
DEUTSCHE EQUITY FUNDS HOLDINGS LIMITED

Company number: 1615924

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2008

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REPORT OF THE DIRECTORS**For the year ended 31 December 2008**

The Directors present their annual report and audited financial statements for the year ended 31 December 2008.

ACTIVITIES AND REVIEW OF BUSINESS

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

The principal activity of the Company is that of an investment company.

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

RESULTS AND DIVIDENDS

The results of the Company for the year ended 31 December 2008, after providing for taxation, show a profit of £24,437 (2007: profit of £84,418).

The Directors do not recommend the payment of a dividend for the year (2007: £ nil).

DIRECTORS

The Directors of the Company who held office during the year and subsequent to the year ended 31 December 2008 were as follows:

A C F Smith		
C D Ridge		Resigned 10 July 2008
N K J Calvert	Appointed 28 July 2008	
V E Harman		Resigned 29 October 2008
A Cooper	Appointed 29 June 2009	
G D Hayter	Appointed 24 November 2008	Resigned 26 June 2009

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.

REPORT OF THE DIRECTORS (continued)
For the year ended 31 December 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE 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 period. 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.

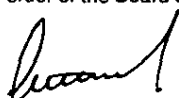
DISCLOSURE OF INFORMATION TO AUDITORS

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 487 of the Companies Act 2006 the auditors will be deemed to be reappointed and KPMG Audit plc will therefore continue in office.

By order of the Board of Directors this 28th day of August 2009



A P Rutherford
Secretary

Registered office

23 Great Winchester Street
London
EC2P 2AX

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DEUTSCHE EQUITY FUNDS HOLDINGS LIMITED

We have audited the financial statements of Deutsche Equity Funds Holdings Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet, Statement of Total Recognised Gains and Losses, the Reconciliation of Movements in Shareholders' 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 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' 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 2.

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 2008 and of its profit 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

KPMG Audit Plc
Chartered Accountants
Registered Auditor

8 Salisbury Square
London EC4Y 8BB

Dated: *9 September 2009*

PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2008

	Note	<u>2008</u> £	<u>2007</u> £
TURNOVER			
Interest receivable	4	630,329	730,499
Income from participating interests	4	217,260	249,430
Interest payable	4	(588,660)	(605,836)
GROSS PROFIT		258,929	374,093
Other income		9,271	-
Foreign exchange loss	4	(231,488)	(26,852)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		36,712	347,241
Tax charge on profit on ordinary activities	5	(12,275)	(262,823)
PROFIT FOR THE FINANCIAL YEAR		24,437	84,418

The profit for the year has arisen from continuing activities.

There were no other recognised gains and losses during the year.

The notes on pages 7 to 12 form part of these accounts.

BALANCE SHEET

As at 31 December 2008

	Note	<u>2008</u> £	<u>2007</u> £
FIXED ASSETS			
Investments	6	56,020	48,812
		<u>56,020</u>	<u>48,812</u>
CURRENT ASSETS			
Debtors	7	-	966,297
Cash at bank		<u>15,470,670</u>	<u>15,081,736</u>
		15,470,670	16,048,033
CREDITORS: amounts falling due within one year	8	(12,579,101)	(13,173,693)
NET CURRENT ASSETS		2,891,569	2,874,340
TOTAL ASSETS LESS CURRENT LIABILITIES		2,947,589	2,923,152
NET ASSETS		2,947,589	2,923,152
CAPITAL AND RESERVES			
Called up share capital	10	100	100
Profit and loss account		<u>2,947,489</u>	<u>2,923,052</u>
SHAREHOLDERS' FUNDS		2,947,589	2,923,152

The notes on pages 7 to 12 form part of these accounts.

These financial statements were approved by the Board of Directors on

28th August

2009



Signed by **A C F SMITH**
for and on behalf of the Board of Directors

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the year ended 31 December 2008

	Note	<u>2008</u> £	<u>2007</u> £
Profit for the year		24,437	84,418
Currency translation difference on foreign currency borrowings	7	(6,375)	(7,366)
Currency translation difference on foreign currency investments	7	6,375	7,366
Total recognised gain relating to the year		24,437	84,418

RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS
For the year ended 31 December 2008

	<u>Share Capital</u> £	<u>Profit & Loss</u> £	<u>Total</u> £
Balance at 1 January 2008	100	2,923,052	2,923,152
Retained Profit for the year	-	24,437	24,437
Balance at 31 December 2008	100	2,947,489	2,947,589

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

	<u>Share Capital</u> £	<u>Profit & Loss</u> £	<u>Total</u> £
Balance at 1 January 2007	100	2,838,634	2,838,734
Retained Profit for the year	-	84,418	84,418
Balance at 31 December 2007	100	2,923,052	2,923,152

The notes on pages 7 to 12 form part of these accounts.

NOTES TO THE ACCOUNTS

For the year ended 31 December 2008

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.

The Directors believe that presentation on the going concern basis is appropriate. The Directors do not envisage that there will be any substantial change for the foreseeable future in the operations of the Company.

(a) CONVENTION

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

(b) INCOME RECOGNITION

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

(c) INVESTMENTS IN SUBSIDIARY UNDERTAKINGS & OTHER FIXED ASSET INVESTMENTS

Investments in subsidiary undertakings and investments in fellow group companies are stated at cost.

Other fixed investments, are stated at the Directors' valuation, being cost plus any undistributed element of the Company's share of income and gains arising in the venture capital funds in which it invests less any share of the funds' expenses or provisions against investments.

The book value of individual investments is reduced only when there has been a significant and, in the opinion of the Directors, permanent diminution in their value.

(d) INVESTMENT INCOME AND ACCRUALS

Loan stock interest from investments is accounted for when they are received or when additional securities are issued on account of such income.

(e) 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 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) 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.

(h) FOREIGN EXCHANGE

Transactions in foreign currencies are translated into Pounds Sterling at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account with the exception of exchange differences on foreign equity investments which are taken to reserves to the extent that they form an effective hedge.

NOTES TO THE ACCOUNTS

For the year ended 31 December 2008

2 DIRECTORS' REMUNERATION

The aggregate emoluments of persons who were Directors of the Company during the year ended 31 December 2008, including pension contributions, were £nil (2007: £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.

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 (2007: £nil).

	<u>2008</u>	<u>2007</u>
	£	£
Audit of these financial statements	13,550	13,550

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

4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>2008</u>	<u>2007</u>
	£	£
Profit on ordinary activities before taxation is arrived at after taking into account		
Income from participating interests	217,260	249,430
Interest receivable from group undertakings	630,329	730,499
Foreign exchange (loss)	(231,488)	(26,852)
Interest payable from group undertakings	(588,660)	(605,836)

NOTES TO THE ACCOUNTS

For the year ended 31 December 2008

5 TAXATION

	<u>2008</u>	<u>2007</u>
	<u>£</u>	<u>£</u>
(a) Analysis of tax on profit on ordinary activities		
Current taxation		
UK Corporation tax charge on income for the year	(10,515)	(233,300)
	<u>(10,515)</u>	<u>(233,300)</u>
Deferred taxation		
Origination and reversal of timing differences	(1,760)	(24,955)
Effect of tax rate change	-	(1,564)
Adjustment in respect of prior periods	-	(3,004)
	<u>(1,760)</u>	<u>(29,523)</u>
Total tax on profit on ordinary activities	<u>(12,275)</u>	<u>(262,823)</u>

(b) Current tax reconciliation

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 28.49% (2007 - 30%). The actual tax (charge) / credit for the year differs from the standard rate for the reasons set out in the following reconciliation.

	<u>2008</u>	<u>2007</u>
	<u>£</u>	<u>£</u>
Profit on ordinary activities before taxation	36,712	347,241
Tax on profit on ordinary activities at standard rate	(10,459)	(104,172)
Effects of:		
Timing differences	1,760	36,833
Non - deductible expenses	(1,816)	(49,492)
Distribution taken to balance sheet	-	(116,469)
Total amount of current tax	<u>(10,515)</u>	<u>(233,300)</u>

NOTES TO THE ACCOUNTS

For the year ended 31 December 2008

6 INVESTMENTS

	<u>Shares in subsidiary undertakings</u>	<u>Other investments</u>	<u>Total</u>
	£	£	£
At 1 January 2008	100	48,712	48,812
Exchange adjustments	-	6,375	6,375
Share of gains and losses	-	833	833
At 31 December 2008	100	55,920	56,020

	<u>Shares in subsidiary undertakings</u>	<u>Other investments</u>	<u>Total</u>
	£	£	£
At 1 January 2007	100	487,616	487,716
Exchange adjustments	-	(7,366)	(7,366)
Share of gains and losses	-	(431,538)	(431,538)
At 31 December 2007	100	48,712	48,812

Details of investments in subsidiary undertakings for year ended 31 December 2008 are as follows:

<i>Name of undertaking</i>	<i>Details of registration</i>	<i>Holding</i>	<i>Proportion held</i>
Deutsche Equity Funds Investments Limited	England and Wales	Ordinary shares	100%
Deutsche Properties Limited (dissolved)	England and Wales	Ordinary shares	100%

Deutsche Properties Limited was dissolved on 17 April 2009.

Details of Other investments for the year ended 31 December 2008 are as follows:

<i>Name of fund</i>	<i>Holding</i>
Morgan Grenfell Equity Partners I-IV	5.7% of Investor partnership capital 50% of Founder partner partnership capital
(The principal place of business of these partnerships is 23 Great Winchester Street, London, EC2P 2AX)	
Deutsche Morgan Grenfell Capital Italy S.c.p.A (This Company is incorporated in Luxembourg)	7.3% of Investor capital
MTI Ventures Limited Partnership	2.69% of Investor partnership capital
MTI Ventures Founders Limited Partnership	16.67% of Investor partnership capital

Morgan Grenfell Equity Partners I-IV has been dissolved on 13 March 2008. Deutsche Morgan Grenfell Capital Italy S.c.p.A was put into liquidation on 1 Jan 2008.

MTI Ventures Limited Partnership has been in liquidation since December 2004 with final dissolution expected in 2009.

NOTES TO THE ACCOUNTS

For the year ended 31 December 2008

7 DEBTORS	<u>2008</u>	<u>2007</u>
	£	£
Deferred tax (see note 10)	-	1,760
Amounts owed from group undertakings	-	964,537
	-	966,297

8 CREDITORS: Amounts falling due within one year	<u>2008</u>	<u>2007</u>
	£	£
Amounts owed to group undertakings	10,908,644	11,746,502
Corporation tax payable	1,670,457	1,427,191
	12,579,101	13,173,693

Within amounts due to group undertakings, £500,099 relates to liability payable to Deutsche Properties Limited (a subsidiary of Deutsche Equity Funds Holding Limited) which was dissolved on 17 April 2009.

9 DEFERRED TAXATION	<u>2008</u>	<u>2007</u>
	£	£
At beginning of year	1,760	31,283
Credit to the profit and loss for the year	(1,760)	(29,523)
At the end of the year	-	1,760

The deferred tax asset represents the Company's share of income from various partnerships that is treated as taxable but is not yet recognised in the Company's accounts.

10 CALLED UP SHARE CAPITAL	<u>2008</u>	<u>2007</u>
	No	No
Authorised:		
Ordinary shares of £1 each	100	100
Allotted, called up and fully paid:		
Ordinary shares of £1 each	100	100
	<u>2008</u>	<u>2007</u>
	£	£
Authorised:		
Ordinary shares of £1 each	100	100
Allotted, called up and fully paid:		
Ordinary shares of £1 each	100	100

11 ULTIMATE PARENT COMPANY AND OTHER PARENT UNDERTAKINGS

DB UK Bank Limited, a Company registered in England and Wales, 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 Company's ultimate controlling entity, also being the ultimate parent Company and the parent undertaking of the largest and smallest group for which group financial statements are drawn up.

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.

NOTES TO THE ACCOUNTS

For the year ended 31 December 2008

12 RELATED PARTY TRANSACTIONS

As permitted by paragraph 3(c) of FRS 8, no disclosure is made of transactions with members or associates of the Deutsche Bank Group.

13 CAPITAL COMMITMENTS

Morgan Grenfell Equity Partners Limited was put into liquidation in March 2007 and dissolved on 13 March 2008, therefore there are no unfunded commitments (2007:nil)

Deutsche Morgan Grenfell Capital Italy ScpA is managed by Deutsche Morgan Grenfell Development Capital Italy S.A.. The total amount which may be called from the Company is EUR 6,778,497 (2007 - EUR 6,778,497) or £6,645,585 (2007 - £5,000,538) converted at the prevailing year end exchange rate. At the balance date EUR 6,778,486 (2007 - EUR 6,778,486) had been called (funded commitment), equivalent to £6,645,585 (2007 - £5,000,530). Deutsche Morgan Grenfell Capital Italy ScpA was put into liquidation on 1 January 2008.

All investments of the Company in the above are funded by advances from DB UK Bank Limited, its immediate parent undertaking.
