

B.T.I. INVESTMENTS

Report and Accounts

December 31, 1994

Registered Number:928440



B.T.I. INVESTMENTS

REPORT AND ACCOUNTS

DECEMBER 31, 1994

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B.T.I. INVESTMENTS
REPORT AND ACCOUNTS
DECEMBER 31, 1994

Directors

M.A. Dunlaevy
D.R. Evans
A.M. Graham
B. Jefferies
K.J. McGloin
J.I. Rose

Company Secretary

C.F. Backhouse

Registered Office

1 Appold Street
Broadgate
London EC2A 2HE

Auditors

Ernst & Young
Rolls House
7 Rolls Buildings
Fetter Lane
London EC4A 1NH

B.T.I. INVESTMENTS

2.

DIRECTORS' REPORT

The directors submit their report and accounts for the period ended December 31, 1994.

Results and dividends

The profit after taxation amounted to £ 5,465,569 (1993 - £1,857,592).

No dividends were declared and paid during the year. The directors do not recommend the payment of any dividends in respect of 1994 (1993 - £NIL). The whole profit of £ 5,465,569 is to be retained.

Principal activities

The company acts as an investment company. There has been no significant change in the nature of this activity during this year, and the directors do not anticipate any significant changes in the future.

Fixed asset investments

During the year, the company disposed of its investment in WPP Group PLC. A further investment was made in Britannia, which has been revalued this year. New investments were made in several new entities (detailed in note 6 of the accounts).

Change of status

The company was registered as unlimited on 15th November, 1994.

Directors and their interests

The directors of the company during the year were:

M.A. Dunlaevy	
D.R. Evans	(Appointed October 12, 1994)
A.M. Graham	
B. Jefferies	
C.F. Kiley	(Resigned October 12, 1994)
K.J. McGloin	(Appointed October 12, 1994)
J.I. Rose	

The company has received no notification that any of the directors has at any time during the year held any beneficial interest in any shares or debentures of the company or any other group company.

Auditors

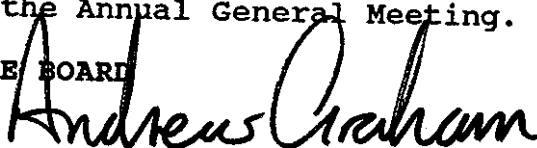
A resolution proposing the reappointment of Ernst & Young as auditors will be put to the Annual General Meeting.

ON BEHALF OF THE BOARD

A.M. Graham

Director

Date: June 8, 1995



B.T.I. INVESTMENTS**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

Company law requires the directors to prepare accounts 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 period. In preparing those accounts, 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 accounts;
- prepare the accounts 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 to enable them to ensure that the accounts comply with the Companies Act. 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.

B.T.I. INVESTMENTS**REPORT OF THE AUDITORS TO THE MEMBERS OF B.T.I. INVESTMENTS**

We have audited the accounts on pages 5 to 11 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

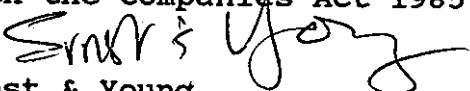
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Ernst & Young
Chartered Accountants
Registered Auditor
London

Date:

8 June 1995

B.T.I. INVESTMENTSPROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 1994

	<u>Notes</u>	<u>1994</u> £	<u>1993</u> £
Gain on sale of investment		5,046,621	1,597,539
Income from investments		70,129	95,905
Interest receivable	4	366,188	182,308
Other income		-	1,021
Interest payable to group company undertakings		(3,343)	-
		-----	-----
Profit on ordinary activities before taxation		5,479,595	1,876,773
Taxation on profit on ordinary activities	5	(14,026)	(19,181)
		-----	-----
Profit retained for the financial year		5,465,569	1,857,592
		=====	=====

The notes on pages 8 to 12 form part of these accounts

B.T.I. INVESTMENTS

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STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED DECEMBER 31, 1994

	<u>1994</u> £	<u>1993</u> £
Profit retained for the financial year	5,465,569	1,857,592
Revaluation of investments	1,749,504	-
Total recognised gains and losses related to the year	----- 7,215,073 =====	----- 1,857,592 =====

The notes on pages 8 to 12 form part of these accounts

B.T.I. INVESTMENTSBALANCE SHEET AT DECEMBER 31, 1994

	<u>Notes</u>	<u>1994</u> £	<u>1993</u> £
Fixed Assets:			
Investments	6	9,199,676	5,829,991
		-----	-----
Current Assets:			
Debtors	7	1,490	1,490
Cash at bank and in hand	8	10,087,254	6,080,551
		-----	-----
		10,088,744	6,082,041
Creditors:			
Amounts falling due within one year	9	(3)	(24,497)
		-----	-----
Net current assets		10,088,741	6,057,544
		-----	-----
		19,288,417	11,887,535
		=====	=====
Capital and Reserves:			
Called up share capital	10	6,235	6,173
Share premium account	11	7,921,234	7,735,487
Profit and loss account	11	11,360,948	4,145,875
		-----	-----
		19,288,417	11,887,535
		=====	=====

Approved by the board of directors on June 8, 1995

M.A. DUNLAEVY

A.M. GRAHAM

Michael Dunlaevy
Andrew Graham
 Directors

The notes on pages 8 to 12 form part of these accounts

B.T.I. INVESTMENTS**NOTES TO THE ACCOUNTS AT DECEMBER 31, 1994****1. Accounting policies****Basis of preparation**

The accounts have been prepared under the historical cost convention modified to include the revaluation of fixed asset investments consolidated into the group. They are drawn up in accordance with applicable accounting standards.

Valuation of fixed asset investments

Fixed asset investments are recorded in the balance sheet at cost less amounts provided for permanent diminution in value, other than those which are consolidated into the Bankers Trust Holdings (UK) Limited group, which are included at net asset value.

Format of accounts

Group accounts have not been prepared by virtue of section 228 of the Companies Act 1985 (as amended by the Companies Act 1989), whereby a Company is exempt from the preparation of group accounts if it is a wholly owned subsidiary undertaking and its immediate parent undertaking is established under the law of a member state of the European Community.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange at the balance sheet date. All exchange differences are taken to the profit and loss account.

2. Directors' emoluments

All directors' salaries are paid by related companies and, where applicable, their salaries are disclosed in those companies accounts. It is not possible to identify the amount relating to B.T.I. Investments.

3. Auditors' remuneration

The remuneration of the auditors is borne by a fellow subsidiary undertaking.

4. Interest receivable

	<u>1994</u>	<u>1993</u>
	£	£
Interest income from group company undertakings	366,188	182,308
	=====	=====

B.T.I INVESTMENTS

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NOTES TO THE ACCOUNTS AT DECEMBER 31, 1994
(continued)**5. Taxation**

	<u>1994</u>	<u>1993</u>
	£	£
The tax charge for the year is made up as follows:		
Tax credits attributable to dividends received	14,026	19,181
	=====	=====

No provision has been made for corporation tax due to tax losses in other group companies which are available for group relief.

No deferred tax has been provided for in the accounts. The directors have concluded on the basis of reasonable assumptions, that no deferred tax liability will crystallise.

6. Investments

	<u>1994</u>	<u>1993</u>
	£	£
Unlisted investments:		
Cost at 1 January	5,829,991	7,740,658
Disposals: WPP convertible cumulative redeemable preference shares	(5,805,493)	(1,935,164)
Additions	7,425,673	24,497
Revaluation of Britannia Ltd	1,749,505	-
	-----	-----
Cost at 31 December	9,199,676	5,829,991
	=====	=====

During the year the company increased its shareholding in Britannia Ltd from 97.9% to 100% and made new investments of over 10% (detailed below) in Quexco, Value Retail Partners, Metis Properties Limited, Novoquote Limited, Appold Properties Ltd, and Giftbeat Limited. In addition a 0.8% investment was made in Crestco PLC and a 2% investment in Charterhouse Capital Partners.

Details of the investments in which the company holds more than 10% of the nominal value of any class of share capital are as follows:-

Name of company	Country of registration and operation	Holding	Proportion of voting rights and shares held	Nature of business
Britannia Ltd	England and Wales	Ordinary shares	100%	Holding company
Value Retail Partners	Bermuda and England	Ordinary shares	15%	Developer and retailer
Giftbeat Ltd	England and Wales	Ordinary shares	100%	Dormant Company

B.T.I INVESTMENTS

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NOTES TO THE ACCOUNTS AT DECEMBER 31, 1994

(continued)

6. Investments

(continued)

Name of company	Country of registration and operation	Holding	Proportion of voting rights and shares held	Nature of business
Metis Properties Ltd	England and Wales	Ordinary shares	100%	Property investment company
Novoquote Ltd	England and Wales	Ordinary shares	100%	Property investment company
Quexco Ltd	England and Wales	A redeemable prefs and warrants for A ords	26.72%	Lead battery recycling
Appold Properties Ltd	England and Wales	Ordinary shares	50%	Property investment company

The directors are of the opinion that the aggregate value of the investments is not less than the amount at which they are stated in financial statements.

7. Debtors

	<u>1994</u>	<u>1993</u>
	£	£
Tax recoverable	1,490	1,490

8. Cash at bank and in hand

	<u>1994</u>	<u>1993</u>
Cash at fellow subsidiary undertakings	10,087,254	6,080,551

9. Creditors

	<u>1994</u>	<u>1993</u>
	£	£
Amounts due to fellow subsidiary undertakings	-	24,497
Other creditors	3	-
	-----	-----
	3	24,497

B.T.I INVESTMENTS

11.

NOTES TO THE ACCOUNTS AT DECEMBER 31, 1994
(continued)**10. Called up Shared Capital**

	<u>1994</u>	<u>1994</u>	<u>1993</u>	<u>1993</u>
	No.	£	No.	£
	'000	'000	'000	'000
Authorised:				
50,000,000 ordinary shares of £1 each	50,000	50,000	50,000	50,000
	=====	=====	=====	=====
Allotted, called up and fully paid:				
	No.	£	No.	£
Ordinary shares of £1 each	6,235	6,235	6,173	6,173
	=====	=====	=====	=====

During the year the company issued a further 62 shares to a group undertaking with an aggregate nominal value of £185,809 as another group undertaking wished to become a shareholder.

11. Reconciliation of shareholders' funds and movements on reserves

	<u>Share Capital</u>	<u>Share Premium</u>	<u>Profit and Loss account</u>	<u>Total</u>
	£	£	£	£
At 1 January 1993	6,173	7,735,487	2,288,283	10,029,943
Profit for the year	-	-	1,857,592	1,857,592
	-----	-----	-----	-----
At January 1994	6,173	7,735,487	4,145,875	11,887,535
Profit for the year	-	-	5,465,569	5,465,569
Revaluation of investments	-	-	1,749,504	1,749,504
Share capital allotted during the year	62	185,747	-	185,809
	-----	-----	-----	-----
At 31 December 1994	6,235	7,921,234	11,360,948	19,288,417
	=====	=====	=====	=====

B.T.I INVESTMENTS

12.

NOTES TO THE ACCOUNTS AT DECEMBER 31, 1994
(continued)

12. Ultimate holding company

The company's ultimate parent undertaking and largest group for which accounts are prepared is Bankers Trust New York Corporation, which is incorporated in the United States of America and listed on the New York Stock Exchange. The company's 99% major shareholder within the EC, is Sagamore Limited which is registered in England and Wales. The remaining 1% of the company is held by World Markets Group PLC. The smallest group for which accounts are prepared is Bankers Trust Holdings (U.K.) Ltd, the parent undertaking of Sagamore Limited and World Market group PLC. Copies of the group accounts of Bankers Trust New York Corporation and of Bankers Trust Holdings (U.K.) Limited can be obtained on application to the company.