

BANKERS TRUST INVESTMENTS PLC
REPORT AND FINANCIAL STATEMENTS
DECEMBER 31, 2002
Company Registered Number: 727694



BANKERS TRUST INVESTMENTS PLC

CONTENTS	PAGE
Directors and Advisors	1
Directors' Report	2 - 3
Report of the Auditors	4
Profit and Loss Account	5
Statement of Total Recognised Gains and Losses	6
Balance Sheet	7
Notes to the Accounts	8 - 13

BANKERS TRUST INVESTMENTS PLC

DIRECTORS AND ADVISORS

Directors

D D O Keen
R Shah
D K Thomas
J J Oswald-Jacobs

Company Secretary

A P Rutherford

Registered office

Winchester House
1 Great Winchester Street
London
EC2N 2DB

Auditors

KPMG Audit Plc
8 Salisbury Square
London
EC4Y 8BB

Company Registered Number: 727694

DIRECTORS' REPORT

The directors submit their report and financial statements for the year ended December 31, 2002.

Results and dividends

The loss after taxation amounted to \$72,099,000 (2001 - loss of \$1,077,000). No dividends were paid during the year (2001 - \$Nil). The directors do not recommend the payment of any dividends in respect of the year.

Principal activity and future developments

The Company is a holding company and will continue to be so for the foreseeable future.

Directors and their interests

The directors of the Company during the year or at the date of this report were:

G W Chan	(resigned May 2, 2002)
D D O Keen	
R Shah	
D K Thomas	
J J Oswald-Jacobs	(appointed May 2, 2002)

None of the directors had an interest in the share capital of the Company during the year.

None of the directors had any disclosable interest in the shares or debentures of any UK group undertaking at the end of the year, or were granted or exercised any right to subscribe for shares in, or debentures of, any UK group undertaking during the year.

There were no further changes during the year or subsequent to the year end.

Creditor payment policy

The Company has no suppliers. Expenses of the Company are paid for by a fellow group undertaking.

DIRECTORS' REPORT (continued)

Statement of directors' responsibilities in respect of the financial statements

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 of the Company for that year. In preparing those financial statements the directors are required to:

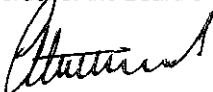
- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- *state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and*
- 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 which enable them to ensure that the financial statements comply with the Companies Act 1985. They 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.

Auditors

A resolution to re-appoint KPMG Audit Plc as auditors will be proposed at the Annual General Meeting.

By order of the Board of Directors this 29th day of July 2003.



A P Rutherford
Company Secretary

**REPORT OF THE INDEPENDENT AUDITORS
to the Members of Bankers Trust Investments PLC**

We have audited the financial statements on pages 5 to 13.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

The directors are responsible for preparing the Annual Report and as described on page 3, this includes responsibility for preparing the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board, the Listing Rules of the Financial Services Authority, and by our 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 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 with the Company is not disclosed.

Basis of audit 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 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 as at 31 December 2002 and of the loss for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
8 Salisbury Square
London EC4Y 8BB

30 July 2003

BANKERS TRUST INVESTMENTS PLC**PROFIT AND LOSS ACCOUNT**
for the year ended December 31, 2002

	Notes	2002 \$'000	2001 \$'000
Income from shares in group undertaking		579	1,835
Interest receivable	4	518	28,060
Interest payable	5	(54,885)	(31,767)
Other income		4	795
Other interest payable and similar charges	6	(17,079)	-
Loss on disposal of investment		(1,236)	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(72,099)</u>	<u>(1,077)</u>
Tax on loss on ordinary activities	7	<u>0</u>	<u>0</u>
LOSS FOR THE FINANCIAL YEAR		<u><u>(72,099)</u></u>	<u><u>(1,077)</u></u>

The loss during the period has arisen from continuing operations. There is no difference between the loss on ordinary activities before tax and the loss retained for the year as stated above and their historical cost equivalents.

There were no other recognised gains and losses during the period.

The notes on pages 8 to 13 form part of these financial statements.

BANKERS TRUST INVESTMENTS PLC

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended December 31, 2002

	Notes	2002 \$'000	2001 \$'000
Loss for the year		(72,099)	(1,077)
Unrealised gain on revaluation of investments	8,15	3,979	9,382
Currency translation differences on foreign currency investments	8,15	1,955	(946)
Total recognised gains relating to the year		<u>(66,165)</u>	<u>7,359</u>

The notes on pages 8 to 13 form part of these financial statements.

BANKERS TRUST INVESTMENTS PLC

BALANCE SHEET
at December 31, 2002

	Notes	2002 \$'000	2001 \$'000
FIXED ASSETS			
Investments	8	1,866,483	1,877,842
		<u>1,866,483</u>	<u>1,877,842</u>
CURRENT ASSETS			
Investments - Listed	9	5,204	5,338
Debtors	10	5,092	-
Cash at bank	11	1,337	-
		<u>11,633</u>	<u>5,338</u>
CREDITORS: amounts falling due within one year	12	(320,771)	(260,906)
NET CURRENT LIABILITIES		<u>(309,138)</u>	<u>(255,568)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,557,345</u>	<u>1,622,274</u>
CREDITORS: amounts falling due after more than one year	13	(100,000)	(100,000)
NET ASSETS		<u>1,457,345</u>	<u>1,522,274</u>
CAPITAL AND RESERVES			
Called up share capital	14,15	429,029	429,029
Share premium	15	144,097	144,097
Revaluation reserve	15	29,177	22,007
Profit and loss account	15	855,042	927,141
SHAREHOLDERS' FUNDS - EQUITY		<u>1,457,345</u>	<u>1,522,274</u>

Approved by the Board of Directors on 29th July 2003.



R Shah
Director

The notes on pages 8 to 13 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
at December 31, 2002

1 Accounting policies

Basis of preparation

These financial statements have been prepared under the historical cost convention, except for investments in the equity capital of subsidiary undertakings, and in accordance with applicable accounting standards.

Valuation of fixed asset investments

Investments in the equity capital and partnership interests of subsidiary undertakings are revalued to reflect current net asset values. In the situation where an undertaking's liabilities exceed its assets, the Company carries the investment at zero. Any surplus on revaluation, and any deficit which is deemed to be temporary, has been taken to revaluation reserves. Provision for any deficit which is deemed to be permanent is taken to the profit and loss account.

Debt securities and equity shares are held for investment purposes where they are intended for use on a continuing basis in the activities of the Group.

- (a) Debt securities held for investment purposes are valued at cost in the currency of purchase and revalued at the exchange rate current at the balance sheet date or if there is derivative instrument hedging the foreign currency investment at the exchange rate implicit in the hedge. The premium or discount arising on the purchase is amortised or accreted to the profit and loss account over the remaining life of the security.
- (b) Equity shares held for investment purposes are valued at cost less amounts provided for any permanent diminution in value.

Format of accounts

The Company does not produce a cash flow statement by virtue of an exemption contained in FRS 1 (Revised 1996). The Company's ultimate parent company, Deutsche Bank AG ("DB"), presents a cash flow statement in its Annual Report.

The Company is exempt by virtue of Section 228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not its group.

The Company has taken advantage of the exemption in FRS 8 from disclosing transactions with related parties which are part of the DB world-wide group.

Both of the exemptions above also rely on DB's consolidated financial statements being publicly available (see Note 16).

Reporting currency

The reporting currency of the Company's activities is US dollars. This is to achieve consistency with its holding company and also because of the international nature of the Company's business.

Foreign currency

Transactions in currencies other than US Dollars are recorded at the rate ruling at the date of the transaction. Assets and liabilities in currencies other than US Dollars are translated at the rates of exchange at the balance sheet date. Gains and losses on translation are taken to the profit and loss account, except for those arising from the re-translation of the assets and liabilities of subsidiary undertakings which are taken to the revaluation reserve.

Deferred taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

BANKERS TRUST INVESTMENTS PLC**NOTES TO THE FINANCIAL STATEMENTS**
at December 31, 2002 (continued)**1 Accounting policies (continued)****US Treasury Bond**

A US Treasury Bond was acquired on 28 November 2001 at a cost of \$5,204k (nominal value of \$3,500k). This bond accrues interest at a rate of 5.3125% per every 6 months (which equates to 10.625% per annum).

The premium on this bond of \$1,704k is amortised on a straight line basis over its 14 year life (the bond matures in 2015). The market value of the bond at 31 December 2002 is \$5,641k.

2 Auditors' remuneration

The remuneration of the auditors for 2002 and 2001 is borne by a group undertaking.

3 Directors' emoluments

	2002 \$'000	2001 \$'000
Directors' emoluments	17	17
Amounts receivable under long term incentive schemes	6	1
	<u>23</u>	<u>18</u>
Company contributions to money purchase pension scheme	0	0
Compensation for loss of office	0	29
	<u>23</u>	<u>47</u>

During the year 2 directors received shares, and payments of \$933 were made under long-term incentive schemes.

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was \$20,863 (2001 - \$13,000). He is a member of a defined benefit pension scheme, and the accrued pension to which he would be entitled from normal retirement date if he were to retire at year end would be \$27,698 per annum.

	Number of directors 2002 No	2001 No
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	-	-
Defined benefit schemes	2	2
	<u>2</u>	<u>2</u>
The number of directors in respect of whose services shares were received or receivable under long term incentive schemes was	2	3
	<u>2</u>	<u>3</u>

No directors exercised share options under long term incentive schemes during the year (2001 - Nil).

4 Interest receivable

	2002 \$'000	2001 \$'000
Interest receivable from group companies	518	25,717
Interest receivable from Inland Revenue	-	2,343
	<u>518</u>	<u>28,060</u>

BANKERS TRUST INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS at December 31, 2002 (continued)

5 Interest payable

	2002 \$'000	2001 \$'000
Interest payable to group companies	54,885	31,767

6 Other interest payable and similar charges

Amount relates to loss on translation of assets and liabilities in currencies other than US dollars.
Also included in 2002 is \$135,427 being the amortisation of the premium paid on the US Treasury bond.

7 Taxation on profit on ordinary activities

	2002 \$'000	2001 \$'000
<i>Current taxation</i>		
UK Corporation tax charge / (credit) for the year	0	0

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 30%.
The actual tax charge for the current and previous years differ from the standard rate for the reasons set out in the following reconciliation.

	2002 \$'000	2001 \$'000
Loss on ordinary activities before taxation	(72,099)	(1,077)
Tax on profit on ordinary activities at standard rate	21,630	323
<i>Factors affecting the charge for the period</i>		
Expenses not deductible for tax purposes	(373)	-
Company share of partnership result	(1,402)	(3,229)
Utilisation of group tax relief at nil consideration	(19,855)	2,906
Total actual amount of current tax	-	-

8 Investments

	Equity shares in subsidiary undertakings \$'000	Redeemable preference shares in subsidiary undertaking \$'000	Other investments other than loans \$'000	Total \$'000
As at January 1, 2002	16,037	1,617,143	244,662	1,877,842
Additions / (Dissolutions)	(17,293)	-	-	(17,293)
Foreign exchange movement	1,955	-	-	1,955
Increase/(Decrease) in net asset value	(699)	-	4,678	3,979
At December 31, 2002	0	1,617,143	249,340	1,866,483

The historical cost of shares in subsidiary undertakings at December 31, 2002 was \$1,837,306,000 (2001 - \$1,855,835,000).

BANKERS TRUST INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS at December 31, 2002 (continued)

8 Investments (continued)

Details of the principal subsidiary undertakings of the Company are as follows:

Name of company	Country of registration	Class and percentage of shares held	Nature of business
Directly held			
Chambers Investments (Partnership)	Cayman Islands	99.9% of partnership interest	Investment
Deutsche (Aotearoa) Capital Holdings New Zealand Limited	New Zealand	100% of preference shares of NZD 1,000,000 and USD 1,000,000 maturing in 2010 (redeemable by issuer)	Investment

9 Investments - Listed

	2002 \$'000	2001 \$'000
US Treasury bond	<u>5,204</u>	<u>5,338</u>

The market value of this listed investment at 31 December 2002 is \$ 5,641,300

10 Debtors

	2002 \$'000	2001 \$'000
Amounts receivable from group undertakings	<u>5,092</u>	<u>-</u>

11 Cash at bank

	2002 \$'000	2001 \$'000
Deposits held at group undertakings	<u>1,337</u>	<u>-</u>

12 Creditors: amounts falling due within one year

	2002 \$'000	2001 \$'000
Amounts payable to group undertakings	<u>320,771</u>	<u>260,906</u>

BANKERS TRUST INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS at December 31, 2002 (continued)

13 Creditors: amounts falling due after more than one year

	2002 \$'000	2001 \$'000
Subordinated loans	<u>100,000</u>	<u>100,000</u>

The long term subordinated loan liabilities, which are unsecured and subordinated to the rights of ordinary creditors, are due to its parent company Bankers Trust Holdings (U.K.) Limited.

Payment of subordinated liabilities are due as follows:

	2002 \$'000	2001 \$'000
\$100m payable on December 31, 2014	<u>100,000</u>	<u>100,000</u>
	<u>100,000</u>	<u>100,000</u>

The interest rate applicable from 1 January to 30 December 2002 was 2.876%, the rate was refixed on 31 December 2002 to 1.855%.

14 Called up share capital

	2002 \$'000	2001 \$'000	2002 No'000	2001 No'000
Authorised :				
Ordinary shares of £1 each	85	85	50	50
Ordinary shares of \$1 each	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>
	<u>600,085</u>	<u>600,085</u>	<u>600,050</u>	<u>600,050</u>
Allotted, called up and fully paid :				
Ordinary shares of £1 each	85	85	50	50
Ordinary shares of \$1 each	<u>428,944</u>	<u>428,944</u>	<u>428,944</u>	<u>428,944</u>
	<u>429,029</u>	<u>429,029</u>	<u>428,994</u>	<u>428,994</u>

In all respects the sterling and US dollar ordinary shares have the same rights and rank equally.

15 Reconciliation of shareholders' funds and movements on reserves

	Share capital \$'000	Share premium \$'000	Revaluation reserve \$'000	Profit & loss account \$'000	Total \$'000
At January 1, 2002	429,029	144,097	22,007	927,141	1,522,274
Retained loss for the year	-	-	-	(72,099)	(72,099)
Currency translation differences	-	-	1,955	-	1,955
Revaluation of investments	-	-	3,979	-	3,979
Realisation of deficit on investment	-	-	1,236	-	1,236
At December 31, 2002	<u>429,029</u>	<u>144,097</u>	<u>29,177</u>	<u>855,042</u>	<u>1,457,345</u>

NOTES TO THE FINANCIAL STATEMENTS
at December 31, 2002 (continued)

16 Ultimate parent company

The Company's parent company of the smallest group for which financial statements are prepared, is Bankers Trust Holdings (U.K.) Limited, which is registered in England and prepares group financial statements.

Deutsche Bank AG, a company registered in Germany, is the Company's ultimate controlling entity, also being the ultimate parent company and the parent undertaking of the largest such group for which financial statements are drawn up.

Copies of the financial statements prepared in respect of Bankers Trust Holdings (U.K.) Limited and Deutsche Bank AG may be obtained from 23 Great Winchester Street, London EC2P 2AX.