
DB OVERSEAS HOLDINGS LIMITED

Company Number: 1268118

REPORTS AND FINANCIAL STATEMENTS

31 December 2000



REPORT OF THE DIRECTORS

For the year ended 31 December 2000

The Directors present their annual report on the affairs of the Company together with the audited financial statements for the year ended 31 December 2000.

ACTIVITIES AND REVIEW OF BUSINESS

The principal activities of the Company are funding group undertakings and acting as an investment Company. The Company has continued to consolidate its position as a group funding vehicle while retaining a certain volume of lending to international companies and its portfolio of private equity investments. As a result of a letter of comfort from DB Investments (GB) Ltd the Company is able to maintain good standing and remain in a position to meet its contractual obligations as they fall due. The position at the end of the year is reflected in the audited balance sheet as set out on page 5.

RESULTS AND DIVIDENDS

The profit and loss account of the Company for the year ended 31 December 2000, after providing for taxation, show a profit of £5,958,000 (1999 - loss £17,448,000) resulting in a year end accumulated deficit of £80,299,000. Accordingly, the Directors do not recommend the payment of a dividend for the year ended 31 December 2000 (1999 - £nil).

DIRECTORS

The Directors of the Company at 31 December 2000 were as follows:

G Clempson	(appointed 10 May 2000)
A Greatbatch	(appointed 26 May 2000)
V E Harman	(appointed 26 May 2000)
S D Moeller	(resigned 25 July 2000)
D G Penfold	
O Santoro	(resigned 17 February 2000)
D H Thomas	
P Thomason	

D Cummins was replaced as Secretary by S Preston on 3 May 2000. S Preston was replaced as Secretary by A Bartlett on 5 January 2001. There were no further changes during the year or subsequent to the year end.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

REPORT OF THE DIRECTORS (continued)
For the year ended 31 December 2000

STATEMENT OF DIRECTORS' RESPONSIBILITIES (continued)

The Directors are responsible for keeping proper accounting records which 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 a 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.

DIRECTORS' INTERESTS

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.

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution for the reappointment of KPMG Audit Plc as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board of Directors this 25 day of January 2002.



A Bartlett
Secretary

Winchester House
1 Great Winchester Street
London EC2N 2DB

AUDITORS' REPORT TO THE
MEMBERS OF DB OVERSEAS HOLDINGS LIMITED
For the year ended 31 December 2000

We have audited the financial statements on pages 4 to 13.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on pages 1 and 2, 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 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.

We read the other information accompanying the financial statements and consider whether it is consistent with those statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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 31 December 2000 and of its profit 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

8 Salisbury Square
London EC4Y 8BB
25 January 2002

PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2000

	<i>Note</i>	<u>2000</u> £000	<u>1999</u> £000
Administrative expenses		(178)	(233)
Other operating income	2	19,908	-
OPERATING PROFIT / (LOSS)		19,730	(233)
Profit on sale of fixed assets	3	8,556	-
Income from shares in group undertakings		3,595	3,365
Income from other fixed asset investments	4	1,931	2,918
Other interest receivable and similar income	5	6,181	4,254
Amounts written off investments		(14,645)	(16,346)
Interest payable and similar charges	6	(23,519)	(13,290)
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	7	1,829	(19,332)
Tax credit on profit / (loss) on ordinary activities	10	4,129	1,884
PROFIT / (LOSS) AFTER TAX FOR THE FINANCIAL YEAR	18	5,958	(17,448)
RETAINED LOSS BROUGHT FORWARD		(86,257)	(68,809)
RETAINED LOSS CARRIED FORWARD		(80,299)	(86,257)

All the above items relate to the continuing operations of the Company.

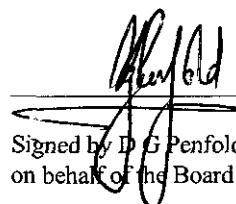
The Notes to the Accounts set out on pages 6 to 13 form part of the financial statements.

BALANCE SHEET
As at 31 December 2000

	Note	2000 £000	1999 £000
FIXED ASSETS			
Investments	11	518,697	158,456
CURRENT ASSETS			
Debtors falling due within one year	12	26,618	26,552
Investments	13	59,355	45,510
Cash		99,976	4,343
CREDITORS			
Amounts falling due within one year	14	(730,602)	(288,267)
NET CURRENT LIABILITIES			
Due within one year		(544,653)	(211,862)
Debtors falling due after more than one year	12	33,986	36,033
TOTAL ASSETS LESS CURRENT LIABILITIES			
		8,030	(17,373)
CREDITORS			
Amounts falling due after more than one year	15	(14,110)	(13,038)
Provision for liabilities and charges	16	-	(1,718)
NET LIABILITIES			
		(6,080)	(32,129)
CAPITAL AND RESERVES			
Called up share capital	17	50,000	50,000
Revaluation reserve	18	24,219	4,128
Profit and loss account	18	(80,299)	(86,257)
SHAREHOLDERS' FUNDS			
		(6,080)	(32,129)

The Notes to the Accounts set out on pages 6 to 13 form part of the financial statements.

These financial statements were approved by the Board of Directors on the 25 day of January 2002.


Signed by D. G. Penfold for and
on behalf of the Board of Directors

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31 December 2000

	<u>2000</u> £000	<u>1999</u> £000
Profit / (loss) attributable to shareholders	5,958	(17,448)
Unrealised gain on current assets investments	34,599	5,846
Taxation on unrealised gain on current asset investments	(10,380)	(1,718)
Reversal of revaluation taken in previous years	(4,128)	-
Total recognised profit / (loss) relating to the year	<u>26,049</u>	<u>(13,320)</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

For the year ended 31 December 2000

	<u>2000</u> £000	<u>1999</u> £000
Reported profit / (loss) on ordinary activities before taxation	1,829	(19,332)
Realisation of revaluation gains of previous years	(4,128)	-
Historical loss on ordinary activities before taxation	<u>(2,299)</u>	<u>(19,332)</u>
Historical profit / (loss) for the year retained after taxation	<u>1,830</u>	<u>(17,448)</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

For the year ended 31 December 2000

	<u>2000</u> £000	<u>1999</u> £000
Profit / (loss) for the financial year	5,958	(17,448)
Other recognised gains and losses relating to the year (net)	20,091	4,128
Net addition / (reduction) in shareholders' funds	<u>26,049</u>	<u>(13,320)</u>
Opening shareholders' funds	(32,129)	(18,809)
Closing shareholders' funds	<u>(6,080)</u>	<u>(32,129)</u>

NOTES TO THE ACCOUNTS

For the year ended 31 December 2000

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Companies Act 1985 and applicable accounting standards. As a result of a letter of comfort from DB Investments (GB) Ltd the Company is able to maintain good standing and remain in a position to meet its contractual obligations as they fall due. Accordingly, the Directors consider that it is appropriate to prepare these financial statements on a going concern basis. The particular accounting policies are described below.

(a) Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting convention, modified to include (g) below.

The Company is exempt by virtue of section 228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the Company as an individual undertaking and not about its group.

(b) Interest income/expense

Interest income and expense is accounted for on an accruals basis.

(c) Commitment/participation fee income

Commitment and participation fee income is accounted for on an accruals basis.

(d) Foreign currencies

Foreign currency assets and liabilities have been translated into sterling at the market rates of exchange ruling at the balance sheet date. Gains and losses on exchange are included in the profit and loss account. Foreign currency income and expense is translated into sterling at the rate ruling on the date of receipt or payment.

(e) Deferred taxation

Deferred taxation is provided in respect of timing differences which result from the allocation of items to different periods for taxation and accounting purposes, to the extent that it is probable that the liability or asset will crystallise.

(f) 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.

(g) Fixed asset investments

Shares in group undertakings (including loans) and participating interests are held at cost less any provision which the Directors consider necessary.

(h) Current asset investments

Unlisted current asset investments are held at the lower of cost and directors' valuation. Listed current asset investments are held at fair value. Where the fair value is in excess of the original cost, the surplus is taken to revaluation reserve. Where the fair value is lower than the original cost, the deficit is taken to the profit and loss account.

NOTES TO THE ACCOUNTS (continued)
For the year ended 31 December 2000

2. OTHER OPERATING INCOME

	<u>2000</u>	<u>1999</u>
	<u>£000</u>	<u>£000</u>
Profit on sale of investments	<u>19,908</u>	<u>-</u>

The Company sold three current asset investments during the year for a total of £25,578,000 against a book cost of £5,670,000. This includes the sale of the current asset investment revalued through the revaluation reserve in 1999. Consequently, the 1999 amounts reported in the revaluation reserve have been realised through the profit and loss account.

3. PROFIT ON SALE OF FIXED ASSETS

	<u>2000</u>	<u>1999</u>
	<u>£000</u>	<u>£000</u>
Profit on sale of subsidiary	<u>8,556</u>	<u>-</u>

During the year, the Company sold Deutsche Futures London Limited to Morgan Grenfell & Co. Limited for £15,800,000 against a book cost of £7,244,000.

4. INCOME FROM OTHER FIXED ASSET INVESTMENTS

	<u>2000</u>	<u>1999</u>
	<u>£000</u>	<u>£000</u>
Income from loans to group undertakings	<u>1,931</u>	<u>2,918</u>

5. OTHER INTEREST RECEIVABLE AND FEE INCOME

	<u>2000</u>	<u>1999</u>
	<u>£000</u>	<u>£000</u>
Receivable from group undertakings	3,098	2,711
Net exchange gains	1,251	65
Other	1,832	1,478
	<u>6,181</u>	<u>4,254</u>

NOTES TO THE ACCOUNTS (continued)
For the year ended 31 December 2000

6. INTEREST PAYABLE AND SIMILAR CHARGES

All interest payable and similar charges are payable to group undertakings in respect of bank loans and overdrafts. Included in interest payable and similar charges are net exchange losses of £680,000 (1999 - £nil).

7. PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>2000</u> £000	<u>1999</u> £000
Profit / (loss) on ordinary activities before taxation is stated after charging:		

Administration fee payable to parent undertaking	178	169
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Auditors' remuneration for the current year and previous year has been borne by a Deutsche Bank AG Group company without recharge.

8. REMUNERATION OF DIRECTORS

None of the Directors received any emoluments during the year (1999 - £nil).

9. STAFF NUMBERS AND COSTS

There were no employees or staff costs during the year (1999 - £nil).

10. TAXATION

	<u>2000</u> £000	<u>1999</u> £000
Group relief at 30.0% (1999 - 30.25%)	(5,883)	(2,001)
Tax credit on franked investment income	-	190
Adjustments relating to prior years	1,754	(73)
	<u>(4,129)</u>	<u>(1,884)</u>

NOTES TO THE ACCOUNTS (continued)
For the year ended 31 December 2000

11. FIXED ASSET INVESTMENTS

	Shares in group undertakings £000	Loans to group undertakings £000	Total £000
Cost			
At 1 January 2000	67,590	190,647	258,237
Additions	245,640	125,402	371,042
Disposals	(7,244)	(7,000)	(14,244)
At 31 December 2000	<u>305,986</u>	<u>309,049</u>	<u>615,035</u>
Provision			
At 1 January 2000	29,900	69,881	99,781
Reversal of past provisions	(2,232)	(1,211)	(3,443)
At 31 December 2000	<u>27,668</u>	<u>68,670</u>	<u>96,338</u>
Net book amount			
At 31 December 2000	<u>278,318</u>	<u>240,379</u>	<u>518,697</u>
At 31 December 1999	<u>37,690</u>	<u>120,766</u>	<u>158,456</u>
Comprising:			
Subsidiary undertakings	266,032	240,379	506,411
Associated undertaking	12,286	-	12,286
	<u>278,318</u>	<u>240,379</u>	<u>518,697</u>

NOTES TO THE ACCOUNTS (continued)
For the year ended 31 December 2000

11. FIXED ASSET INVESTMENTS (continued)

Details of the Company's principal subsidiary undertakings and participating interests are set out below.

Name of company	Country of Incorporation or Registration	Principal activity	Percentage of shares held
Subsidiary undertakings			
Deutsche Sharps Pixley Metals Inc	United States	In liquidation	100%
Deutsche Financial Services (U.K.) Limited	England and Wales	Finance	100%
Deutsche International Holdings (U.K.) Limited	England and Wales	Holding	100%
DB International Investments Limited	England and Wales	Holding	100%
Morgan Grenfell Investments N.V. ¶	Netherlands	Holding	100%
International Operator Limited	England and Wales	Investment Holding	100%
REIB International Holdings Limited	England and Wales	Investment Holding	100%
Deutsche Asia Pacific Holdings Pte Limited ¶	Singapore	Holding	100%
Participating Interests			
Gordian Knot Limited	England and Wales	Investment Management	32.95%
Pre-Tel Wireless Limited	England and Wales	Telecommunications	31.73%

All shares are Ordinary Class shares with the exception of the investment in Pre-Tel Wireless (which changed its name to End2End Holdings Limited subsequent to the year end) which are cumulative redeemable preference shares. Deutsche Asia Pacific Holdings Pte Limited also has issued preference shares of which 100% are indirectly owned by the Company.

Investments marked ¶ are held indirectly by the Company. Those subsidiary undertakings which do not materially affect the financial position of the Company have not been shown. Full details have been included in the Company's annual return in accordance with Section 231 (6) of the Companies Act 1985.

NOTES TO THE ACCOUNTS (continued)
For the year ended 31 December 2000

12. DEBTORS

	<u>2000</u>		<u>1999</u>	
	Due within One year £000	Due after one year £000	Due within one year £000	Due after one year £000
Commercial loans, advances and similar items	-	21,624	-	23,980
Amounts owed by group undertakings	26,366	12,362	24,295	12,053
Group relief receivable	-	-	1,993	-
Other debtors	252	-	264	-
	<u>26,618</u>	<u>33,986</u>	<u>26,552</u>	<u>36,033</u>

13. CURRENT ASSET INVESTMENTS

	<u>2000</u> £000	<u>1999</u> £000
At 1 January	45,510	8,641
Additions	6,805	30,719
Disposals	(10,441)	-
Provisions	(18,088)	-
Exchange gain	970	304
Revaluation (note 18)	34,599	5,846
At 31 December	<u>59,355</u>	<u>45,510</u>

Subsequent to the year end, the market values of the current asset investments have decreased.
As at 31 December 2001, the current asset investments had a current market value of £11,517,000.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2000</u> £000	<u>1999</u> £000
Amounts owed to parent undertakings and fellow subsidiary undertakings	725,044	287,803
Group relief payable	4,702	-
Other creditors	856	464
	<u>730,602</u>	<u>288,267</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>2000</u> £000	<u>1999</u> £000
Amounts owed to parent and fellow subsidiary undertakings all repayable within five years	14,110	13,038

NOTES TO THE ACCOUNTS (continued)

For the year ended 31 December 2000

16. PROVISION FOR LIABILITIES AND CHARGES

	<u>2000</u> £000	<u>1999</u> £000
At 1 January 2000	1,718	38,326
Reclassification	-	(38,326)
Deferred tax liability	-	1,718
Written back	(1,718)	-
	<u>-</u>	<u>1,718</u>
At 31 December 2000	-	1,718

17. CALLED UP SHARE CAPITAL

	<u>2000</u> £000	<u>1999</u> £000
Authorised, issued and fully paid 50,000,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

18. RESERVES

	Revaluation Reserve £000	Profit and Loss account £000	Total £000
At 1 January 2000	4,128	(86,257)	(82,129)
Retained profit for the year	-	5,958	5,958
Realised profit	(4,128)	-	(4,128)
Increase in the value of investments	34,599	-	34,599
Taxation on unrealised gain on current asset investments	(10,380)	-	(10,380)
At 31 December 2000	<u>24,219</u>	<u>(80,299)</u>	<u>(56,080)</u>

19. ULTIMATE PARENT COMPANY AND OTHER PARENT UNDERTAKINGS

DB Investments (GB) Limited, a company registered in England and Wales, is the Company's immediate controlling entity.

Deutsche Bank AG, a company incorporated in Germany, is the ultimate parent company, the ultimate controlling entity and the parent undertaking of the largest group of undertakings for which group financial statements are drawn up. Copies of the Group financial statements of this company are available to the public and may be obtained from Winchester House, 1 Great Winchester Street, London E2CN 2DB. No other group accounts include the results of the Company.

20. RELATED PARTY TRANSACTIONS

As permitted by paragraph 3(c) of Financial Reporting Standard 8, no disclosure is made of transactions with members or associates of the Deutsche Bank AG group.