

RREEF Limited

Company number 2478500

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2009

WEDNESDAY



A7NY5JJ9

A19

28/04/2010

49

COMPANIES HOUSE

REPORT OF THE DIRECTORS
For the year ended 31 December 2009

The Directors present their annual report and audited financial statements for the year ended 31 December 2009

ACTIVITIES AND REVIEW OF BUSINESS

The Company acts as an investment management and advisory company. The Company is authorised and regulated by the Financial Services Authority.

The business of the Company during the year has been impacted in line with the challenging market conditions and has developed satisfactorily in areas where the market allows with the Company achieving a profit overall.

The Company acts as investment adviser/manager for a number of Funds and has continued to work closely with Investors during the year to balance their liquidity requirements with Fund performance and the market environment.

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 2009, after providing for taxation, show a profit of £8,796,000 (2008 £11,915,000).

The Directors do not recommend the payment of dividend for the year (2008 £5,500,000).

FUTURE OUTLOOK

The Directors expect the financial performance of the Company to continue to improve and stabilize in 2010 in line with improving markets.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is a wholly owned subsidiary within the Deutsche Bank Group and therefore the risks it is subject to are managed within the risk and control functions of this Group.

The Directors acknowledge their responsibility for the overall management of the risks faced by the Company and note that the key business risks and uncertainties affecting the Company are considered to relate to competition, both domestic and international, the real estate environment and the general strength of the UK economy.

DIRECTORS

The Directors of the Company who held office during the year and subsequent to the year ended 31 December 2009 were as follows:

G D Hayter		Resigned 26 June 2009
N K J Calvert	Appointed 16 July 2009	
P Cherk		
J B McCarthy		
C Papachristophorou		Resigned effective 1 March 2010
S J T Shaw		
A C F Smith		

A Bartlett and A Rutherford were Joint Secretaries 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 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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)

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 2006. 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

Each of the persons who is a director at the date of this report confirms that

- 1) so far as each of them is aware, there is no information relevant to the audit of the Company's financial statements for the year ended 31 December 2009, of which the auditors are unaware, and
- 2) the Director has taken all steps that he/she ought to have taken in his/her duty as a director in order to make him/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

The auditors, KPMG Audit Plc, have indicated their willingness to continue in office and a resolution that they be re-appointed will be proposed at a general meeting.

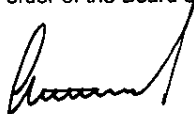
By order of the Board of Directors this

27th

day of

April

2010



A.P. Rutherford
Secretary

Registered office

One Appold Street
London
EC2A 2UU

Company number 2478500

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RREEF LIMITED

We have audited the financial statements of RREEF Limited for the year ended 31 December 2009 set out in pages 4 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements

give a true and fair view of the state of the Company's affairs as at 31 December 2009 and of its profit for the year then ended.

- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



G R Simpson (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
8 Salisbury Square
London
EC4Y 8BB
Dated

27 April 2010

PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2009

	Note	2009 £000	2008* £000
Turnover	1(c)	40,083	45,635
Cost of sales	1(d)	-	(1,274)
Administrative expenses	3	(26,967)	(29,717)
OPERATING PROFIT		13,116	14,644
Other interest receivable and similar income	4	208	2,714
Other interest payable and similar charges	4	(1,272)	(94)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		12,052	17,264
Tax credit / (charge) on profit / (loss) on ordinary activities	5	(3,256)	(5,349)
PROFIT FOR THE YEAR		8,796	11,915

*Certain prior year numbers (Note 4) have been reclassified to be consistent with current year presentation

The profit for the year has arisen from continuing activities

The notes on pages 7 to 14 form part of these accounts

BALANCE SHEET
As at 31 December 2009

	Note	2009 £000	2008* £000
FIXED ASSETS			
Tangible fixed assets	7	19	27
Investments	6	25	25
		44	52
CURRENT ASSETS			
Debtors	8	20,573	17,701
Cash at bank	9	34,739	44,648
		55,312	62,349
CREDITORS amounts falling due within one year	10	(20,865)	(36,884)
NET CURRENT ASSETS		34,447	25,465
TOTAL ASSETS LESS CURRENT LIABILITIES		34,491	25,517
NET ASSETS		34,491	25,517
CAPITAL AND RESERVES			
Called up share capital	12	1,822	1,822
Profit and loss account		32,669	23,695
SHAREHOLDERS' FUNDS		34,491	25,517

The notes on pages 7 to 14 form part of these accounts

These financial statements were approved by the Board of Directors on 27th April 2010



Signed by S SHAW
for and on behalf of the Board of Directors

Company number 2478500

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the year ended 31 December 2009

	<u>2009</u>	<u>2008</u>
	<u>£000</u>	<u>£000</u>
Profit/(loss) for the year	8,796	11,915
Share-based payment recharge expense (note 15)	178	-
Total recognised gain/(loss) relating to the year	<u>8,974</u>	<u>11,915</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
For the year ended 31 December 2009

	<u>Profit & Loss Account</u>	<u>Ordinary Share</u>	<u>Total</u>
	<u>£000</u>	<u>Capital</u>	<u>£000</u>
Balance at 1 January 2009	23,695	1,822	25,517
Share-based payment recharge expense (note 15)	178		178
Profit for the year	8,796	-	8,796
Balance at 31 December 2009	32,669	1,822	34,491

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

	<u>Profit & Loss Account</u>	<u>Ordinary Share</u>	<u>Total</u>
	<u>£000</u>	<u>Capital</u>	<u>£000</u>
Balance at 1 January 2008	17,280	1,822	19,102
Profit for the year	11,915	-	11,915
Dividend paid	(5,500)	-	(5,500)
Balance at 31 December 2008	23,695	1,822	25,517

The notes on pages 7 to 14 form part of these accounts

NOTES TO THE ACCOUNTSFor the year ended 31 December 2009

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, except as noted below

- The amendment to FRS 17 'Retirement Benefits' is not relevant to this company as it is exempt from disclosing its share of the underlying assets and liabilities of the DB scheme in accordance with FRS17
- FRS 20 (IFRS 2) Group and Treasury Share Transactions has been adopted

The following new and amendment to standards are not yet effective

- Amendment to FRS 20 (IFRS 2) vesting conditions and cancellations

Basis of preparation

These financial statements have been prepared in accordance with the Companies Act 2006, 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) INTEREST INCOME AND EXPENSE

Interest income and expense is accounted for on an accrual basis

(c) TURNOVER AND INCOME RECOGNITION

Turnover represents management fees, commissions and other income receivable, exclusive of Value Added Taxation. Income has been recognised where services have been provided

(d) COST OF SALES

Cost of sales represent placement fees, which are recognised on an accruals basis

(e) TANGIBLE FIXED ASSETS

Tangible fixed assets are depreciated under the straight line method so as to write off their cost over the shorter of their estimated useful lives or, where appropriate, remaining lease periods. Furniture, fittings and equipment are depreciated over an estimated useful economic life of three years

(f) FIXED ASSET INVESTMENTS

Fixed asset investments are held at cost less provision for any permanent diminution in value. Any such provision is charged to the profit and loss account in the period in which it arises

The Company is exempt from the obligation to prepare group accounts under s400 of Companies Act 2006. The Company's accounts are included in the consolidated financial statements of Deutsche Bank AG

(g) 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

The recoverability of the Deferred Tax Asset is dependent on future taxable profits in excess of those arising from the reversal of the Deferred Tax Liability

(h) 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

(i) PENSION SCHEMES

Directors and employees of the Company are members of group defined benefit contribution schemes operated by DB Group Services (UK) Limited, details of which are disclosed in the financial statements of that company

NOTES TO THE ACCOUNTS

For the year ended 31 December 2009

(i) PENSION SCHEMES (continued)

The expected cost of pensions payable under the group's funded defined benefit schemes, and of other unfunded post-retirement benefits, is charged to the Company by the Principal Employer and is recognised in the Profit and Loss Account so as to spread this cost over the service lives of employees in schemes. Variations from the regular cost are spread over the expected remaining service lives of current employees in the schemes and are included in the recharge to the Company. The costs are assessed in accordance with the advice of qualified actuaries, the last formal actuarial valuation was carried out at 31 December 2009 for pensions and 31 December 2009 for other post-retirement benefits.

The Company is unable to identify its share of the underlying assets and liabilities of the schemes and information regarding any surplus/deficit of the scheme is not currently available as of 31 December 2009 and as such adopts the FRS 17 exemption for the accounting of actuarial gains and losses which are borne by the Principal Employer. Further details of the schemes as required by FRS17 are disclosed in the statutory financial statements of DB Group Services (UK) Limited.

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

(j) 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.

(k) SHARE-BASED COMPENSATION

The cost of awards to employees that take the form of shares are recognised over the period of the employees' related performance. The schemes are classified as being equity settled.

Payments are accounted for in equity at fair value on the grant date with a corresponding charge in profit and loss over the vesting period of the award. The recharge of the related expense from the Parent company offsets the charge within equity.

(l) GOING CONCERN

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

2 DIRECTORS' REMUNERATION

	<u>Year ended</u> <u>31 December</u> <u>2009</u> <u>£000</u>	<u>14 Month Period</u> <u>Ended</u> <u>31 December</u> <u>2008</u> <u>£000</u>
Directors' emoluments	777	1,811
Amounts receivable under long term schemes	173	135
Total	950	1,946
Company contributions to money purchase pension schemes	31	29
Company contributions to defined benefit pension schemes	52	52

During the year, 3 Directors (2008: one) received shares or payments under long term incentive share schemes totalling £172,612 (2008: £134,812).

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid Director was £313,852 (2008: £843,814) and the pension contributions were £17,446 (2008: £52,169).

	<u>Number of</u> <u>Directors</u> <u>2009</u>	<u>Number of</u> <u>Directors</u> <u>2008</u>
Retirement benefits are accruing to the following number of Directors under		
Money Purchase Schemes	4	3
Defined Benefit Schemes	1	1

No Directors exercised any share options under long term incentive schemes.

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

NOTES TO THE ACCOUNTS

For the year ended 31 December 2009

3 ADMINISTRATIVE EXPENSES	2009	2008*
	£000	£000
Depreciation of fixed assets	12	9
Auditors' remuneration		
Audit of these financial statements	18	14
Non audit services	6	6
	24	20
Auditors' remuneration for services to the Company has been borne by another group undertaking		
Staff costs		
- Wages and salaries	10,855	8,531
- Social security costs	1,478	1,135
- Pension costs	898	882
- Share based-payment expense	1,007	737
- Other staff-related costs	884	964
Other administrative expenses	11,809	17,439
	26,967	29,717
*Certain prior year numbers have been reclassified to be consistent with current year presentation		
Average staff numbers during the year were as follows		
Management	22	21
Operations	47	57
	69	78
4 PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2009	2008*
	£000	£000
Profit on ordinary activities before taxation is arrived at after taking into account		
Other interest receivable and similar income		
Interest receivable from group undertakings	208	1971
Net foreign exchange gains	-	743
	208	2,714
Other interest payable and similar charges		
Interest payable from group undertakings	(169)	(94)
Net foreign exchange loss	(1,103)	-
	(1,272)	(94)
*Foreign exchange gains and losses were previously included within administrative expenses		
5 TAXATION	2009	2008*
	£000	£000
(a) Analysis of tax on profit on ordinary activities		
Current tax		
Group relief (charge)/credit for the year	(3,527)	(5,426)
Adjustment in respect of prior periods	(2)	20
	(3,529)	(5,406)
Deferred tax		
Origination and reversal of timing differences	271	(254)
Adjustment in respect of previous periods	2	312
Effect of tax rate change	-	(1)
	273	57
Total tax charge on profit on ordinary activities	(3,256)	(5,349)

NOTES TO THE ACCOUNTS

For the year ended 31 December 2009

5 TAXATION (continued)

(b) Current tax reconciliation

The standard rate of tax for the year, based on the pro-rated UK standard rate of corporation tax, is 28.0% (2008 28.5%)
The actual tax charge for the year is higher than the standard rate for the reasons set out in the following reconciliation

	<u>2009</u>	<u>2008</u>
	<u>£000</u>	<u>£000</u>
Profit on ordinary activities	12,052	17,264
Tax on profit on ordinary activities at standard rate	(3,375)	(4,920)
Effects of		
Non-deductible expenditure	(14)	(15)
Adjustment for market value of vesting share-based compensation	(127)	(12)
Fixed asset timing differences	(1)	(1)
Share-based compensation-related timing differences	(10)	(478)
Adjustment in respect of previous periods	(2)	20
Total current tax charge	<u>(3,529)</u>	<u>(5,406)</u>

6 FIXED ASSET INVESTMENTS

	<u>Shares in</u>	<u>Shares in</u>
	<u>group</u>	<u>group</u>
	<u>undertakings</u>	<u>undertakings</u>
	<u>2009</u>	<u>2008</u>
	<u>£000</u>	<u>£000</u>
Opening balance as at 1 January	25	25
Additions during year	-	-
Disposals for the year	-	-
Closing balance as at 31 December	<u>25</u>	<u>25</u>

This is an Investment with RREEF UK Property Ventures Fund No 3 which was incorporated in Ireland

7 TANGIBLE FIXED ASSETS

	<u>Cost</u>	<u>Depreciation</u>	<u>Net Book</u>
	<u>£000</u>	<u>£000</u>	<u>Value</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>
Computer Equipment and Software			
Opening balance as at 1 January 2009	42	(15)	27
Additions during year	4		4
Depreciation charge for the year		(12)	(12)
Closing balance as at 31 December 2009	<u>46</u>	<u>(27)</u>	<u>19</u>

8 DEBTORS

	<u>2009</u>	<u>2008</u>
	<u>£000</u>	<u>£000</u>
Other debtors	10,765	9,223
Amounts owed by group undertakings	9,402	8,345
Deferred taxation - see Note 11	406	133
	<u>20,573</u>	<u>17,701</u>

NOTES TO THE ACCOUNTS

For the year ended 31 December 2009

9 CASH AT BANK AND IN HAND	<u>2009</u>	<u>2008</u>
	<u>£000</u>	<u>£000</u>
Cash at bank represents balances held with Deutsche Bank AG, London branch	34,739	44,648
10 CREDITORS Amounts falling due within one year	<u>2009</u>	<u>2008</u>
	<u>£000</u>	<u>£000</u>
Amounts owed to group undertakings	7,555	19,674
Group relief payable	3518	6,821
Other creditors	9792	10,389
	<u>20,865</u>	<u>36,884</u>
11 DEFERRED TAXATION	<u>2009</u>	<u>2008</u>
	<u>£000</u>	<u>£000</u>
Fixed asset timing differences	3	-
Settlement of equity based bonus schemes	403	133
Provision for deferred tax	406	133
Provision at 1 January	133	76
Deferred tax charged in profit & loss account for the period	273	57
Provision at 31 December	406	133
Deferred tax assets are recognised and carried at forward only to the extent that the realisation of the related tax benefit is probable		
12 SHARE CAPITAL	<u>2009</u>	<u>2008</u>
	<u>No</u>	<u>No</u>
Authorised		
Ordinary shares of £1 each	2,500,000	2,500,000
Allotted, called up and fully paid	1,822,000	1,822,000
Ordinary shares of £1 each	<u>1,822,000</u>	<u>1,822,000</u>
	<u>2009</u>	<u>2008</u>
	<u>£000</u>	<u>£000</u>
Authorised		
Ordinary shares of £1 each	2,500	2,500
Allotted, called up and fully paid	1,822	1,822
Ordinary shares of £1 each	<u>1,822</u>	<u>1,822</u>

13 ULTIMATE PARENT COMPANY AND OTHER PARENT UNDERTAKINGS

Deutsche Asset Management Group 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 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 2009

14 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

15 SHARE BASED COMPENSATION

The Group's share-based compensation plans used for granting new awards in 2008 and 2009 are summarized in the table below. These plans, and those plans no longer used for granting new awards, are described in more detail below.

Plan name	Eligibility	period ¹
Share-based compensation plans		
Restricted Equity Units Plan	Select executives	4-5 years
DB Share Scheme		
as bonus grants	Select employees	3 years
as retention grants	Select employees	3 years
DB Global Share Plan	All employees	1 year
DB Equity Plan ²	Select employees	4 years

¹ Approximate period during which an employee is usually required to provide service in exchange for all portions of the award

² Used for grants starting 2007: estimate of requisite service period based on grants in February 2007

Share-Based Compensation Plans Used For Granting New Awards in 2008 and 2009Restricted Equity Units Plan

Under the restricted Equity Units Plan, the Company grants various employees deferred share awards as retention incentive which provides the right to receive common shares of the Group at specific future dates. The expense related to Restricted Equity Units awarded is recognized on a straight-line basis over the requisite service periods, which is generally four to five years.

The Company also grants the same group of employees exceptional awards as a component of the Restricted Equity Units as an additional retention incentive that is forfeited if the participant terminates employment prior to the end of the vesting period. Compensation expense for these awards is recognized on a straight-line basis over the requisite service period.

DB Share Scheme

Under the DB Share Scheme, the Company grants various employees deferred share awards which provide the right to receive common shares of the Group at a specified future date. Compensation expense for the awards granted in relation to annual bonuses was recognized in the applicable performance year as part of the compensation earned for that year until performance year 2004.

From performance years 2005 and onwards, awards under this plan are granted as retention incentive only. Awards granted as retention incentive are expensed on a straight-line basis over the vesting period, which is generally three years. The award vests either in multiple tranches (graded vesting) or on a specific date (cliff vesting) and are share settled and are issued as both off-cycle and as part of the annual bonus round.

NOTES TO THE ACCOUNTS

For the year ended 31 December 2009

15 SHARE BASED COMPENSATION (continued)

DB Global Share Plan

The DB Global Share Plan is an all-employee program which awards eligible employees ten shares of the Group's common shares as part of their annual compensation. A participant must have been working for the DB Group for at least one year and have had an active employment contract in order to participate. The number of shares to part-time employees and those in various categories of extended leave was on a pro rata basis. Compensation expense related to the DB Global Share Plan is recognized on a straight line basis over the requisite service period of one year from the date of grant. Awards vest on November 1 of the year following the grant and are forfeited if the participant terminates employment prior to vesting.

DB Equity Plan

The DB Equity Plan is a scheme established in 2007, which awards eligible employees the right to receive common shares of the DB Group at specified future dates. The expense related to the DB Equity Plan is recognized on a straight-line basis over the requisite service period. The awards vests either in multiple tranches (graded vesting) or at one date (cliff vesting). In cases where the award has a graded vesting schedule, each vesting portion is amortized separately on a straight-line basis over the requisite service period.

Plan rules for the DB Equity Plan allow in specified cases for early retirement before the award vests. Expense recognition is accelerated for awards granted to staff who are or become eligible for early retirement according to the defined criteria of the plan.

Compensation Expense

Expense related to share awards is recognized on a straight-line basis over the requisite service period. The service period usually begins on the grant date of the award and ends when the award is no longer subject to plan-specific forfeiture provisions. Awards are forfeited if a participant terminates employment under certain circumstances. The accrual is based on the number of instruments expected to vest. The entity recognized compensation expense related to its significant share-based compensation plans, described above, as follows:

In £	2009	2008
DB Global Share Plan		25,730
DB Share Scheme / Restricted Equity Units Plan	1,006,883	711,263
DB Equity Plan	-	-
Total recognised in profit and loss	1,006,883	736,993
Recharges to parent company	829,065	736,993
Charges debited to equity	177,818	-

As of 31 December 2009, unrecognized compensation costs related to non-vested share-based compensation was £565,138 (2008: £1,240,990), which is expected to be recognized over an average period of approximately 0.6 years (2008: 1.3 years).

Recognised Amortisation expense for Unvested Stock Compensation Awards

As at 31st December 2009, the company's life to date recognised amortisation expense in respect of unvested share based compensation awards totalled £2,470,955 (31st December 2008: £2,333,111). This balance is based on the grant date value and is therefore at fixed values and represents that part of the ultimate commitment to its employee that has already been amortised.

Award Related Activities

The following is a summary of the activity in the entity's compensation plans involving share awards (DB Share Scheme, Restricted Equity Units Plan and DB Global Share) for the years ended December 31, 2009 and 2008. Expense for these awards is recognized over the requisite service period.

NOTES TO THE ACCOUNTS

For the year ended 31 December 2009

15 SHARE BASED COMPENSATION (continued)

In units (except per share data) per unit	DB Share Scheme/REU	Global Share Plan	Total	average grant date
Balance at 31 December 2007	39,591	490	40,081	€ 95 97
Granted	12,735	(10)	12,725	€ 76 10
Issued	(2,861)	(461)	(3,322)	€ 72 54
Transferred/Forfeited	(8,562)	(19)	(8,581)	€ 95 89
Balance at 31 December 2008	40,903	-	40,903	€ 91 71
Granted	-	-	-	€ 0 00
Issued	(8,950)	-	(8,950)	€ 88 57
Transferred/Forfeited	6,935	-	6,935	€ 83 51
Balance at 31 December 2009	38,888	-	38,888	€ 90 97

In addition to the amounts shown in the table above, in February 2010 the Group granted awards of 27,489 units (February 2009 nil) under the DB Equity Plan with an average fair value of €44 01 per unit

The tax expense realized, in other Deutsche Bank UK Group companies, in the same period from the delivery of the shares under the DB Global Share Plan, the DB Share Scheme (including Restricted Equity Units Plan) for the settlement of Equity Units was approximately £127,316 (2008 £12,963)

16 RETIREMENT BENEFITS (FRS 17)

Directors and employees of the Company are members of group defined contribution and benefit schemes operated by DB Group Services (UK) Limited, details of which are disclosed in the financial statements of that company

The Company is unable to identify its share of the underlying assets and liabilities of the defined benefit schemes due to the complexity of the scheme and as such, in line with FRS 17, has presented its defined benefit schemes as a defined contribution scheme

The surplus of the Group defined benefit schemes recognised by DB Group Services (UK) Limited, the Principal Employer as at 31 December 2009, was £204,300,000 (2008 £335,500,000)

As detailed in the accounting policy note, the pension costs are recharged by the Principal Employer, DB Group Services (UK) Limited, in accordance with actuarial advice

The financial statements of DB Group Services (UK) Limited show full details of the assumptions and valuation techniques applied by the actuaries in assessing the gains and losses at year end