
NOVOQUOTE LIMITED

Company Number 2519192

Directors' Report and Accounts

Year Ended 31 December 1998



Novoquote Limited

Year Ended 31 December 1998

Directors' Report and Accounts

Company number 2519192

Directors R A Stokes
A M Graham (appointed 28 September 1998)

Secretary I A Pellow

Registered office 1 Appold Street
Broadgate
London EC2A 2HE

Auditors Rees Pollock
7 Pilgrim Street
London EC4V 6DR

Directors' Report and Accounts

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Directors' Report and Accounts

Report of the Directors for the year ended 31 December 1998

The directors present their report together with the audited financial statements for the year ended 31 December 1998.

Result and Dividend

The accounts set out on pages 5 to 11 set out the results for the year ended 31 December 1998, and show the state of the company's affairs at that date. In the current state of the property market, the directors consider the company's position to be acceptable.

The directors do not propose the payment of a dividend in respect of the year. The retained profit for the year of £196,647 (1997: £119,500) has been carried to reserves.

Principal Activity, Trading Review and Future Developments

The principal activity of the company is property investment. The company's property was sold early in 1999, and its carrying value at 31 December 1998 have been adjusted to reflect the net proceeds subsequently received: further details are given in note 1 to the accounts.

On November 30, 1998 Deutsche Bank AG and Bankers Trust Corporation ("BTCorp") announced that the Supervisory Board of Deutsche Bank AG and the Board of Directors of Bankers Trust Corporation had approved a definitive agreement for a transaction under which Deutsche Bank AG would acquire all outstanding shares of the Common Stock of Bankers Trust Corporation, at a price of \$US 93.00 per share in cash.

All outstanding shares of the common stock of BTCorp were acquired by Deutsche Bank AG on June 4, 1999.

Fixed Assets

Movements on fixed assets are set out in note 1.

Share Capital

There were no changes to share capital during the year.

Directors and their Interests

The directors of the company during the year were:

D R Evans (resigned 15 July 1999)
R A Stokes
A M Graham (appointed 28 September 1998)

No director has any interest in the share capital of the company. Messrs Stokes and Graham remain in office.

Year 2000 readiness disclosure

BTCorp maintains a firm-wide programme to prepare its computer systems, applications and infrastructure, including those of or used by Novoquote Limited, for properly processing dates after December 31, 1999. This programme has been proceeding in accordance with US regulatory guidelines and work will continue through 1999 and 2000. BTCorp does not expect a material loss as a result of the Year 2000 issue; however there can be no guarantee that the systems of third parties on which BTCorp relies will be remediated on a timely basis and would not have a material effect on BTCorp.

Novoquote Limited has not incurred and does not expect to incur material expenses and the directors do not expect a material loss to occur as a result of the Year 2000 issue.

Directors' Report and Accounts

Report of the Directors for the year ended 31 December 1998 - continued

Auditors

The auditors, Rees Pollock, are willing to continue in office and resolutions re-appointing them and authorising the directors to fix their remuneration will be submitted to the annual general meeting.

Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial period 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 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 a 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 financial statements comply with the Companies Act 1985. The directors 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.

By order of the board


I A Pellow

Secretary
1 October 1999

1 Appold Street
Broadgate
London
EC2A 2HE

Directors' Report and Accounts

Report of the Auditors to the Shareholders for the year ended 31 December 1998

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention, modified by the inclusion of the investment properties at valuation, and 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 financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

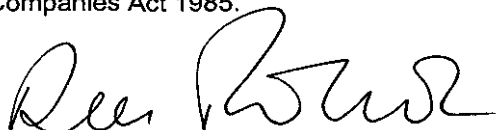
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes an 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 accuracy 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 the company's affairs as at 31 December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



Rees Pollock

Registered Auditors
Chartered Accountants

7 Pilgrim Street
London EC4V 6DR

 October 1999

Directors' Report and Accounts**Balance Sheet** as at 31 December 1998

	Notes	31.12.1998 £000	31.12.97 £000
Fixed Assets			
Investment property	1	2,516.8	2,360.0
Current Assets			
Debtors	2	109.4	109.0
Cash at bank and in hand		395.6	17.3
		505.0	126.3
Current Liabilities			
Creditors: amounts falling due within one year	3	1,074.5	836.9
Net Current Liabilities (-)		-569.5	-710.6
Total Assets less Current Liabilities		1,947.3	1,649.4
Liabilities falling due in more than one year	3	1,029.4	1,029.4
Net Assets		917.9	620.0
Capital and Reserves			
Called up share capital	4	0.1	0.1
Other reserves		248.5	248.5
Revaluation reserve	1	101.3	0.0
Profit and loss account		568.0	371.4
Equity shareholders' funds		917.9	620.0

These financial statements were approved by the board on 1 October 1999.



Director

1 October 1999

The notes on pages 8 to 11 form part of these accounts.

Directors' Report and Accounts**Profit and Loss Account** for the year ended 31 December 1998

	Notes	1998 £000	1997 £000
Rent and service charge receivable	6	371.0	370.6
Property outgoings		130.0	130.0
		<u>241.0</u>	<u>240.6</u>
Net revenue from property		241.0	240.6
Administrative expenses		24.9	25.5
		<u>216.1</u>	<u>215.1</u>
Operating profit before exceptional items		216.1	215.1
Profit on disposal and revaluation of fixed assets	10	55.5	0.0
		<u>271.6</u>	<u>215.1</u>
Operating profit on ordinary activities before interest		271.6	215.1
Interest receivable	8	17.9	6.8
Interest payable	9	-92.9	-99.3
		<u>196.6</u>	<u>122.6</u>
Profit on ordinary activities before taxation	7	196.6	122.6
Tax on ordinary activities	11	0.0	3.1
		<u>196.6</u>	<u>119.5</u>
Retained profit on ordinary activities for the year		<u>196.6</u>	<u>119.5</u>

Statement of Total Recognised Gains and Losses

Profit for the financial year	196.6	119.5
Unrealised surplus on revaluation of properties	101.3	0.0
	<u>297.9</u>	<u>119.5</u>
Total gains and losses (-) recognised in the year	<u>297.9</u>	<u>119.5</u>

Reconciliation of Shareholders' Funds

Capital and reserves at 1 January 1998	620.0	500.5
Total gains and losses (-) recognised in the year	297.9	119.5
	<u>917.9</u>	<u>620.0</u>
Capital and reserves at 31 December 1998	<u>917.9</u>	<u>620.0</u>

Historical Cost Profits and Losses

Reported profit on ordinary activities before taxation	196.6	122.6
Prior years' revaluation losses now reversed	-55.5	0.0
	<u>141.1</u>	<u>122.6</u>
Historical cost profit on ordinary activities before taxation	141.1	122.6
	<u>141.1</u>	<u>122.6</u>
Historical cost profit for the year retained after taxation	<u>141.1</u>	<u>122.6</u>

No operations were acquired or discontinued during the year.

The notes on pages 8 to 11 form part of these accounts.

Directors' Report and Accounts**Cash Flow Statement** for the year ended 31 December 1998

Notes	1998 £000	1997 £000
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Reconciliation of operating profit to net cash inflow from operating activities

Operating profit before exceptional items	216.1	215.1
Increase(-)/decrease in debtors	-0.4	48.4
Increase in creditors	144.7	125.4
	-----	-----
Net cash inflow from operating activities	360.4	388.9
	=====	=====

Cash flow statement

Net cash inflow from operating activities		360.4	388.9
Returns on investment and servicing of finance	12	17.9	-92.6
Taxation		0.0	-3.5
		-----	-----
		378.3	292.8
Financing	12	0.0	-281.2
		-----	-----
Increase/decrease(-) in cash	13	378.3	11.6
		=====	=====

Reconciliation of cash flow to movements in net debt (Note 13)

Increase in cash in the period	378.3
Additional debt incurred in the period	-92.9

Change in net debt	285.4
Net debt at 1 January 1998	-1,020.4

Net debt at 31 December 1998	-735.0
	=====

The notes on pages 8 to 11 form part of these accounts.

Directors' Report and Accounts

Accounting Policies

The financial statements have been prepared under the historical cost convention, modified by the inclusion of the investment properties at valuation, and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

1 Rent and service charge receivable

This comprises rents and service charges falling due from tenants during the year, excluding Value Added Tax.

2 Investment property

Properties held for investment purposes are periodically revalued. Where the revaluation is adopted in the company's accounts the net surplus or deficit is transferred to revaluation reserve. Where the valuation is below cost the deficit is taken to the profit and loss account. No provision is made for depreciation of investment properties in accordance with SSAP 19. The directors consider that this accounting policy is necessary for the accounts to show a true and fair view.

3 Deferred taxation

Deferred taxation is computed under the liability method on short term timing differences. No provision is made for the potential liability to taxation which would arise in the event of realisation of the investment properties held at the balance sheet date at the values at which they are stated in the accounts. If the investment properties were disposed of at the values currently shown in the balance sheet, no liability would arise (31.12.1997 - no liability).

4 Operating leases

Annual rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

5 Comparative figures

Comparative figures shown in these accounts are for the year ended 31 December 1997.

Directors' Report and Accounts**Notes on the Financial Statements****1 Fixed Assets**

Investment property - short leaseholds	£000
Valuation at 1 January 1998	2,360.0
Additions during the year at cost	0.0
Increase in valuation (see below)	156.8
	<u>2,516.8</u>
Valuation at 31 December 1998	<u>2,516.8</u>
Valuation at 31 December 1997	<u>2,360.0</u>

The properties were recorded as at 31 December 1994 at an estimate of open market value made by the directors as at that date. Subsequent additions have been included at cost. The directors' estimate was based on valuations prepared by external valuers. The properties have been sold in 1999, and the carrying value at 31 December 1998 has been adjusted to equal the net proceeds of that sale. The historical cost of the properties at 31 December 1998 was £2,415,507 (31.12.97 - £2,415,507), and £55,507 of the increased valuation has therefore been credited in the profit and loss account: the balance of the increase, amounting to £101,269, has been credited to revaluation reserve. There were no capital commitments as at 31 December 1998.

2 Debtors	31.12.98 £000	31.12.97 £000
Other debtors	108.4	109.0
Amount owed by fellow subsidiary	1.0	0.0
	<u>109.4</u>	<u>109.0</u>

All items are due for payment within one year.

3 Creditors Falling Due Within One Year	31.12.98 £000	31.12.97 £000
Amount owed to fellow subsidiary	861.4	716.4
Taxation and social security	15.7	15.8
Corporation tax	0.0	0.0
Other creditors	108.0	15.1
Accruals and deferred income	89.4	89.6
Total	<u>1,074.5</u>	<u>836.9</u>

Other creditors include the sum of £101,197 (31.12.1997: £8,299) of interest due to Bankers Trust Company.

Creditors Falling Due in more than One Year

Bank loans repayable between two and five years	1,029.4	1,029.4
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Revised terms of the bank loan (which is from Bankers Trust Company, a member of the same group as the company) were agreed on 31 March 1997. Repayment of principal is now due on 31 March 2000. Partial prepayments totalling £nil (1997: 264,741) were made during the year. The loan is secured by a fixed and floating charge over the assets of the company.

Directors' Report and Accounts**Notes on the Financial Statements** continued

4	Share Capital	31.12.98 £	31.12.97 £
	Authorised: 1,000 ordinary shares of £1 each	1,000	1,000
		=====	=====
	Allotted, called up and fully paid: ordinary shares of £1 each	100	100
		=====	=====
5	Commitments Under Operating Leases		
	£1,110 falls due in respect of operating leases for buildings in the next twelve months (31.12.97 - £1,110)		
6	Revenue and Profits		
	Revenue and profits arise from the company's principal activities, all of which related to United Kingdom customers.		
7	Profit on Ordinary Activities	1998 £000	1997 £000
	This has been arrived at after charging:		
	Auditors' remuneration	2.8	2.6
	Operating lease rentals: land and buildings	1.1	1.1
		=====	=====
	The directors did not receive any remuneration in respect of the year, and the company had no employees.		
8	Interest Receivable	1998 £000	1997 £000
	Bank interest	16.6	5.7
	Other interest	1.3	1.1
		-----	-----
	Total	17.9	6.8
		=====	=====
9	Interest Payable	1998 £000	1997 £000
	Interest on bank loan repayable within five years	92.9	99.3
		=====	=====
10	Profit on Disposal and Revaluation of Fixed Assets	1998 £000	1997 £000
	Upward revaluation of properties sold in 1999 to adjust carrying value to equal historical cost	55.5	0.0
		=====	=====
11	Taxation	1998 £000	1997 £000
	Corporation tax: adjustments relating to earlier years	0.0	3.1
		=====	=====
	No charge to taxation arises in respect of 1998, by virtue of group relief receivable.		

Directors' Report and Accounts**Notes on the Financial Statements** continued

12	Gross Cash Flows			1998	1997
				£000	£000
	Returns on investments and servicing of finance:				
	Interest received			17.9	6.8
	Interest paid			0.0	-99.4
	Net inflow/outflow(-)			17.9	-92.6
	Financing:				
	Repayment of loans			0.0	-281.2
				=====	=====
13	Analysis of Changes in Net Debt	At	Cash	Other	At
		1.1.98	flows	change	31.12.98
		£	£	£	£
	Cash in hand, at bank	17.3	378.3	0.0	395.6
	Debt due within one year	-8.3	0.0	-92.9	-101.2
	Debt due after one year	-1,029.4	0.0	0.0	-1,029.4
	Total	-1,020.4	378.3	-92.9	-735.0
		=====	=====	=====	=====

14 Ultimate Parent Company

For 1998 the company's ultimate parent company, and the largest group for which accounts are prepared, is Bankers Trust Corporation ("BTCorp"), which is incorporated in the United States of America, and is listed on the New York Stock Exchange. For 1998 the company's ultimate parent company within the EU, and the smallest group for which accounts are prepared, is Bankers Trust Holdings (U.K.) Limited, which is registered in England and prepares group accounts.

From June 4, 1999 BTCorp is, for the purposes of the Companies Act 1985, the parent undertaking of the smallest group of undertakings for which group financial statements are drawn up.

Copies of the financial statements prepared in respect of BTCorp and Bankers Trust Holdings (U.K.) Limited may be obtained from the Company Secretary, 1 Appold Street, London EC2A 2HE.

From June 4, 1999 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 group financial statements are drawn up.

Copies of the financial statements prepared in respect of Deutsche Bank AG may be obtained from the Company Secretary, Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2P 2AX.