
DB OVERSEAS HOLDINGS LIMITED

Company Number: 1268118

REPORTS AND FINANCIAL STATEMENTS

For the year ended 31 December 2003



REPORT OF THE DIRECTORS
For the year ended 31 December 2003

The Directors present their annual report on the affairs of the Company together with the audited financial statements for the year ended 31 December 2003.

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 an undertaking from DB Investments (GB) Ltd the Company is able to continue trading as a going concern. 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 2003, after providing for taxation, show a profit of £2,464,000 (2002: profit of £7,335,000) resulting in a year end accumulated deficit of £87,079,000 (2002: £89,543,000). Accordingly, the Directors do not recommend the payment of a dividend for the year ended 31 December 2003 (2002: £nil). During the year the Company made a capital contribution of £62,000,000 to a subsidiary undertaking.

DIRECTORS

The Directors of the Company who held office during the year and subsequent to the year ended 31 December 2003 were as follows:

G Clempson	(resigned 20 February 2003)
D Cummins	(appointed 31 March 2002) (resigned 20 February 2003)
A Greatbatch	(resigned 7 May 2003)
V E Harman	
D G Penfold	
A C F Smith	(appointed 24 March 2003)
P Thomason	(deceased 20 September 2003)

A W Bartlett was secretary of the Company during the year. There were no further changes during 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 2003

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

Pursuant to section 379A of the Companies Act 1985 the Company has elected to

- a) dispense with the holding of Annual General Meetings
- b) dispense with the appointment of Auditors annually; and
- c) dispense with the laying of Report and Financial Statements before General Meetings

KPMG Audit Plc are willing to continue in office.

By order of the Board of Directors this 26th day of ^{October} 2004.



A Bartlett
Secretary

Winchester House
1 Great Winchester Street
London EC2N 2DB

INDEPENDENT AUDITORS' REPORT TO THE
MEMBERS OF DB OVERSEAS HOLDINGS LIMITED
For the year ended 31 December 2003

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

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 auditor's 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 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 1985. 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.

Basis of audit 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 2003 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

26 October 2004

8 Salisbury Square
London EC4Y 8BB

PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2003

	<i>Note</i>	<u>2003</u> £000	<u>2002</u> £000
Administrative expenses		(58)	-
Other income		-	53
Profit on sale of fixed asset investments	2	-	15,588
Profit on sale of current asset investments		858	-
Income from shares in group undertakings		4,538	4,988
Income from other fixed asset investments	3	4,886	6,012
Other interest receivable and similar income	4	6,149	6,843
Amounts written back /(off) investments		1,987	(2,445)
Interest payable and similar charges	5	(19,726)	(28,625)
<hr/>			
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	6	(1,366)	2,414
Tax credit on profit / (loss) on ordinary activities	9	3,830	4,921
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PROFIT AFTER TAX FOR THE FINANCIAL YEAR		2,464	7,335
RETAINED LOSS BROUGHT FORWARD		(89,543)	(96,878)
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RETAINED LOSS CARRIED FORWARD		(87,079)	(89,543)

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

The Notes to the Accounts set out on pages 7 to 13 form part of the financial statements.


BALANCE SHEET

As at 31 December 2003

	Note	2003 £000	2002 £000
FIXED ASSETS			
Investments	10	436,701	525,163
CURRENT ASSETS			
Debtors	11	92,871	52,813
Investments	12	4,702	8,978
Cash at bank		100,912	123,934
CREDITORS			
Amounts falling due within one year	13	(40,717)	(210,931)
NET CURRENT ASSETS / (LIABILITIES)		157,768	(25,206)
TOTAL ASSETS LESS CURRENT LIABILITIES		594,469	499,957
CREDITORS			
Amounts falling due after more than one year	14	(631,548)	(539,386)
PROVISIONS FOR LIABILITIES AND CHARGES	15	-	(114)
NET LIABILITIES		(37,079)	(39,543)
CAPITAL AND RESERVES			
Called up share capital	16	50,000	50,000
Profit and loss account	17	(87,079)	(89,543)
DEFICIT IN SHAREHOLDERS' FUNDS		(37,079)	(39,543)

The Notes to the Accounts set out on pages 7 to 13 form part of the financial statements.

These financial statements were approved by the Board of Directors on the 26th day of October 2004


 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 2003

	<u>2003</u> £000	<u>2002</u> £000
Profit attributable to shareholders	2,464	7,335
Total recognised profit relating to the year	<u>2,464</u>	<u>7,335</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
For the year ended 31 December 2003

	<u>2003</u> £000	<u>2002</u> £000
Profit for the financial year	2,464	7,335
Net increase in shareholders' funds	<u>2,464</u>	<u>7,335</u>
Opening shareholders' funds	<u>(39,543)</u>	<u>(46,878)</u>
Closing shareholders' funds	<u>(37,079)</u>	<u>(39,543)</u>

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Companies Act 1985 and applicable accounting standards. DB Investments (GB) Limited, the immediate parent undertaking, has undertaken to support the Company and ensure that it is in a position to settle its debts as and when 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.

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) Taxation

The charge for taxation is based on the loss for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting policies.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19.

(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

Fixed Asset investments are held at cost less an impairment provision where the Directors consider it to be permanent. The holding cost in the financial statements includes all costs incurred in the acquisition of the investments.

(h) Current asset investments

Unlisted current asset investments are held at the lower of cost and directors' valuation.

NOTES TO THE ACCOUNTS (continued)
For the year ended 31 December 2003

2. PROFIT ON SALE OF FIXED ASSETS

	<u>2003</u>	<u>2002</u>
	£000	£000
Profit on sale of subsidiaries	-	15,588
	<hr/>	<hr/>

In 2002 the Company sold Deutsche Financial Services UK Limited for consideration of £12,858,000, and Pre-Tel Limited for consideration of £7,962,000.

3. INCOME FROM OTHER FIXED ASSET INVESTMENTS

	<u>2003</u>	<u>2002</u>
	£000	£000
Income from loans to group undertakings	4,886	6,012
	<hr/>	<hr/>

4. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>2003</u>	<u>2002</u>
	£000	£000
Receivable from group undertakings	3,942	3,569
Interest on tax receivable	1	380
Net exchange gains	2,187	2,894
Other	19	-
	<hr/>	<hr/>
	6,149	6,843
	<hr/>	<hr/>

Interest receivable from group undertakings includes nostro interest credited on cash positions throughout the year.

NOTES TO THE ACCOUNTS (continued)
For the year ended 31 December 2003

5. INTEREST PAYABLE AND SIMILAR CHARGES

All interest payable and similar charges are payable to group undertakings in respect of bank loans and overdrafts.

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

	<u>2003</u> £000	<u>2002</u> £000
Profit / (loss) on ordinary activities before taxation is stated after charging:		
Administration fee payable to parent undertaking	-	-
Non-audit fees payable to Company auditors.	58	-
	<hr/>	<hr/>

Auditors' remuneration for the current year and previous year has been borne by the ultimate parent company without recharge.

7. REMUNERATION OF DIRECTORS

None of the Directors received any emoluments during the year (2002: £nil).

8. STAFF NUMBERS AND COSTS

There were no employees or staff costs during the year (2002: £nil).

9. TAXATION

<i>Current taxation</i>	<u>2003</u> £000	<u>2002</u> £000
UK Corporation tax credit for the year	(2,648)	(6,745)
Adjustments in respect of prior periods	(1,068)	1,710
Total current tax credit	<hr/> (3,716) <hr/>	<hr/> (5,035) <hr/>
Deferred taxation		
Origination and reversal of timing differences	(114)	114
Tax credit on profit / (loss) on ordinary activities	<hr/> (3,830) <hr/>	<hr/> (4,921) <hr/>

NOTES TO THE ACCOUNTS (continued)

For the year ended 31 December 2003

9. TAXATION (continued)

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 30%. The actual tax charge for the current and the previous year differs from the standard rate for the reasons set out in the following reconciliation.

	<u>2003</u> £000	<u>2002</u> £000
Profit / (Loss) on ordinary activities before tax	(1,366)	2,414
Tax charge / (credit) on ordinary activities at standard rate (30%)	(409)	724
<i>Factors affecting charge for the period</i>		
UK dividend income	(1,362)	(1,730)
Non-taxable gains	-	(4,676)
Intercompany balance written off	-	561
Non-taxable income	(1,007)	(1,510)
Other timing differences	114	(114)
Adjustments in respect of prior periods	(1,068)	1,710
Non-deductible expenses	16	-
Total actual tax credit	<u>(3,716)</u>	<u>(5,035)</u>

10. FIXED ASSET INVESTMENTS

	Shares in group undertakings £000	Loans to group undertakings £000	Total £000
Cost			
At 1 January 2003	296,037	313,493	609,530
Additions	65,838	4,921	70,759
Disposals	(51,004)	(138,849)	(189,853)
At 31 December 2003	<u>310,871</u>	<u>179,565</u>	<u>490,436</u>
Provision			
At 1 January 2003	28,316	56,051	84,367
Reversal for the year	-	(56,051)	(56,051)
Disposals	(27,275)	-	(27,275)
Charge for the year	52,694	-	52,694
At 31 December 2003	<u>53,735</u>	<u>-</u>	<u>53,735</u>
Net book amount			
At 31 December 2003	<u>257,136</u>	<u>179,565</u>	<u>436,701</u>
At 31 December 2002	<u>267,721</u>	<u>257,442</u>	<u>525,163</u>
Comprising:			
Subsidiary undertakings	251,612	179,565	431,177
Associated undertaking	5,524	-	5,524
	<u>257,136</u>	<u>179,565</u>	<u>436,701</u>

NOTES TO THE ACCOUNTS (continued)
For the year ended 31 December 2003

10. 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 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%
Deutsche Bank International Limited ¶	Jersey	Bank	100%
Deutsche Bank International Trust Co. Limited ¶	Jersey	Holding	100%
Deutsche Securities (SA) Proprietary Limited †	South Africa	Financial Services	100%
Participating Interests			
Gordian Knot Limited	England and Wales	Investment Management	32.95%

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.

11. DEBTORS

	<u>2003</u>			<u>2002</u>		
	Due within	Due after	Total	Due within	Due after	Total
	One year	One year		One year	one year	
	£000	£000	£000	£000	£000	£000
Commercial loans, advances and similar items	7,268	-	7,268	14,559	-	14,559
Amounts owed by group undertakings	77,246	1,343	78,589	23,937	9,934	33,871
Group relief receivable	7,014	-	7,014	3,297	-	3,297
Other debtors	-	-	-	1,061	25	1,086
	<u>91,528</u>	<u>1,343</u>	<u>92,871</u>	<u>42,854</u>	<u>9,959</u>	<u>52,813</u>

12. CURRENT ASSET INVESTMENTS

	<u>2003</u> £000	<u>2002</u> £000
At 1 January	8,978	16,920
Disposals	(2,928)	(302)
Provisions	(1,370)	(7,623)
Exchange gain/ (loss)	22	(17)
Revaluation	-	-
At 31 December	<u>4,702</u>	<u>8,978</u>

NOTES TO THE ACCOUNTS (continued)
For the year ended 31 December 2003

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2003</u> £000	<u>2002</u> £000
Amounts owed to parent undertakings and fellow subsidiary undertakings	40,692	210,701
Other creditors	25	230
	<u>40,717</u>	<u>210,931</u>

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

	<u>2003</u> £000	<u>2002</u> £000
Amounts owed to parent and fellow subsidiary undertakings all Repayable within five years	631,548	539,386

15. PROVISION FOR LIABILITIES AND CHARGES

	<u>2003</u> £000	<u>2002</u> £000
At 1 January 2003	114	-
Deferred tax (credit)/charge for the year	(114)	114
At 31 December 2003	<u>-</u>	<u>114</u>

The deferred tax liability has arisen due to other timing differences.

16. CALLED UP SHARE CAPITAL

	<u>2003</u> £000	<u>2002</u> £000
Authorised, issued and fully paid 50,000,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

17. RESERVES

	<u>2003</u> £000	<u>2002</u> £000
Profit and loss account		
At 1 January	(89,543)	(96,878)
Retained profit for the year	2,464	7,335
At 31 December	<u>(87,079)</u>	<u>(89,543)</u>

18. 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.

19. 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.
