></b>	<b><u>(5,903,081)</u></b>

The notes on pages 2 form an integral part of these financial statements.

# Gracechurch Services Corporation

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

#### Principal activities

The financial statements are for Gracechurch Services Corporation, the US parent company of Gracechurch Services Corporation – UK Branch, which was registered on 31 May 1999 in England and Wales. The principal activity of the UK branch is the administration of support services of overseas assignees employed in the UK.

#### Basis of accounting

The financial statements have been prepared in accordance with the Companies Act 1985 applicable to overseas companies. The company has taken advantage of the modifications and exemptions from disclosure that are set out in the Oversea Companies (Accounts) (Modifications and Exemptions) Order 1990.

### 2. CASH FLOW STATEMENT

The Company's ultimate holding company has adopted the provisions of Financial Reporting Standard 1 ("FRS 1") revised 1996, Cash Flow Statements. Accordingly the Company, which is a wholly owned subsidiary of Barclays Bank PLC, has elected to utilise the exemption provided in FRS 1 not to produce a cash flow statement.

### 3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2001	2000
	US \$	US \$
Salaries & benefits	51,430,205	47,988,799
Intercompany allocations	744,392	585,329
Other expense	1,099,531	1,436,135
	<u>53,274,128</u>	<u>50,010,263</u>

### 4. CALLED UP SHARE CAPITAL

	2001	2000
	US \$	US \$
Authorised:		
1000 ordinary shares of \$1 each	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid:		
100 ordinary shares of \$1 each	<u>100</u>	<u>100</u>
	<u>100</u>	<u>100</u>