
DB UK HOLDINGS LIMITED

Company Number: 3650236

REPORTS AND FINANCIAL STATEMENTS

For the year ended 31 December 2001



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COMPANIES HOUSE 31/01/03

REPORT OF THE DIRECTORS
For the year ended 31 December 2001

The Directors present their annual report and audited financial statements for the year ended 31 December 2001.

ACTIVITIES AND REVIEW OF BUSINESS

The principal business of the Company is that of a holding company. As a result of a letter of comfort from DB Investments (GB) Ltd the Company is able to maintain good standing and remain in a position to meet its contractual obligations as they fall due. The 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.

RESULTS AND DIVIDENDS

The profit and loss account of the Company for the year ended 31 December 2001, after providing for taxation, shows a loss of £68,502,854 (2000 - £25,541,842). Accordingly the Directors do not recommend the payment of a dividend for the year ended 31 December 2001 (2000 - £nil).

DIRECTORS

The Directors of the Company who held office during the year and subsequent to the year ended 31 December 2001 were as follows:

D G Penfold	
P Thomason	
D H Thomas	(resigned 31 March 2002)
V E Harman	
M A Schwabe	(appointed 31 March 2002; resigned 10 October 2002)
A Greatbatch	(appointed 10 October 2002)

A W Bartlett replaced S Preston as Secretary on 5 January 2001. There were no further changes during or subsequent to the year end.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss for that period. In preparing those financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985. They also have general responsibility for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE DIRECTORS (continued)
For the year ended 31 December 2001

DIRECTORS' INTERESTS

None of the Directors had an interest in the share capital of the Company during the year.

None of the Directors had any disclosable interest in the shares or debentures of any UK group undertaking at the end of the period, or were granted or exercised any right to subscribe for shares in, or debentures of, any UK group undertaking during the period.

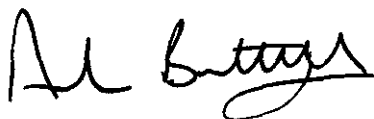
AUDITORS

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

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

KPMG Audit Plc are willing to continue in office and the Directors have agreed to their so continuing.

By Order of the Board of Directors on 30th January 2003



AW Bartlett
Secretary

23 Great Winchester Street
London
EC2P 2AX

We have audited the financial statements on pages 4 to 11.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 1, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Company is not disclosed.

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

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

8 Salisbury Square
London
EC4Y 8BB

Dated

31 January 2003

PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2001

	<u>Note</u>	<u>1 January 2001</u> <u>to 31 December</u> <u>2001</u>	<u>1 November</u> <u>1999 to 31</u> <u>December 2000</u>
		£	£
Income from shares in group undertakings		49,647,176	16,005,995
Interest receivable and similar income	2	155,560,390	19,486,380
Interest payable and similar charges	2	(233,664,962)	(46,326,345)
Net Interest Expense		(28,457,396)	(10,833,970)
Revaluation loss on investment in subsidiary undertakings	6	(41,751,180)	-
Loss on disposal of other investments	6	(1,338,947)	-
Write down of other investments	6	(20,413,867)	(22,759,861)
Loss on ordinary activities before taxation		(91,961,390)	(33,593,831)
Tax credit on loss on ordinary activities	3	23,458,536	8,051,989
Loss after tax for the period		(68,502,854)	(25,541,842)
Retained loss brought forward		(26,654,049)	(1,112,207)
Retained loss carried forward		(95,156,903)	(26,654,049)

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

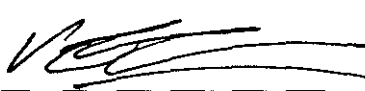
The notes on pages 7 to 12 form part of the financial statements.

BALANCE SHEET
As at 31 December 2001

		<u>2001</u> <u>£</u>	<u>2000</u> <u>£</u>
FIXED ASSETS			
Investments	6	1,195,019,378	978,571,314
CURRENT ASSETS			
Debtors: amounts falling due within one year	7	2,472,175,550	2,086,737,834
Debtors: amounts falling due in more than one year	8	664,213,850	595,107,022
		3,136,389,400	2,681,844,856
Creditors: amounts falling due within one year	9	(2,572,322,275)	(2,405,692,947)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,759,086,503	1,254,723,223
Creditors: amounts falling due in more than one year	10	(1,784,451,057)	(1,281,371,557)
NET LIABILITIES		(25,364,554)	(26,648,334)
CAPITAL AND RESERVES			
Called up share capital	11	1	1
Revaluation reserve		69,751,732	-
Profit and loss account		(95,116,287)	(26,648,335)
Shareholder's funds		(25,364,554)	(26,648,334)

The notes on pages 7 to 12 form part of the financial statements.

These financial statements were approved by the Board of Directors on 30th January 2003


Signed by
for and on behalf of the Board of Directors

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the year ended 31 December 2001

	<u>2001</u> <u>£</u>	<u>2000</u> <u>£</u>
Loss for the period	(68,502,854)	(25,541,842)
Revaluation gain on investments	69,751,732	-
Exchange gain on re-translation of investments	87,671	19,046
Exchange loss on related borrowings	(87,671)	(19,046)
Tax credit on exchange loss on related borrowings	26,301	5,714
Currency translation difference	8,601	-
Total recognised gains and losses for the period	1,283,780	(25,536,128)

RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS
For the year ended 31 December 2001

	<u>Share</u> <u>Capital</u> <u>£</u>	<u>Revaluation</u> <u>Reserve</u> <u>£</u>	<u>Profit</u> <u>& Loss</u> <u>£</u>	<u>Total</u> <u>£</u>
At 1 January	1	-	(26,648,335)	(26,648,334)
Loss after tax for the period	-	-	(68,502,854)	(68,502,854)
Revaluation gain on investments	-	69,751,732	-	69,751,732
Tax credit on exchange loss on related borrowings	-	-	26,301	26,301
Currency translation difference	-	-	8,601	8,601
Closing shareholder's funds	1	69,751,732	(95,116,287)	(25,364,554)

NOTES TO THE ACCOUNTS

For the year ended 31 December 2001

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Companies Act 1985 and applicable accounting standards. DB Investments (GB) Limited has undertaken to support the Company and ensure that it is in a position to settle its debts as and when they fall due. Accordingly the Directors consider that it is appropriate to prepare these financial statements on a going concern basis. The particular accounting policies are described below.

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting policies.

(b) Group Accounts

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

(c) Interest income/expense

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

(d) 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.

(e) Fixed Asset Investments

Investment in subsidiary undertakings are stated at the Directors' valuation. In prior years they were stated at cost. Other Fixed Asset Investments are held at cost less an impairment provision where the Directors consider it to be appropriate. The holding cost in the financial statements includes all costs incurred in the acquisition of the investments.

(f) Repurchase Agreements

The Company has entered into arrangements which involve the sale of shares with agreements to repurchase. The repurchase agreements are recorded as liabilities with the related shares included in fixed asset investments.

2. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>2001</u> £	<u>2000</u> £
Loss before taxation is arrived at after crediting:		
Interest receivable from parent undertakings	56,972,007	18,987,436
Interest receivable from group undertakings	98,588,384	498,944
and after charging:		
Interest payable to parent undertakings	162,920,193	24,109,116
Interest payable to group undertakings	70,744,768	22,217,229

Auditors' remuneration for the current period has been borne by a Deutsche Bank Group company without re-charge.

NOTES TO THE ACCOUNTS (continued)
For the year ended 31 December 2001

3. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES

Taxation is based on the results for the period and comprises	<u>2001</u> £	<u>2000</u> £
Group relief receivable at 30 % (2000 - 30.0%)	23,458,536	8,051,989

4. REMUNERATION OF DIRECTORS

The aggregate emoluments of persons who were Directors of the Company during the period ended 31st December 2001, including pension contributions, were £nil (2000 - £nil).

5. STAFF COSTS

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 (2000 - £nil).

6. FIXED ASSET INVESTMENTS

	Shares in subsidiary undertakings £	Other Investments £	Total £
At 1 January 2001	82,990,344	895,580,970	978,571,314
Additions	15,722,440	221,612,259	237,334,699
Disposals	(26,359,000)	(2,228,946)	(28,587,946)
Amounts written off	-	(20,413,867)	(20,413,867)
Revaluation gain	69,751,732	-	69,751,732
Revaluation loss	(41,751,180)	-	(41,751,180)
Differences on exchange	(116,593)	231,219	114,626
At 31 December 2001	100,237,743	1,094,781,635	1,195,019,378

Subsidiary Undertakings

The shares in subsidiary undertakings are valued at Directors' valuation. The historic cost of the investment in subsidiary undertakings is £72,237,191 (2000 - £82,990,344).

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

Name of company	Country of Incorporation or Registration	Activity	Proportion of Equity Capital
December Leasing Ltd	England and Wales	Leasing	100%
Villetti Investments Ltd	Jersey	Leasing	100%
Deutsche Equus Ltd	England and Wales	Mortgage Representative	67%
DB Crest Ltd	Jersey	Investment Company	100%
DB Sterling Finance Ltd	Cayman Islands	Holding Company	100%
London Industrial Leasing Limited	England and Wales	Leasing	100%
City Leasing (Avonside) Limited	England and Wales	Leasing	100%
City Leasing (Clydeside) Limited	England and Wales	Leasing	100%
City Leasing (Donside) Limited	England and Wales	Leasing	100%

NOTES TO THE ACCOUNTS (continued)
For the year ended 31 December 2001

6. FIXED ASSET INVESTMENT (continued)

City Leasing (Fleetside) Limited	England and Wales	Leasing	100%
City Leasing (Plymside) Limited	England and Wales	Leasing	100%
City Leasing (Severnside) Limited	England and Wales	Leasing	100%
City Leasing (Thameside) Limited	England and Wales	Leasing	100%
City Leasing (Wearside) Limited	England and Wales	Leasing	100%
City Leasing Limited	England and Wales	Leasing	100%
City Leasing & Partners Limited	England and Wales	Leasing	100%
Moon Leasing Limited	England and Wales	Leasing	100%
Deutsche Scotland Limited	Scotland	Advisory	100%
REIB International Holdings Limited	England and Wales	Holding Company	100%
International Operator Limited	England and Wales	Investment Management	100%
Leasing 3 Limited	England and Wales	Leasing Finance	99%
Deutsche (Services) Australia Limited	England and Wales	Management Company	100%

During the year the Company sold BCH Group plc for consideration of £25,609,000 and also Deutsche Financial Services (GB) Limited for £750,000 both to its ultimate parent undertaking.

Additions

During the year the company acquired further subsidiary undertakings, which were as follows:

	£
City Leasing Group Companies	7,161,431
Moon Leasing Limited	6,643,907
REIB International Holdings Limited & International Operator Limited	407,000
Leasing 3 Limited	10,000
Deutsche Scotland Limited	100
Deutsche (Services) Australia Limited	1,500,002

Other Investments

Included within additions is an amount of £210,000,000 representing preference shares issued by DB Crest Limited. These are subject to a repo agreement as outlined in note 13.

The remainder of the additions relate to additional calls of capital in existing e: commerce companies and new investments made in this business sector during the year.

Included in the additions were additional calls of capital in two associated undertakings, Atriax Holdings Ltd and Volbroker.com Ltd. After these additional calls, the total amount of capital invested was \$24,000,000 and £3,842,143 respectively. As at the year end the amounts invested in these two companies were written down to nil value.

Particulars of the amount of equity share capital of the remaining e: commerce businesses held by the Company are as follows:

Name	Country	Activity	Holding	Ccy	Consideration
Swapswire Ltd	UK	Trading	10%	GBP	2,406,958
OTC Derivnet Ltd	UK	Clearing Facility	10%	GBP	550,000
Iboxx Ltd	UK	Index products	11.43%	EUR	800,030
Sellsystems Ltd	UK	Software Development	4%	GBP	40,000

At the start of the year the Company had a 10% investment in another e: commerce company, Bondclick, to the value of EUR2,000,001. During the year Bondclick was acquired by MTS Bondvision with the Company receiving 1.5% of the acquiring company plus EUR259,289 cash consideration for the sale. After a further review of the business during the year it was decided to write down the whole investment to nil value.

NOTES TO THE ACCOUNTS (continued)
For the year ended 31 December 2001

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2001</u> £	<u>2000</u> £
Amounts owed by parent undertakings	1,240,482	204,109,872
Amounts owed by group undertakings	2,448,307,652	1,874,697,387
Group relief receivable	22,104,330	7,930,575
Other debtors	523,086	-
	<u>2,472,175,550</u>	<u>2,086,737,834</u>

8. DEBTORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR

	<u>2001</u> £	<u>2000</u> £
Amounts owed by parent undertakings	607,912,670	583,399,928
Amounts owed by group undertakings	56,301,180	11,707,094
	<u>664,213,850</u>	<u>595,107,022</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2001</u> £	<u>2000</u> £
Amounts owed to parent undertakings	2,567,335,048	2,198,998,367
Amounts owed to group undertakings	4,495,858	206,694,580
Other Creditors	491,369	-
	<u>2,572,322,275</u>	<u>2,405,692,947</u>

10. CREDITORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR

	<u>2001</u> £	<u>2000</u> £
Amounts owed to parent undertakings	933,556,631	583,315,158
Amounts owed to group undertakings	850,894,426	698,056,399
	<u>1,784,451,057</u>	<u>1,281,371,557</u>

11. CALLED UP SHARE CAPITAL

	2001 £	2000 £
Authorised Ordinary Shares of £1 each	<u>50,000,000</u>	<u>50,000,000</u>
Allotted, issued and fully paid	<u>1</u>	<u>1</u>

NOTES TO THE ACCOUNTS (continued)
For the year ended 31 December 2001

12. COMMITMENTS

At 31 December 2001 the Company has further commitments in relation to several e:commerce investments to subscribe for additional shares.

The Company has contracted to provide to Iboxx up to 914,400 Euros of additional funds by subscribing for additional shares.

13. REPURCHASE AGREEMENTS

During 2001 the Company entered into a further sell/buy back agreement with the ultimate parent undertaking in relation to the preference shares for which the Company subscribed in DB Crest Limited, a subsidiary undertaking.

Under the terms of the agreement the company contracts to buy back the shares, the principal which includes the additional sell/buy back agreement in 2001, being £865,522,363, plus any accrued and unpaid dividends once the dividends have become payable. At 31 December 2001, the amount was:

	<u>2001</u> £	<u>2000</u> £
Commitments - one year or more	1,029,423,981	929,067,744

14. ULTIMATE PARENT COMPANY AND OTHER PARENT UNDERTAKINGS

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

Deutsche Bank AG, a company incorporated in Germany, is the ultimate parent company, the ultimate controlling entity and the parent undertaking of the largest and smallest group of undertakings for which group financial statements are drawn up. Copies of the Group financial statements of this company are available to the public and may be obtained from Winchester House, 1 Great Winchester Street, London EC2N 2DB. No other group accounts include the results of the Company.

15. RELATED PARTY TRANSACTIONS

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