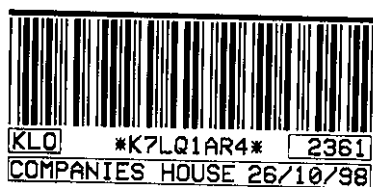


**SHOPREADY LIMITED**  
**REPORT AND ACCOUNTS**  
**DECEMBER 31, 1997**  
**Registration Number: 3313976**



CONTENTS	PAGE
Directors and Advisors	1
Directors' Report	2
Statement of Directors' Responsibilities	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 Financial Statements	8-10

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**DIRECTORS AND ADVISORS**

**Directors**

D M Brush  
A W Dixon

**Company Secretary**

A H J Naughton-Doe

**Registered Office**

1 Appold Street  
Broadgate  
London EC2A 2HE

**Auditors**

KPMG Audit Plc  
8 Salisbury Square  
London  
EC4Y 8BB

**Company Registration Number:**                      **3313976**

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**DIRECTORS' REPORT**

The directors submit their report and financial statements for the period ended December 31, 1997.

**Results and Dividends**

The loss after taxation for the period amounted to £38,320. No dividends were declared or paid during the period. The directors do not recommend the payment of any dividends in respect of the period.

**Incorporation**

The Company was incorporated on February 6, 1997.

**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.

**Directors and their Interests**

The directors of the Company during the period were:

D M Brush	(Appointed July 16, 1998)
Instant Companies Limited	(Appointed February 6, 1997)
	(Resigned February 20, 1997)
R S Mully	(Appointed February 20, 1997)
	(Resigned July 16, 1998)
A W Dixon	(Appointed February 20, 1997)

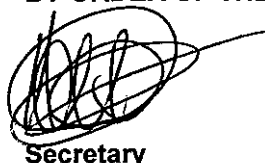
None of the directors had a disclosable interest in any group company at any time during the financial year.

**Auditors**

KPMG Audit Plc were appointed auditors by the Directors to fill the vacancy on incorporation.

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 Accounts before Annual General Meetings.

**BY ORDER OF THE BOARD**



**Secretary**

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**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 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. 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.

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**REPORT OF THE AUDITORS**  
**to the Members of Shopready Limited**

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

**Respective responsibilities of directors and auditors**

As described on page 4 the Company's directors are responsible for the preparation of the 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 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 the Company's affairs as at December 31, 1997 and of its loss for the period 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

*23 October 1998*

**PROFIT AND LOSS ACCOUNT**  
for the period February 6, 1997 to December 31, 1997

	Notes	1997 £
Interest payable to group undertaking		38,320
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>38,320</u>
Tax on loss on ordinary activities	4	-
<b>LOSS FOR THE PERIOD</b>		<u>38,320</u> =====

The loss on ordinary activities before taxation relates entirely to continuing activities.

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

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**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
for the period February 6, 1997 to December 31, 1997

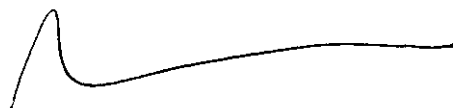
	<b>1997</b> <b>£</b>
Loss for the period	38,320
Currency translation differences on foreign currency net investments	-
<b>Total recognised losses for the period</b>	<u>38,320</u> =====

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

**BALANCE SHEET**  
at December 31, 1997

	Note	1997 £
<b>FIXED ASSETS</b>		
Investments	5	1,217,186
<b>CURRENT ASSETS</b>		
Debtors	6	2
<b>CREDITORS: Amounts falling due within one year</b>	7	(1,255,506)
<b>NET CURRENT LIABILITIES</b>		<u>(1,255,504)</u>
<b>NET LIABILITIES</b>		<u>(38,318)</u> =====
<b>CAPITAL AND RESERVES</b>		
Called up share capital	8,9	2
Profit and loss account	9	(38,320)
<b>SHAREHOLDERS' FUNDS</b>		<u>(38,318)</u> =====

Approved by the board of directors on 23<sup>rd</sup> October 1998.



**Director**

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**at December 31, 1997**


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**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 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, Bankers Trust Corporation ("BTCorp"), 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 BTCorp worldwide group.

Both of the exemptions above also rely on BTCorp's 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 period.

**3 Auditors' remuneration**

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

**4 Taxation**

No provision has been made for corporation tax due to losses made during the period.

**5 Investments**

**1997**  
**£**

Unlisted investments:

Additions (at cost)	1,302,484
Difference on translation	(85,298)

Balance at December 31	<u>1,217,186</u>
	=====

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
at December 31, 1997

**5 Investments (continued)**

The investments relate wholly to holdings in Value Retail France SCS, an undertaking 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 (19.86%)
Fr 100 B Ord Shares	74,376	100%	Non Voting

The aggregate amount of Value Retail France SCS's capital and reserves as at the end of its financial year 31 December 1997 was Fr 32,875,989 and its profit/loss for the year was Fr Nil.

**6 Debtors** **1997**  
£

Called up share capital not paid due from a parent undertaking	2
	===

**7 Creditors: amounts falling due within one year** **1997**  
£

Amount owed to a fellow subsidiary undertaking	1,255,506
	=====

A foreign currency loan was taken out to fund an equity investment in the same currency. During the year, an exchange gain of £85,298 arose which has been taken to reserves.

<b>8 Share capital</b>	<b>1997</b> £	<b>1997</b> No
<b>Authorised</b>		
Ordinary shares of £1 each	2,000,000	2,000,000
	=====	=====
<b>Allotted, called up and nil paid</b>		
Ordinary shares of £1 each allotted at par	2	2
	=====	=====

**9 Reconciliation of Movements in Shareholders' Funds**

	<b>Share Capital</b> £	<b>Profit and loss account</b> £	<b>Total</b> £
Issue of shares on incorporation	2	-	2
Loss for the period	-	(38,320)	(38,320)
At December 31, 1997	<u>2</u>	<u>(38,320)</u>	<u>(38,318)</u>

**10 Post balance sheet event**

On October 22, 1998 the loan agreement between Shopready Limited and a fellow subsidiary undertaking was renegotiated so that no repayment is required of any principal and interest within three years. Hence the balance outstanding as at December 31, 1997 of £1,255,504 (Fr 12,064,000) which is shown as falling due within one year (Note 7) will be reclassified.

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**at December 31, 1997**

**11 Ultimate parent company**

The Company is wholly owned by Bankers Trust Corporation ("BTCorp"), which is the parent of the largest group for which financial statements are prepared. BTCorp is incorporated in the US and listed on the New York Stock Exchange. Copies of the group financial statements of BTCorp can be obtained on application to the Company.

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

Copies of the group financial statements of Bankers Trust Holdings (U.K.) Limited can be obtained on application to the Company