
Deutsche Alternative Asset Management (UK) Limited

Company number: 2478500

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2021

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REPORT OF THE DIRECTORS

For the year ended 31 December 2021

The Directors present their annual report and audited financial statements for the year ended 31 December 2021.

ACTIVITIES AND REVIEW OF BUSINESS

The Company is authorised and regulated by the Financial Conduct Authority.

On 8 April 2014, the Company was authorised by the Financial Conduct Authority as an Alternative Investment Fund Manager under the Alternative Investment Fund Manager Directive ("AIFMD").

RESULTS AND DIVIDENDS

The results of the Company for the year ended 31 December 2021, after providing for taxation, show a net loss of £184,319 (2020: £275,589 Loss).

The Directors confirmed that there are no dividends paid for 2021 year end (2020: Nil).

GOING CONCERN

Following a strategic review of the wider UK operations, the Company has continued to reduce its business activity, which has included the transfer of investment management and advisory activities to its affiliate, DWS Alternatives Global Limited. The exact timing of when the Company will be liquidated has not yet been determined.

Accordingly, the financial statements of the Company have not been prepared on a going concern basis.

DISCLOSURE OF INFORMATION TO AUDITOR

The Directors who held office at the date of approval of this directors' report confirm that, as far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

DIRECTORS

The Directors of the Company who held office during the year and subsequent to the year ended 31 December 2021 were as follows:

J.G.M Webster	Appointed on 07 December 2021
M. McDonald	Appointed on 19 October 2020
H.M.M. Mackenzie	Appointed on 6 October 2016
S.J.T. Shaw	Appointed on 20 February 2006

The directors have confirmed that during the year they spent time appropriate to their responsibilities on the affairs of the Company.

A W Bartlett was reappointed as the Secretary of the Company on 25 October 2017.

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.

POLITICAL CONTRIBUTIONS

The Company made no political donations or incurred any political expenditure during the year.

REPORT OF THE DIRECTORS (Continued)For the year ended 31 December 2021

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

The Directors are responsible for preparing the Strategic Report, 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), including FRS 101 Reduced Disclosure Framework.

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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so. As explained in the directors' report, the directors do not believe that it is appropriate to

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

By order of the Board of Directors this 28th day of July 2022



A. Bartlett
Secretary

Registered office

Winchester House
1 Great Winchester Street
London
EC2N 2DB

Company number: 2478500

STRATEGIC REPORT

For the year ended 31 December 2021

PRINCIPAL OBJECTIVES

Following a strategic review of the wider UK operations, the Company has continued to reduce its business activity, which has included the transfer of investment management and advisory activities to its affiliate, DWS Alternatives Global Limited. The exact timing of when the Company will be liquidated has not yet been determined.

RISK AND UNCERTAINTIES

The Company is wholly owned by DWS Group GmbH & Co. KGaA (DWS Group) following the IPO which was completed in March 2018, and therefore the risks it is subject to are managed within the risk and control functions of the DWS Group. Additional information can be found regarding the corresponding risk management principles, governance and control activities within the Annual Report for 2021, which can be located under the Investor Relations section on the DWS Group website (<https://group.dws.com/ir/reports-and-events/annual-report>).

The key risk facing the Company is linked to any on-going operational risk now that the business activity has materially wound down.

BUSINESS RISK

The Board of Directors is generally risk averse and oversees the mitigation of key risks through the UK Board Risk Committee.

The Company is in the process of winding down and no longer carries out any regulated business activity.

OPERATIONAL RISK

The Company remains exposed to operational risk as all remaining payables and receivables are settled. These risks are monitored, together with all other risks, on an ongoing basis in the Business Risk Committee and reported to the Company's Board of Directors.

STRATEGIC REPORT

For the year ended 31 December 2021

KEY PERFORMANCE INDICATORS

The Capital resources of the entity are monitored on a monthly basis in line with the risk appetite of the Directors and to ensure the capital ratio is above the regulatory minimum threshold.

CURRENT PERIOD PERFORMANCE

GBP'000	2021	2020
Revenue	(172)	(96)
Expenses	(67)	181
Profit (loss) before tax	(243)	85
GBP (million)		
Surplus Capital	14.4 M	48.3 M
Liquidity	13.2 M	51.3 M
Assets under Management	-	4.5 M

The Revenue and Expenses profile for 2021 includes some one time effects that have materialised as the Company winds down.

The Surplus Capital is determined by the excess of capital resources over and above the regulatory requirement.

The Liquidity measure reflects the cash balance held by the Company plus receivables which are due within 90 days, less current liabilities.

The reduction in Assets under Management also reflect the wind down in activity, specifically in relation to the DB Impact fund, which is now managed by DWS Alternatives Global Ltd.

GBP'000	2021	2020 (Restated)
Assets	16,096	55,316
Liabilities	(2,351)	(6,380)
Equity	13,745	48,936

The decrease in Assets and net Equity position is mainly due to a share repurchase executed by capital repayment of £35,000,000 to the Company's parent entity during the period.

STRATEGIC REPORT

For the year ended 31 December 2021

Section 172 (1) Statement

Section 172 (1) of the Companies Act 2006 requires each director of a company to act in the way that they consider in good faith that would most likely promote the success of the Company for the benefit of its members as a whole and in that context should consider:-

- the likely consequences of any decision in the long term;
- the need to foster the Company's business relationships with suppliers, customers and others;
- Impact of the Company's operations on the community and environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

To discharge their section 172 duties for this financial year, the directors had regard to the factors set out above in making principle decisions taken by the Company whilst maintaining high standards of business conduct to the benefit of all stakeholders. An example of this includes the approval of the Company's Modern Slavery Statement.

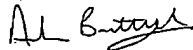
The responsibility for managing macro financial risk, impact on climate change and corporate responsibility arising from climate and environment-related factors is set out at the DWS Group level and therefore also covers the Company.

The DWS Group carefully manages its policies on business travel, leased assets, waste generated and purchased services. Unavoidable carbon emissions are offset by the purchase and retirement of high quality emission reduction certificates as part of the carbon neutrality activities undertaken by the Group.

The importance of ESG products are also recognised and a dedicated framework is in place to classify dedicated ESG funds.

By order of the Board of Directors this

28th day of July 2022



A. Bartlett
Secretary

Registered office

Winchester House
1 Great Winchester Street
London
EC2N 2DB

Company number: 2478500

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEUTSCHE ALTERNATIVE ASSET MANAGEMENT (UK) LIMITED

Opinion

We have audited the financial statements of Deutsche Alternative Asset Management (UK) Limited ("the Company") for the year ended 31 December 2021 which comprise the Income Statement, Statement of Financial Position, Other Comprehensive Income and Statement of Changes in Equity and related notes, including the accounting policies in Note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Emphasis of Matter - non-going concern basis of preparation

We draw attention to the disclosure made in the directors' report and Note 2 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reasons set out in that note. Our opinion is not modified in respect of this matter.

Fraud and breaches of laws and regulations – ability to detect*Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors, internal audit and other relevant parties as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud. Obtained and inspected related policy documentation including the Company's channel for whistle blowing, and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading board minutes.
- Considering remuneration incentive schemes and performance targets including the share based payment.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards and, taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the calculation of the revenue is non-judgmental and straightforward, with limited opportunity for manipulation.

We also performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included all post year end closing journals.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEUTSCHE ALTERNATIVE ASSET MANAGEMENT (UK) LIMITED

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's authority to operate. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, data protection, anti-money laundering, market abuse regulations and financial services regulations including Client Assets, and specific areas of regulatory capital and liquidity and certain aspects of company legislation recognising the financial and regulated nature of the regulated entity's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

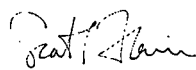
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEUTSCHE ALTERNATIVE ASSET MANAGEMENT (UK) LIMITED

The purpose of our audit work and to whom we owe our responsibilities

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.



Scott Flavin (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL
28 July 2022

INCOME STATEMENT
For the year ended 31 December 2021

	Note	<u>2021</u> <u>£000</u>	<u>2020</u> <u>£000</u>
Turnover	2(d),4	(172)	(139)
Administrative expenses	5	(67)	181
OPERATING PROFIT		(239)	42
Interest income/(expense)	6	(4)	43
PROFIT BEFORE TAXATION		(243)	85
Tax (charge)/credit on profit	7	59	(360)
PROFIT/(LOSS) FOR THE YEAR		(184)	(275)

The Notes on pages 12 to 22 form part of these accounts.

STATEMENT OF FINANCIAL POSITION
As at 31 December 2021


	Note	2021 £000	2020 £000 (Restated)
CURRENT ASSETS			
Investment		24	24
Debtors*	8, 17	2,968	9,440
Cash at bank	9	13,104	45,852
		<u>16,096</u>	<u>55,316</u>
CURRENT LIABILITIES*			
	10, 17	<u>(2,351)</u>	<u>(6,380)</u>
		(2,351)	(6,380)
NET CURRENT ASSETS			
		13,745	48,935
TOTAL ASSETS LESS CURRENT LIABILITIES			
		13,745	48,935
NET ASSETS			
		13,745	48,935
CAPITAL AND RESERVES			
Called up share capital	12	7,422	42,422
Share-based reserve	13	1,004	1,010
Profit and loss account*	17	5,319	5,503
SHAREHOLDERS' FUNDS			
		13,745	48,935

* The comparative figures for the prior period have been restated. A more detailed summary of the impacts have been presented in Note 17 on page 22.

The Notes on pages 12 to 22 form part of these accounts.

These financial statements were approved by the Board of Directors on

28th 2022 July


Signed by JOHN G M WEBSTER
for and on behalf of the Board of Directors

Company number: 2478500

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2021

	<u>Profit and Loss</u> <u>Account</u> <u>£000</u>	<u>Ordinary Share</u> <u>Capital</u> <u>£000</u>	<u>Share Based</u> <u>Reserve</u> <u>£000</u>	<u>Total</u> <u>£000</u>
Balance at 1 January 2021	5,503	42,422	1,010	48,935
Dividends	-	-	-	-
Share-based payment recharge	-	-	(6)	(6)
Share repurchase (Note 12)	-	(35,000)	-	(35,000)
Profit/(Loss) for the financial year	(184)	-	-	(184)
Balance at 31 December 2021	5,319	7,422	1,004	13,745

STATEMENT OF CHANGES IN EQUITY (RESTATED)
For the year ended 31 December 2020

	<u>Profit and Loss</u> <u>Account</u> <u>£000</u>	<u>Ordinary Share</u> <u>Capital</u> <u>£000</u>	<u>Share Based</u> <u>Reserve</u> <u>£000</u>	<u>Total</u> <u>£000</u>
Balance at 1 January 2020	6,596	42,422	872	49,890
Impact of restatement (Note 17)	(817)	-	-	(817)
Restated Balance at 1 January 2020	5,779	42,422	872	49,073
Share-based payment recharge	-	-	138	138
Profit/(Loss) for the financial year	(275)	-	-	(275)
Restated Balance at 31 December 2020	5,503	42,422	1,010	48,935

* The balance of the Profit and Loss account brought forward from prior periods has been restated. A more detailed summary of the impacts have been presented in note 17 on page 22.

The Notes on pages 12 to 22 form part of these accounts.

NOTES TO THE ACCOUNTS
For the year ended 31 December 2021

1 AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE WITH FRS 101

Deutsche Alternative Asset Management UK Limited (the "Company") is a Private company incorporated and domiciled in the UK. The registered number is 2478500 and the registered address is Winchester House, 1 Great Winchester Street, London, EC2N 2DB.

Audited financial statements for the year ended 31 December 2021 were reviewed by the Board of Directors on 28 July 2022 and have subsequently been submitted to the FCA.

2 ACCOUNTING POLICIES

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and presented in English pounds rounded to the nearest thousand.

Summary of disclosure exemptions

These financial statements were prepared in accordance with FRS 101 Reduced Disclosure Framework. In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRS"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

- (i) the requirements in paragraph 10(d) of IAS 1 Presentation of Financial Statements to prepare a Cash flow statement and the requirements in IAS 7 Statement of Cash Flows regarding the same;
- (ii) the requirements in paragraph 10(d), 10(f), 111 and 134-136 of IAS 1 Presentation of Financial Statements, which includes the need to provide details on capital management;
- (iii) the requirements of paragraphs 30 and 31 in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors regarding disclosure of new IFRS standards not yet effective at the reporting date and their potential impact;
- (iv) the requirements of paragraphs 134(d) - 134(f) and 135(c) - 135(e) of IAS 36 Impairment of Assets in respect of disclosure of assumptions on which projections used in the impairment review are based and sensitivity analysis;
- (v) the requirements of IFRS 7 Financial Instruments: Disclosures;
- (vi) the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- (vii) the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- (viii) Disclosures in respect of compensation of Key Management Personnel;

Equivalent disclosures are included in the consolidated financial statements of DWS Group as required by FRS 101 where exemptions have been applied. These are included with the Annual Report which can be located under the Investor Relations section on the DWS Group website (<https://group.dws.com/ir/reports-and-events/annual-report>).

The Company has adopted the following IFRSs in these financial statements;

NOTES TO THE ACCOUNTS
For the year ended 31 December 2021

2 ACCOUNTING POLICIES (continued)

These financial statements apply the below accounting policies:

(a) **GOING CONCERN**

The financial statements have not been prepared on the going concern basis due to reasons explained in the Directors' report. The financial statements have been prepared on a break up basis. No adjustments were necessary to the amounts at which the remaining net assets were included in these financial statements, which were all reclassified as current in nature during the prior year.

There are no specific costs arising from the wind down of the Company's business and the Directors are satisfied that no provision for additional costs is required as at 31 December 2021.

(b) **CONVENTION**

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

(c) **INTEREST INCOME AND EXPENSE**

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

(d) **TURNOVER**

Turnover represents the Company's revenue and includes management fees, performance fees and other revenue received or receivable for the provision of investment management services.

The Company recognises revenue in accordance with the principles of IFRS 15 - Revenue from Contracts with Customers. The Company applies the IFRS 15 five-step model for recognising revenue, which consists of identifying the contract with the customer; identifying the relevant performance obligations; determining the amount of consideration to be received under the contract; allocating the consideration to each performance obligation; and earning the revenue as the performance obligations are satisfied.

Revenue is based on terms specified in a contract with a customer and excludes any amounts collected on behalf of third parties. Revenue is recognised when, or as, a performance obligation is satisfied by transferring control of a service to a customer.

Management fees

Management fees are calculated as a percentage of Assets Under Management (AUM) and products in which those assets are invested in accordance with the individual investment management agreements. Management fees are calculated and recognised on a monthly basis in accordance with the terms of the relevant management fee agreements. Management fees are stated net of value added tax, rebates and discounts.

(e) **PROVISIONS**

A provision is recognised in the Statement of Financial Position when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provision are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

(f) **TAXATION**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Income Statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the Statement of Financial Position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the Statement of Financial Position date. For investment property that is measured at fair value deferred tax is provided at the rate applicable to the sale of the property except for that part of the property that is depreciable and the Company's business model is to consume substantially all of the value through use. In the latter case the tax rate applicable to income is used.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

NOTES TO THE ACCOUNTS

For the year ended 31 December 2021

2 ACCOUNTING POLICIES (continued)**(g) PENSION SCHEME**

The Company is able to provide a defined contribution pension scheme to its Directors and employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the Income Statement represents the contributions payable to the scheme in respect of the accounting period.

(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 Statement of Financial Position date are translated at the rates ruling at that date. These translation differences are dealt with in the Income Statement.

(i) SHARE-BASED COMPENSATION**DWS Share-Based Plans (cash-settled)**

The DWS Group made grants of share-based compensation under the DWS Equity Plan. This plan represents a contingent right to receive a cash payment by referencing to the value of DWS shares during a specified time period.

In September 2018, IPO related Awards were granted to selected employees within the DWS Group. Both Awards (DWS Equity Plan and DWS Stock Appreciation Rights (SAR) Plan) are considered as share-based cash-settled awards.

DB Equity Plan (equity-settled)

DWS Group employees continue to participate in the DB Equity Plan under the rules established for Deutsche Bank Group as applicable.

Share-based payment transactions where Deutsche Bank AG as ultimate parent company grants Deutsche Bank AG shares to the employees of the Group are classified as equity-settled transactions. The cost at grant is expensed over the vesting period of the award, whilst any change prior to settlement is reflected within the equity balance in the financial statements given there is an obligation to settle with shares.

This now has limited impact on the Company given the progress of the wind down.

(j) DIVIDENDS ON SHARES PRESENTED WITHIN SHAREHOLDER FUNDS

Dividends are only recognised as a liability at that date to the extent that they are declared prior to the year-end. Unpaid dividends that do not meet these criteria are disclosed in the Notes to the financial statements.

(k) PERFORMANCE-BASED INCENTIVE PLAN

Performance-based Incentive Plan (carry plan) expense is accounted based on IAS 19. If the Company expects to earn performance fees, related expenses must be accrued over the vesting period on a pro-rata basis based on expected payout. This now has limited impact on the Company given the progress of the wind down.

(l) USE OF ESTIMATES AND JUDGEMENTS

In preparing the financial statements, management is required to make estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets/liabilities. Actuals results in future periods could differ for such estimates. Estimates and assumptions are mainly used in the following areas of the financial statements and are disclosed in the corresponding notes:

- Determining fair value of share based compensation
- Measurement and timing of provisions, and
- Measurement of deferred tax assets

Please refer to the relevant notes for further explanation on how the estimates and judgements relating to the above are formed.

NOTES TO THE ACCOUNTS
For the year ended 31 December 2021

3 DIRECTORS' REMUNERATION

All staff including directors are employed by a fellow subsidiary undertaking within DB Group, namely DB Group Services (UK) Limited, and their costs are recharged to the Company. Amounts recharged from DB Group Services (UK) Limited for persons continuing to work for DB Group are included in staff costs.

	<u>2021</u>	<u>2020</u>
	<u>£000</u>	<u>£000</u>
Directors' emoluments	9	47
Amounts receivable under long term schemes	-	54
Total	9	101
Company contributions to money purchase pension schemes	-	1
Compensation for loss of office	-	4

During the year, no directors received shares or payments under long term incentive schemes.

(2020: 2 directors received shares or payments under long term incentive schemes totalling £53,909.29)

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was £9,416.67 and the pension contributions were £0.00

(2020: The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was £70,353.76 and the pension contributions were £316.47.)

	<u>Directors</u>	<u>Directors</u>
	<u>2021</u>	<u>2020</u>
Retirement benefits are accruing to the following number of Directors under:		
Money Purchase Pension Schemes	-	2

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

4 TURNOVER

	<u>2021</u>	<u>2020</u>
	<u>£000</u>	<u>£000</u>
Investment Management Fees	978	407
Provisions	(1,261)	-
Other Revenues	111	(546)
	(172)	(139)

Transaction fees are included within Investment management fees. Provisions are recorded where the recoverability of fees has become uncertain both in terms of the amount that will be received as well as timing.

During the period the Company has provided for receivables for which the collection is considered to be uncertain due to the significant delays and lack of certainty in the realisation of assets by a fund in wind down. This has resulted in provisions being recognised in excess of revenues recognised in the period.

5 ADMINISTRATIVE EXPENSES

	<u>2021</u>	<u>2020</u>
	<u>£000</u>	<u>£000</u>
Auditors' remuneration:		
Audit of these financial statements	53	22
Staff costs		
- Wages and salaries	(179)	1,266
- Social security costs	-	193
- Share based-payment expense	22	36
- Other staff-related costs	5	(69)
	(152)	1,426
Other administrative expenses	166	(1,629)
Administrative Expenses	67	(181)

Average number of employees

Wages and salary costs for 2021 reflect the release of accruals in the period. In the prior period these costs included specific carry plan costs which were offset in other administrative expenses as they are recovered through transfer pricing agreements.

Other administrative expenses also include a specific operational loss item in the prior period.

NOTES TO THE ACCOUNTS
For the year ended 31 December 2021

6	INTEREST INCOME/(EXPENSE)	<u>2021</u>	<u>2020</u>
		<u>£000</u>	<u>£000</u>
	Profit before taxation is arrived at after taking into account:		
	Interest income/(expense)	(4)	43
		<u>(4)</u>	<u>43</u>

The Interest expense in the period is due to the euro cash balance held by the Company attracting negative interest rates, whilst the interest generated on other currency denominations has also reduced versus the prior year linked to the wider macro environment.

7	TAXATION	<u>2021</u>	<u>2020</u>
		<u>£000</u>	<u>£000</u>
	(a) Analysis of tax on Profit/(Loss)		
	<i>Current tax</i>		
	Group relief (charge)/credit for the year	97	(1,034)
	Adjustment in respect of prior periods	(37)	(4)
		<u>60</u>	<u>(1,038)</u>
	<i>Deferred tax</i>		
	Origination and reversal of timing differences	(46)	736
	Adjustment in respect of previous periods	44	16
	Effect of tax rate change	-	(74)
		<u>(2)</u>	<u>678</u>
	Total tax (charge)/credit on Profit/(Loss)	<u>59</u>	<u>(360)</u>

(b) Current tax reconciliation

The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 19% (2019 - 19%). The actual tax (charge) / credit for the year differs from the standard rate for the reasons set out in the following reconciliation.

	<u>2021</u>	<u>2020</u>
	<u>£000</u>	<u>£000</u>
Profit (Loss) before taxation	<u>(243)</u>	<u>85</u>
Tax on profit (Loss) at standard rate	<u>46</u>	<u>(16)</u>
<i>Effects of:</i>		
Non-deductible expenditure	-	(273)
Adjustment in respect of share-based compensation	5	(9)
Effect of tax rate change	-	(74)
Adjustment in respect of previous periods	7	12
Total tax (charge)/credit	<u>59</u>	<u>(360)</u>

The main corporation tax rate is 19%.

In the Budget on 3 March 2021, the Government announced an increase in the main corporation tax rate to 25% from 1 April 2023. Substantive enactment occurred on 24 May 2021. This will increase the Company's future current tax charge and deferred tax asset accordingly.

Deferred tax at 31 December 2021 has been calculated at the rate when the asset is expected to be realised or the liability is expected to be settled, that is substantively enacted at the balance sheet date.

NOTES TO THE ACCOUNTS
For the year ended 31 December 2021

8	DEBTORS	Note	2021 £000	2020 £000 (Restated)
	Other debtors	17	257	5,857
	Amounts owed by group undertakings		2,628	3,559
	Group relief receivable		62	-
	Deferred tax asset	11	21	24
			<u>2,968</u>	<u>9,440</u>

The reduction in debtors balance reflects the on-going wind down of the balance sheet related to business activity as well as the provision (against fees) recorded in the period.

9	CASH AT BANK	2021 £000	2020 £000
	Cash at bank	13,104	45,852

The reduction in the period was driven by a reduction in share capital and the associated cash payment of £35,000,000 made to the Company's parent, DWS Group GmbH & Co. KGaA (see Note 12).

10	CREDITORS: Amounts falling due within one year	Note	2021 £000	2020 £000 (Restated)
	Other creditors	17	323	600
	Amounts owed to group undertakings		2,028	4,717
	Group relief payable		-	1,063
			<u>2,351</u>	<u>6,380</u>

The reduction in the creditors balance reflects the on-going wind down of business activity.

11	DEFERRED TAXATION	2021 £000	2020 £000
	Provision at 1 January	24	(646)
	Deferred tax charged in income statement for the period	(2)	678
	Other comprehensive income	-	(8)
	Provision at 31 December	<u>22</u>	<u>24</u>

Deferred tax assets are recognised and carried forward only to the extent that the realisation of the related tax benefit is probable, which includes the ability to participate in group relief arrangements within DB Group.

12	SHARE CAPITAL	2021 £000	2020 £000
	Allotted, called up and fully paid:		
	Ordinary shares of £1 each	42,422	42,422
	Share repurchase	(35,000)	-
		<u>7,422</u>	<u>42,422</u>
		2021 No	2020 No
	Allotted, called up and fully paid:		
	42,422,000 Ordinary shares of £1 each	42,422,000	42,422,000
	Share repurchase	(35,000,000)	-
	Ordinary shares of £1 each	<u>7,422,000</u>	<u>42,422,000</u>

13 SHARE-BASED RESERVE

The share-based reserve comprises the fair value of the actual or estimated number of unexercised shares and share options granted to the Company's employees recognized in accordance with the accounting policy adopted for equity-settled share-based compensation in Note 2 (i).

NOTES TO THE ACCOUNTS

For the year ended 31 December 2021

14 SHARE-BASED COMPENSATION

There are two categories of share-based compensation plans, which are described below: DWS Share-Based Plans (cash-settled) and the DB Equity Plan (equity settled).

DWS Share-Based Plans (cash-settled)

The DWS Group made grants of share-based compensation under the DWS Equity Plan. This plan represents a contingent right to receive a cash payment by referencing to the value of DWS shares during a specified time period.

In September 2018 one-off IPO related awards under the DWS Stock Appreciation Rights (SAR) Plan were granted to all DWS employees. A limited number of DWS senior managers were granted a one-off IPO related Performance Share Unit (PSU) under the DWS Equity Plan instead. For members of the Executive Board, one-off IPO related awards under the DWS Equity Plan were granted in January 2019.

The DWS SAR Plan represents a contingent right to receive a cash payment equal to any appreciation (or gain) in the value of a set number of notional DWS shares over a fixed period of time. This award does not provide any entitlement to receive DWS shares, voting rights or associated dividends.

The DWS Equity Plan is a phantom share plan representing a contingent right to receive a cash payment by referencing to the value of DWS shares during a specified period of time.

The award recipient for any share-based compensation plan is not entitled to receive dividends during the vesting

The share awards granted under the terms and conditions of any share-based compensation plan are forfeited fully or partly if the recipient voluntarily terminates employment before the end of the relevant vesting period (or the end of the retention period for Upfront Awards). Vesting usually continues after termination of employment in cases such as redundancy or retirement.

The following table outlines the basic terms of the DWS share-based plans:

Grant year/s	Award Type	Vesting Schedule	Eligibility
2018	SAR Award (one-off IPO related award)	For non-MRTs: June 1, 2021 ⁴ For MRTs: March 1, 2023 ²	all DWS employees ³

MRT = Material Risk Taker

¹ Depending on their individual regulatory status, a 6 months retention period (AIFMD/UCITS MRTs) or a 12-months retention period (InstVV MRTs) applies after vesting

² Unless the employee received PSU Award

³ In 2020, two Early Exercise windows were offered to non-MRTs leading to accelerated vesting and exercise upon acceptance. For outstanding awards, a 4-year exercise period applies following vesting/retention period.

NOTES TO THE ACCOUNTS
For the year ended 31 December 2021

14 SHARE-BASED COMPENSATION (continued)

The following table sets out the movements in share award units:

	DWS SAR Plan			
	2021		2020	
	Number of Awards	Weighted-average exercise price	Number of Awards	Weighted-average exercise price
Share Units (in thousands)				
Outstanding at beginning of year	0.2	€ 24.65	0.2	€ 24.65
Granted	0	€ 0.00	0	€ 0.00
Released or exercised	0	€ 24.65	0	€ 24.65
Forfeited	0	€ 24.65	0	€ 24.65
Expired	0	€ 0.00	0	€ 0.00
Other movements ¹	0	€ 24.65	0	€ 24.65
Outstanding at end of year	0.1	€ 24.65	0.2	€ 24.65
Of which, exercisable	0.1	€ 0.00	0	€ 0.00

¹ Comparative value for prior year 2020 within DWS SAR Plan has been amended based on updated information.

The following table sets out key information regarding awards granted, released and remaining in the year:

	2021			2020		
	Weighted average fair value per award granted in year	Weighted average share price at exercise / release in year	Weighted average contractual life in years	Weighted average fair value per award granted in year	Weighted average share price at exercise / release in year	Weighted average contractual life in years
DWS SAR Plan	0	€ 39.90	4	0	0	4

As of December 31, 2021, the fair value of share-based awards made in 2021 and prior periods was approximately £1.2 thousand (as of December 31, 2020: £1.6 thousand), of which £ 1.2 thousand (2020: nil) relate to fully vested awards.

The fair value of the DWS SAR Plan awards have been measured using the Black-Scholes model, incorporating a tree-based pricer for the pricing of American option. The liabilities incurred are re-measured at the end of each reporting period until settlement. The principal inputs being the market value on reporting date, discounted for any dividends foregone over the holding periods of the award, and adjustment for expected and actual levels of vesting which includes estimating the number of eligible employees leaving DB Group and number of employees eligible for early retirement.

The inputs used in the measurement of the fair values at grant date and measurement date of the DWS SAR Plan awards

	Measurement date Dec 31, 2021	Measurement date Dec 31, 2020
	SAR	SAR
Units (in thousands)	0.1	0.2
Fair value (weighted average)	€ 11.41	€ 10.99
Share price	€ 35.48	€ 34.80
Exercise price	€ 24.65	€ 24.65
Expected volatility (weighted-average) in %	32	33
Expected life (weighted-average) in years	4	4
Expected dividends (% of income)	65	65

Given the limited years of DWS share price volatility and the absence of implied volatility actively traded in the market, the expected volatility of the DWS share price has been based on an evaluation of the historical volatility for a comparable peer group over the preceding 5-year period.

NOTES TO THE ACCOUNTS

For the year ended 31 December 2021

14 SHARE-BASED COMPENSATION (continued)

In 2020, DWS Group offered eligible employees to exercise their SAR Award as part of two distinct Early Exercise Offers. SAR Awards which were not exercised continue to be subject to the terms and conditions of the DWS SAR Plan Rules, including forfeiture provisions.

DB Equity Plan (equity-settled)

Some DWS Group employees continue to hold deferred awards granted under the DB Equity Plan, under the rules established for Deutsche Bank Group.

Share-based payment transactions where Deutsche Bank Group AG have granted Deutsche Bank AG shares to the employees of DWS Group are classified as equity-settled transactions reflected in the equity in the consolidated financial statements of DWS Group as Deutsche Bank AG has the obligation to settle the shares. The award recipient is not entitled to receive dividends during the vesting period of the award.

The share awards granted under the terms and conditions of the DB Equity Plan may be forfeited fully or partly if the recipient voluntarily terminates employment before the end of the relevant vesting period. Vesting usually continues after termination of employment in cases such as redundancy or retirement.

The following table sets forth the basic terms of these share plans of Deutsche Bank Group.

Grant year(s)	Deutsche Bank Equity Plan	Vesting Schedule	Eligibility
2017-2018	Annual Award ¹	1/4 : 12 months ¹	Select employees as annual performance-based compensation
		1/4 : 24 months ¹	
		1/4 : 36 months ¹	
		1/4 : 48 months ¹	
		Or cliff vesting after 54 months ¹	Members of Senior Leadership Cadre
	Retention/New Hire	Individual Specification	Select employees to attract and retain the best talent
2016	Key Retention Plan (KRP) ⁴	1/2 : 50 months ³	Material Risk Takers (MRTs)
		1/2 : 62 months ³	
		Cliff vesting after 43 months	Non-Material Risk Takers (non-MRTs)
	Key Position Award (KPA) ⁵	Cliff-vesting after 4 years ³	Select employees as annual retention

¹ For InstiVV-regulated employees (and Senior Management) a further retention period of twelve months applies (six months for awards granted from 2017 -2018).

² For grant year 2019 divisions were called CIB, for grant year 2020 CIB is split into CB/IB/CRU.

³ Share delivery takes place after a further retention period of twelve months.

⁴ Equity-based awards granted under this plan in January 2017 were subject to an additional share price condition and were forfeited as a result of this condition not being met.

⁵ A predefined proportion of the individual's KPA was subject to an additional share price condition and was forfeited as a result of this condition not being met.

NOTES TO THE ACCOUNTS

For the year ended 31 December 2021

14 SHARE-BASED COMPENSATION (continued)

The following table sets out the movements in share award units, including grants under the cash plan variant of the DB Equity Plan:

	2021	2020
Share Units (in thousands)	Number of Awards	Number of Awards
Outstanding at beginning of year	0	51
Granted	0	0
Released or exercised	0	(8)
Forfeited	0	(43)
Expired	0	0
Other movements ¹	0	(1)
Outstanding at end of year	0	0
Of which, exercisable	0	0

The DB Equity Plan includes awards with share price hurdles under both the Key Position Award and the Key Retention Plan. The share price hurdle condition for both plans was measured during 2020 and was not met. As a result approximately 43 thousand share units were forfeited. In accordance with IFRS 2 the forfeiture due to a market performance condition did not result in a reversal to the recorded expense.

15 RETIREMENT BENEFITS (IAS 19)

Directors and employees of the Company can be members of the DB Group defined contribution or 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 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 2021, was £915,211,000 (2020: £786,462,000).

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.

NOTES TO THE ACCOUNTS
For the year ended 31 December 2021

16 ULTIMATE PARENT COMPANY AND OTHER PARENT UNDERTAKINGS

On the 14 December 2017, the Company was sold to DWS Group GmbH & Co. KGaA (formerly Deutsche Asset Management Holding SE) in preparation for the partial IPO of Deutsche Asset Management which took place in March 2018. Prior to this, Deutsche Asset Management Group Limited, a company registered in England and Wales, was 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.

17 PRIOR PERIOD ADJUSTMENT

During the year, the Company has performed balance sheet substantiation process where it was concluded that certain prior years balances were unsubstantiated. Accordingly, the opening profit and loss reserve, debtors and creditors falling due within one year balance in the year ended 31 December 2020 comparatives have been restated to eliminate these unsubstantiated balances. A summary of the restatement can be seen below:

In £000	As Previously Reported	Adjustments	As Restated
Total Assets	56,233	(918)	55,315
Cash at Bank	45,852	-	45,852
Amounts Owed by Group Undertakings	3,559	-	3,559
Other Debtors	6,822	(918)	5,904
Total Liabilities	6,480	(100)	6,380
Amounts Owed to Group Undertakings	4,717	-	4,717
Group Relief Payable	1,063	-	1,063
Other Creditors	700	(100)	600
Total Equity	49,753	(818)	48,935
Share Capital	42,422	-	42,422
Share Based Reserve	1,010	-	1,010
Profit and Loss Account	6,321	(818)	5,503

18 PROVISIONS AND CONTINGENT LIABILITIES

The Company is subject to regulation in all of the territories in which it operates its investment businesses. In the UK, where the Group primarily operates, the FCA has broad powers, including powers to investigate marketing and sales practices.

The Company, like other financial organisations, is subject to legal proceedings, complaints and regulatory proceedings, complaints and regulatory discussions, reviews and challenges in the normal course of its business. All such material matters are periodically reassessed, with the assistance of external professional advisers where appropriate, to determine the likelihood of the Company incurring a liability. Where it is concluded that it is more likely than not that a material outflow will be made a provision is established based on management's best estimate of the amount that will be payable. In some cases it will not be possible to form a view, for example because the facts are unclear or because further time is needed to properly investigate, and no provisions are held for such matters. It is not possible to predict with certainty the extent and timing of the financial impact of legal proceedings, complaints and related regulatory matters.

19 SUBSEQUENT EVENT

The Company performed an evaluation of subsequent events through 28 July 2022 which is the date the financial statements were made available to be issued. The Company determined that based on this evaluation and the level of business activity there were no items that would affect the reported amounts in the financial statements as of 31 December 2021.