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**SAGAMORE LIMITED**

**Company number: 2937721**

**REPORTS AND FINANCIAL STATEMENTS**

**For the year ended 31 December 2007**

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**REPORT OF THE DIRECTORS**  
**For the year ended 31 December 2007**

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The Directors present their annual report and audited financial statements for the year ended 31 December 2007

**ACTIVITIES AND REVIEW OF BUSINESS**

The Company acts as an investment company with a principal holding in the shares of B T I Investments and other subsidiaries as listed in note 7. The Directors do not anticipate any significant changes in the nature of the Company's activity in the future.

A subsidiary of the Company was liquidated in 2007. Details as to this liquidation is set out on page 9.

The position at the end of the year is reflected in the audited balance sheet set out on page 5.

As the Company qualifies as a small company an enhanced business review is not required.

**RESULTS AND DIVIDENDS**

The results of the Company for the year ended 31 December 2007, after providing for taxation, show a loss of £1,653,244 (2006 loss of £1,374,594).

The Directors did not recommend the payment of a dividend for the year ended 31 December 2007 (2006 £nil), leaving the loss for the year to be carried forward to the next year.

**DIRECTORS**

The Directors of the Company who held office during the year and subsequent to the year ended 31 December 2007 were as follows:

K D Jones  
D D O Keen  
A C F Smith

A P Rutherford was Secretary of the Company throughout the year. There have been no further changes during the year or subsequent to the year-end.

As at the date of approval, and during the year, the Company provided an indemnity to its Directors in the form of a qualifying third party indemnity provision.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to 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 these 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 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 that 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.

**REPORT OF THE DIRECTORS (continued)**  
**For the year ended 31 December 2007**

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**DISCLOSURE OF INFORMATION TO AUDITORS**

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

**AUDITORS**

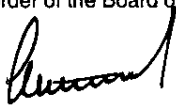
Pursuant to Section 379A of the Companies Act 1985 the Company has elected to dispense with the annual appointment of Auditors and KPMG Audit Plc will, therefore, continue in office

By order of the Board of Directors this

15<sup>th</sup>

day of October

2008



A Rutherford  
Secretary

**Registered office**

Winchester House  
1 Great Winchester Street  
London  
EC2N 2DB

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
SAGAMORE LIMITED**

We have audited the financial statements of Sagamore Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Reconciliation of Movements in Shareholder's Funds and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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 auditors' 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 and 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' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 1.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG Audit Plc  
Chartered Accountants  
Registered Auditor

KPMG Audit Plc

8 Salisbury Square  
London EC4Y 8BB

Dated

20 October 2008

**PROFIT AND LOSS ACCOUNT**  
**For the year ended 31 December 2007**

	Note	<u>2007</u> £	<u>2006</u> £
Administrative expense	3	-	(500)
Interest payable	4	(2,361,777)	(1,961,140)
Loss from liquidation of fixed asset investments	5	-	(1,296)
<hr/>			
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(2,361,777)	(1,962,936)
Tax credit on loss on ordinary activities	6	708,533	588,342
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LOSS FOR THE FINANCIAL YEAR		(1,653,244)	(1,374,594)

The loss for the year has arisen from continuing activities

The notes on pages 7 to 10 form part of these accounts

**BALANCE SHEET**  
As at 31 December 2007

	Note	<u>2007</u> £	<u>2006</u> £
<b>FIXED ASSETS</b>			
Investments	7	169,657,284	168,281,194
<b>CURRENT ASSETS</b>			
Debtors	8	1,221,742	1,104,925
Cash at bank		10,957,121	10,381,631
		12,178,863	11,486,556
<b>CREDITORS amounts falling due within one year</b>	9	-	(60,328,787)
<b>NET CURRENT ASSETS</b>		12,178,863	(48,842,231)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		181,836,147	119,438,963
<b>CREDITORS amounts falling due after one year</b>	10	(62,674,336)	-
<b>NET ASSETS</b>		119,161,811	119,438,963
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	6,850,000	6,850,000
Share premium		16,650,000	16,650,000
Revaluation reserve		104,462,874	103,086,782
Profit and loss account		(8,801,063)	(7,147,819)
<b>SHAREHOLDER'S FUNDS</b>		119,161,811	119,438,963

The notes on pages 7 to 10 form part of these accounts

These financial statements were approved by the Board of Directors on

15<sup>th</sup> October

2008



Signed by **D Kee**  
for and on behalf of the Board of Directors

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**For the year ended 31 December 2007**

	<u>2007</u>	<u>2006</u>
	<u>£</u>	<u>£</u>
Loss for the financial year	(1,653,244)	(1,374,594)
Revaluation of investments	1,376,092	11,308,835
Total recognised gains and losses for the year	(277,152)	9,934,241

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS**  
**For the year ended 31 December 2007**

	<u>Profit &amp; Loss</u> <u>Account</u> <u>£</u>	<u>Revaluation</u> <u>Reserve</u> <u>£</u>	<u>Ordinary Share</u> <u>Capital</u> <u>£</u>	<u>Share Capital</u> <u>Premium</u> <u>£</u>	<u>Total</u> <u>£</u>
Balance at 1 January 2007	(7,147,819)	103,086,782	6,850,000	16,650,000	119,438,963
Loss for the year	(1,653,244)	-	-	-	(1,653,244)
Revaluation of fixed asset investment	-	1,376,092	-	-	1,376,092
Balance at 31 December 2007	(8,801,063)	104,462,874	6,850,000	16,650,000	119,161,811

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS**  
**For the year ended 31 December 2006**

	<u>Profit &amp; Loss</u> <u>Account</u> <u>£</u>	<u>Revaluation</u> <u>Reserve</u> <u>£</u>	<u>Ordinary Share</u> <u>Capital</u> <u>£</u>	<u>Share Capital</u> <u>Premium</u> <u>£</u>	<u>Total</u> <u>£</u>
Balance at 1 January 2006	(5,773,225)	91,777,947	6,850,000	16,650,000	109,504,722
Loss for the year	(1,374,594)	-	-	-	(1,374,594)
Revaluation of fixed asset investment	-	11,308,835	-	-	11,308,835
Balance at 31 December 2006	(7,147,819)	103,086,782	6,850,000	16,650,000	119,438,963

The notes on pages 7 to 10 form part of these accounts

## NOTES TO THE ACCOUNTS

For the year ended 31 December 2007

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**1 ACCOUNTING POLICIES**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

***Basis of preparation***

These financial statements have been prepared in accordance with the Companies Act 1985, UK applicable accounting standards and applicable Statements of Recommended Practice. The particular accounting policies are described below

**(a) CONVENTION**

These financial statements are prepared in accordance with the historical cost convention

**(b) INCOME RECOGNITION**

Interest income and expense are accounted for on an accrual basis

**(c) FIXED ASSET INVESTMENTS (Other)**

Investments in the equity capital of undertakings are re-valued 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 the revaluation, and any deficit which is deemed to be temporary, has been taken to the revaluation reserve. Provision for any deficit which is deemed to be permanent is taken to the profit and loss account.

All other investments, including investments in the non-equity capital of subsidiary undertakings, are valued at cost less amounts provided for any permanent diminution of value.

**(d) TAXATION**

The charge for taxation is based on profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

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

**(e) CASH FLOW STATEMENT**

The Company is exempt from the requirement to prepare a cash flow statement under Financial Reporting Standard 1 (Revised 1996) as it is a wholly owned subsidiary undertaking of a company which prepares consolidated financial statements which are publicly available.

**(f) BASIS OF PREPARATION (Group account exemption)**

As the Company is a wholly owned subsidiary undertaking of Deutsche Bank AG, which is incorporated in the E.U. and which publishes consolidated financial statements, and as its immediate parent undertaking is also incorporated in the E.U., it is exempt under section 228 of the Companies Act 1985 from the requirement to prepare group financial statements. Accordingly, these financial statements present information about the Company as an individual undertaking and not about its group.

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**2 DIRECTORS' REMUNERATION**

The aggregate emoluments of persons who were Directors of the Company during the year ended 31 December 2007, including pension contributions, were £nil (2006: £nil).

As at the date of approval, and during the year, the Company provided an indemnity to its Directors in the form of a qualifying third party indemnity provision.

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## NOTES TO THE ACCOUNTS

For the year ended 31 December 2007

**3 ADMINISTRATIVE EXPENSES**

The Company has no full time employees. The staff involved in the Company's operations are all employees of the Deutsche Bank Group. The total staff costs have been borne by a Deutsche Bank Group company without recharge, no staff costs have therefore been included in these financial statements (2006: £nil).

	<u>2007</u>	<u>2006</u>
	£	£
Audit of these financial statements	5,241	4,676

Auditors' remuneration for services to the Company has been borne by another group undertaking.

In 2006, the Company incurred a late filing penalty amounting to £500.

**4 INTEREST PAYABLE**

	<u>2007</u>	<u>2006</u>
	£	£
In respect of borrowing from group undertakings	(2,361,777)	(1,961,140)

**5 LOSS FROM LIQUIDATION OF FIXED ASSET INVESTMENTS**

	<u>Linton No 1 Ltd</u>	<u>Upwood No 1 Ltd</u>	<u>Upwood No 2 Ltd</u>	<u>Total</u>
	£	£	£	£
Proceeds from liquidation	-	-	-	-
Cost of investments	20	20	2	42
Intercompany balances				
Amounts receivable from group undertaking	715	542	-	1,257
Amounts due to group undertaking	-	-	(3)	(3)
Total amounts related to liquidated investments	735	562	(1)	1,296
Loss from liquidation of fixed asset investments	(735)	(562)	1	(1,296)

**6 TAXATION**

	<u>2007</u>	<u>2006</u>
	£	£
(a) Analysis of tax on loss on ordinary activities		
Current tax		
Group relief credit for the year	708,533	588,342
Total current tax credit on loss on ordinary activities	708,533	588,342

**NOTES TO THE ACCOUNTS**

For the year ended 31 December 2007

**6 TAXATION (continued)**

## (b) Current tax reconciliation

The standard rate of tax for the year, based on the UK standard rate of corporation tax is (2006 30%) The actual tax credit for the year differs from the standard rate for the reasons set out in the following reconciliation

	<u>2007</u>	<u>2006</u>
	£	£
Loss on ordinary activities before taxation	(2,361,777)	(1,962,936)
Tax on loss on ordinary activities at standard rate (30%)	708,533	588,881
Factor affecting credit for the period		
Non-deductible expenses	-	(539)
Total current tax credit	<u>708,533</u>	<u>588,342</u>

**7 FIXED ASSET INVESTMENTS**

	<u>2007</u>	<u>2006</u>
	£	£
Shares in group undertakings at cost		
At beginning of the year	168,281,194	156,972,401
Capital repayment of investments in liquidation	(2)	(42)
Revaluation of investment	1,376,092	11,308,835
At end of the year	<u>169,657,284</u>	<u>168,281,194</u>

Details of the Company's investment is set out below

Name of undertaking	Country of Incorporation	Activity	Class and Percentage of Shares Held
B T I Investments	England	Investment Company	Ordinary "A" shares 99%
Linton No 2 Limited	England	Investment Company	Ordinary shares 100% (dormant)
Atlantic No 1 Limited	England	Investment Company	Ordinary shares 100%

Sagamore Limited also owns 95% of the non-voting, non-equity "B" shares of B T I Investments

Linton No 2 Limited was placed into member's voluntary liquidation on 18 June 2007

Milltip Limited was liquidated on 1 July 2007

**8 DEBTORS**

	<u>2007</u>	<u>2006</u>
	£	£
Amounts owed by group undertaking	516,583	516,583
Group relief receivable	705,159	588,342
	<u>1,221,742</u>	<u>1,104,925</u>

**NOTES TO THE ACCOUNTS**

For the year ended 31 December 2007

<b>9 CREDITORS' AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<u>2007</u>	<u>2006</u>
	<u>£</u>	<u>£</u>
Amounts owed to group undertaking	-	60,328,787
<b>10 CREDITORS' AMOUNTS FALLING DUE AFTER ONE YEAR</b>	<u>2007</u>	<u>2006</u>
	<u>£</u>	<u>£</u>
Amounts due to group undertaking	62,674,336	-
Amounts due to group undertaking are granted under the £190 million loan facility that expires on September 30, 2009		
<b>11 SHARE CAPITAL</b>	<u>2007</u>	<u>2006</u>
	<u>No</u>	<u>No</u>
Authorised		
Ordinary shares of £1 each	10,000,000	10,000,000
Allotted, called up and fully paid		
Ordinary shares of £1 each	6,850,000	6,850,000
	<u>2007</u>	<u>2006</u>
	<u>£</u>	<u>£</u>
Authorised		
Ordinary shares of £1 each	10,000,000	10,000,000
Allotted, called up and fully paid		
Ordinary shares of £1 each	6,850,000	6,850,000
<b>12 ULTIMATE PARENT COMPANY AND OTHER PARENT UNDERTAKINGS</b>		
Bankers Trust Holdings (U K ) Limited, a company incorporated in the UK, is the Company's immediate controlling entity		
Deutsche Bank AG, a joint stock corporation with limited liability incorporated in the Federal Republic of Germany, is the ultimate parent company, the ultimate controlling entity and the parent undertaking of the largest and smallest group of undertaking		
Copies of the group financial statements prepared in respect of Deutsche Bank AG may be obtained from the Company Secretariat, Deutsche Bank AG, London branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB		
<b>13 RELATED PARTY TRANSACTIONS</b>		
As permitted by paragraph 3(c) of FRS 8, no disclosure is made of transactions with members or associates of the Deutsche Bank AG group		