

SHOPREADY LIMITED
REPORT AND FINANCIAL STATEMENTS
DECEMBER 31, 1999

Company Registered Number: 3313976



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DIRECTORS AND ADVISORS

Directors

D M Brush
A W Dixon
A M Graham

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 Registration Number: 3313976

DIRECTORS' REPORT

The Directors submit their report and financial statements for the year ended December 31, 1999.

Results and dividends

The loss after taxation for the year amounted to £20,670 (1998 - £50,107). No dividends were declared or paid during the year (1998 - £nil). The Directors do not recommend the payment of any dividends in respect of the year (1998 - £nil).

Principal activity and future developments

The Company acts as an investment company. The Directors do not anticipate any significant changes in the nature of the Company's activities in the future.

On November 30, 1998 Deutsche Bank AG and Bankers Trust Corporation, the then ultimate parent company, 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; such transaction was completed on June 4, 1999. This resulted in a change of control of Shopready Limited which became part of the Deutsche Bank Group.

Directors and their interests

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

D M Brush
A W Dixon
A M Graham

(Appointed 1 March 2000)

Mr G S Clark replaced Mr A H J Naughton-Doe as Secretary of the Company on 31 August 1999. Subsequent to the year ended 31 December 1999, Mr A P Rutherford replaced Mr G S Clark as Secretary on 1 April 2000.

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.

Year 2000

Deutsche Bank AG, the Company's ultimate holding company, set up a global Year 2000 Project in 1996 which covers all consolidated Group companies, including Shopready Limited. The Project was successfully implemented and no material problems have arisen following the transition into the Year 2000. The Project continues monitoring the Year 2000 conformity of the Group's IT-infrastructure to address any Year 2000 problems that may occur post 1 January 2000 and to provide for a smooth leap-year transition. The Project was scaled down in March 2000 but monitoring of technology systems continues within the DB Group's IT and Operations areas.

The Directors are aware of the continuing potential problem posed to computer systems by the Year 2000 subsequent to the date change, its potential impact on the Company's operations, and have considered the key risks arising. There can be no certainty that problems will not arise in current and future years as a result of the date change, however experience of the year end and leap year transitions suggests that these risks are minimal.

None of the Deutsche Bank Group systems are owned by, or are the responsibility of, the Company and accordingly no costs will be incurred.

DIRECTORS' REPORT (continued)

Statement of Directors' Responsibilities

Company law requires the Directors to prepare financial statements for each 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 the going concern basis unless it is inappropriate to presume that the Company will continue in business.

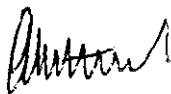
The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Pursuant to section 379A of the Companies Act 1985 the Company has elected (a) to dispense with the holding of Annual General Meetings; (b) to dispense with the appointment of Auditors annually; and, (c) to dispense with the laying of Report and Financial statements before General Meetings.

KPMG Plc are willing to continue in office and the Directors have agreed to their so continuing.

ON BEHALF OF THE BOARD



A P Rutherford
Company Secretary
27th October 2000

AUDITOR'S REPORT
to the Members of Shopready Limited

We have audited the financial statements on pages 5 to 10.

Respective responsibilities of Directors and Auditors

The Directors are responsible for preparing the Directors' report and, as described on page 3, 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 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. 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 of 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 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 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 the Company's affairs as at 31 December, 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
London

Date: *27 October 2000*

PROFIT AND LOSS ACCOUNT
for the year ended December 31, 1999

| | Notes | 1999 £ | 1998 £ |
|--|-------|--------------------------|--------------------------|
| Interest payable | 5 | (20,670) | (50,107) |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | | <u>(20,670)</u> | <u>(50,107)</u> |
| Taxation on loss on ordinary activities | 4 | - | - |
| LOSS ON ORDINARY ACTIVITIES AFTER TAXATION | | <u>(20,670)</u> ===== | <u>(50,107)</u> ===== |

The loss on ordinary activities before taxation has arisen from continuing operations.

The notes on pages 8 to 10 form part of these financial statements.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended December 31, 1999

| | 1999 £ | 1998 £ |
|---|--------------------------|--------------------------|
| Loss for the year | (20,670) | (50,107) |
| Exchange (losses)/gains on retranslation of investments | (148,468) | 72,474 |
| Exchange gains/(losses) on related borrowings | 148,468 | (72,474) |
| Total recognised gains and losses relating to the year | <u>(20,670)</u> ===== | <u>(50,107)</u> ===== |

The notes on pages 8 to 10 form part of these financial statements.

SHOPREADY LIMITED**BALANCE SHEET**
at December 31, 1999

| | Note | 1999 £ | 1998 £ |
|--|------|---------------------------|--------------------------|
| FIXED ASSETS | | | |
| Investments | 6 | 1,141,192 | 1,289,660 |
| CURRENT ASSETS | | | |
| Debtors | 7 | 2 | 2 |
| NET CURRENT ASSETS | | <u>2</u> | <u>2</u> |
| CREDITORS: amounts falling due after one year | | | |
| Amount owed to fellow subsidiary | 8 | (1,250,289) | (1,378,087) |
| NET LIABILITIES | | <u>(109,095)</u> ===== | <u>(88,425)</u> ===== |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 9,10 | 2 | 2 |
| Profit and loss account | 10 | (109,097) | (88,427) |
| SHAREHOLDERS' FUNDS | | <u>(109,095)</u> ===== | <u>(88,425)</u> ===== |

Approved by the board of Directors on 27th October 2000.


Director

The notes on pages 8 to 10 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
at December 31, 1999

1 Accounting policies

Basis of preparation

These financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Valuation of fixed asset investments

The investment is recorded in the balance sheet at cost less amounts provided for any permanent diminution in value. The investment has been restated at the exchange rate ruling at the year end and the exchange loss arising taken to reserves.

Format of financial statements

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, presents a cash flow statement in its Annual Report.

The Company has taken advantage of the exemption in FRS 8 from disclosing transactions with related parties which are part of the Deutsche Bank AG worldwide group.

Both of the exemptions above also rely on Deutsche Bank AG consolidated financial statements being publicly available (see Note 11).

Foreign currency translations

As foreign currency borrowings have been used to finance the Company's foreign equity investments, exchange gains or losses arising on the borrowings are offset as reserve movements against exchange differences arising on the retranslation of the net investments as permitted by Statement of Standard Accounting Practice No. 20.

Income recognition

Interest income receivable and payable is recognised as it is earned or accrued.

2 Directors' emoluments

No Directors' emoluments were paid during the year (1998 - £nil).

3 Auditors' remuneration

The remuneration of the auditors is borne by a group undertaking.

4 Taxation

No provision has been made for corporation tax due to tax losses in other group Companies which are available for group relief and will be surrendered to the Company for nil consideration.

NOTES TO THE FINANCIAL STATEMENTS
at December 31, 1999 (continued)

| | | | |
|----------|-------------------------------------|-------------|-------------|
| 5 | Interest payable | 1999 | 1998 |
| | | £ | £ |
| | Interest payable to group companies | 20,670 | 50,107 |
| | | ===== | ===== |
| 6 | Investments | 1999 | 1998 |
| | | £ | £ |
| | Unlisted investments: | | |
| | At January 1 | 1,289,660 | 1,217,186 |
| | Exchange difference | (148,468) | 72,474 |
| | Balance at December 31 | 1,141,192 | 1,289,660 |
| | | ===== | ===== |

The investments relate wholly to holdings in Paris Outlet Shopping SCS (formerly Value Retail France SCS), a limited partnership incorporated in France, acquired on March 3, 1997. This holding constitutes the following:

| Class of Shares | Holding | Percentage of Class | Voting Rights |
|------------------------|----------------|----------------------------|----------------------|
| Fr 100 A Ord Shares | 46,264 | 19.86% | Yes (8.6694%) |
| Fr 100 B Ord Shares | 74,376 | 100% | Non Voting |

| | | | |
|----------|--|-------------|-------------|
| 7 | Debtors | 1999 | 1998 |
| | | £ | £ |
| | Called up share capital not paid | 2 | 2 |
| | | === | === |
| 8 | Creditors: amounts falling due after one year | 1999 | 1998 |
| | | £ | £ |
| | Amounts owed to a group undertaking | 1,250,289 | 1,378,087 |
| | | ===== | ===== |

A foreign currency loan was taken out to fund a foreign equity investment. During the year, an exchange gain of £148,468 (1998 – exchange loss of £72,474) arose which has been taken to reserves.

The loan agreement between Shopready Limited and B.T.I. Investments PLC was renegotiated in 1998, so that no repayment is required within three years.

NOTES TO THE FINANCIAL STATEMENTS

at December 31, 1999 (continued)

9 Share capital

| | 1999 No | 1999 £ | 1998 No | 1998 £ |
|--|------------|-----------|------------|-----------|
| Authorised Ordinary shares of £1 each | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 |
| | ===== | ===== | ===== | ===== |
| Allotted, called up and nil paid Ordinary shares of £1 each | 2 | 2 | 2 | 2 |
| | ===== | ===== | ===== | ===== |

10 Reconciliation of movements in shareholders' funds

| | Share capital | Profit and loss account | Total |
|------------------------------|------------------|----------------------------------|-----------|
| | £ | £ | £ |
| At January 1, 1998 | 2 | (38,320) | (38,318) |
| Loss for the period | - | (50,107) | (50,107) |
| | ----- | ----- | ----- |
| Balance at December 31, 1998 | 2 | (88,427) | (88,425) |
| Loss for the year | - | (20,670) | (20,670) |
| | ----- | ----- | ----- |
| Balance at December 31, 1999 | 2 | (109,097) | (109,095) |
| | ===== | ===== | ===== |

11 Ultimate parent company

The Company's ultimate parent company within the EC, and 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.

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 Bankers Trust Holdings (U.K.) Limited and Deutsche Bank AG may be obtained from the Company Secretary, Winchester House, 1 Great Winchester Street, London EC2N 2DB.