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**DEUTSCHE FINANCE NO. 1 LIMITED**

**Company number: 6023806**

**REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 January 2011**

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**REPORT OF THE DIRECTORS**  
**For the year ended 31 January 2011**

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The Directors present their annual report and audited financial statements for the year ended 31 January 2011

**ACTIVITIES AND REVIEW OF BUSINESS**

The principal activity of the Company is that of a financing company

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

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 January 2011, after providing for taxation, show a profit of €10,997,488 (2010 €20,438,578)

The Directors do not recommend the payment of a dividend for the year (2010 €nil)

**FUTURE OUTLOOK**

The outlook of the business is stable, and it is expected that the Company will maintain its historical level of activity and profitability

**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 the interest and credit risk of the EUR 2.1 billion floating rate notes held against Deutsche Holdings No 3 Limited

**DIRECTORS**

The Directors of the company who held office during the year and subsequent to the year ended 31 January 2011 were as follows

B Craig	Appointed 13 September 2010	
S W Clark		Resigned 16 September 2011
D D O Keen		Resigned 13 September 2010
P J Littler		Resigned 17 February 2011
T C McCarthy-Hockey	Appointed 17 January 2011	
Z V Whatmore	Appointed 16 September 2011	

A W Bartlett and A P 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

**REPORT OF THE DIRECTORS (continued)**  
**For the year ended 31 January 2011**

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

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

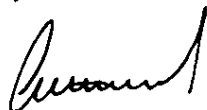
**DISCLOSURE OF INFORMATION TO AUDITORS**

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

**AUDITORS**

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

By order of the Board of Directors this 21<sup>st</sup> day of October 2011



A P Rutherford  
Joint Secretary

**Registered office**

Winchester House  
1 Great Winchester Street  
London  
EC2N 2DB

Company number 6023806

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
DEUTSCHE FINANCE NO 1 LIMITED**

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We have audited the financial statements of Deutsche Finance No 1 Limited for the year ended 31 December 2010 set out on pages 4 to 9. 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 auditors' 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, and express an opinion on, 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/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

**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 January 2011 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

15 Canada Square

London E14 5GL

Dated

21 October 2011

**PROFIT AND LOSS ACCOUNT**  
**For the year ended 31 January 2011**

	Note	<u>For the year ended</u> <u>January 31, 2011</u>	<u>For the year ended</u> <u>January 31, 2010</u>
		€	€
Interest receivable and similar income	4	10,997,704	20,444,854
Interest payable and similar charges	4	(216)	(6,276)
<b>PROFIT ON ORDINARY ACTIVITIES</b> <b>BEFORE TAXATION</b>		<b>10,997,488</b>	<b>20,438,578</b>
Tax charge on profit on ordinary activities	5	-	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>10,997,488</b>	<b>20,438,578</b>

The profit for the year has arisen from continuing activities

There were no other recognised gains and losses during the year

The notes on pages 7 to 9 form part of these accounts

## BALANCE SHEET

As at 31 January 2011

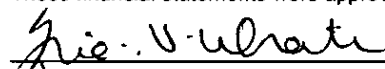
	Note	<u>2011</u> €	<u>2010</u> €
<b>CURRENT ASSETS</b>			
Debtors (2010 including €2,323,525,989 due after more than one year)	6	2,334,523,694	2,323,525,989
Cash at bank		31	31
<b>CREDITORS amounts falling due within one year</b>	7	(31,786)	(31,569)
<b>NET ASSETS</b>		<b>2,334,491,939</b>	<b>2,323,494,451</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	2,100,000	2,100,000
Share premium		2,097,900,000	2,097,900,000
Capital contribution reserve		3,078,630	3,078,630
Profit and loss account		231,413,309	220,415,821
<b>SHAREHOLDER'S FUNDS</b>		<b>2,334,491,939</b>	<b>2,323,494,451</b>

The notes on pages 7 to 9 form part of these accounts

These financial statements were approved by the Board of Directors on

21<sup>st</sup> October.

2011

  
 Signed by **Z V WHATMORE**  
 for and on behalf of the Board of Directors

Company number 6023806

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS**  
**For the year ended 31 January 2011**

	<u>Profit &amp; Loss</u> <u>Account</u> €	<u>Ordinary Share</u> <u>Capital</u> €	<u>Revaluation</u> <u>Reserves</u> €	<u>Other</u> <u>Reserves</u> €	<u>Total</u> €
Balance at 1 January 2010	220,415,821	2,100,000	2,097,900,000	3,078,630	2,323,494,451
Profit for the year	10,997,488	-	-	-	10,997,488
Balance at 31 January 2011	231,413,309	2,100,000	2,097,900,000	3,078,630	2,334,491,939

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS**  
**For the year ended 31 January 2010**

	<u>Profit &amp; Loss</u> <u>Account</u> €	<u>Ordinary Share</u> <u>Capital</u> €	<u>Revaluation</u> <u>Reserves</u> €	<u>Other</u> <u>Reserves</u> €	<u>Total</u> €
Balance at 1 February 2009	199,977,243	2,100,000	2,097,900,000	3,078,630	2,303,055,873
Profit for the year	20,438,578	-	-	-	20,438,578
Balance at 31 January 2010	220,415,821	2,100,000	2,097,900,000	3,078,630	2,323,494,451

The notes on pages 7 to 9 form part of these accounts

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 January 2011**

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**1 ACCOUNTING POLICIES**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

***Basis of preparation***

These financial statements have been prepared in accordance with the Companies Act 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) 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

**(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) FOREIGN EXCHANGE**

Transactions in foreign currencies are translated into Euro 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

**(f) FUNCTIONAL CURRENCY**

The functional currency of the company is Euro and accordingly the financial statements are presented in Euro

**(g) 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

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**2 DIRECTORS' REMUNERATION**

The aggregate emoluments of persons who were Directors of the Company during the year ended 31 January 2011, including pension contributions, were €nil (2010: €nil)

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## NOTES TO THE ACCOUNTS

For the year ended 31 January 2011

**3 ADMINISTRATIVE EXPENSES**

The Company has no full time employees. The staff involved in the Company's operations are all employees of the Deutsche Bank Group. The total staff costs have been borne by a Deutsche Bank Group company without recharge, no staff costs have therefore been included in these financial statements (2010: €nil)

	<u>For the year ended</u> <u>January 31, 2011</u>	<u>For the year ended</u> <u>January 31, 2010</u>
	€	€
Audit of these financial statements	9,125	10,424

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

**4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

	<u>For the year ended</u> <u>January 31, 2011</u>	<u>For the year ended</u> <u>January 31, 2010</u>
	€	€
Profit on ordinary activities before taxation is arrived at after taking into account		
Interest receivable from group undertakings	10,997,704	20,444,854
Interest payable to group undertakings	(216)	(6,276)
	<u>10,997,488</u>	<u>20,438,578</u>

**5 TAXATION**

	<u>For the year ended</u> <u>January 31, 2011</u>	<u>For the year ended</u> <u>January 31, 2010</u>
	€	€
(a) Analysis of tax on profit on ordinary activities		
Current taxation		
Group relief charge for the year	-	-
	<u>-</u>	<u>-</u>

The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 28% (2010 - 28%). The actual tax charge for the year differs from the standard rate for the reasons set out in the following reconciliation

	<u>For the year ended</u> <u>January 31, 2011</u>	<u>For the year ended</u> <u>January 31, 2010</u>
	€	€
(b) Current tax reconciliation		
Profit on ordinary activities before taxation	10,997,488	20,438,578
Tax on profit on ordinary activities at standard rate	(3,079,297)	(5,722,802)
Factors affecting change for the period		
Group relief claimed for nil consideration	3,079,297	5,722,802
Total current tax charge	<u>-</u>	<u>-</u>

## NOTES TO THE ACCOUNTS

For the year ended 31 January 2011

6 DEBTORS	For the year ended	For the year ended
	January 31, 2011	January 31, 2010
	€	€
Amounts owed by group undertaking	2,334,523,694	2,323,525,989

Deutsche Finance No 1 Limited subscribed €2,100,000,000 floating rate note issued by Deutsche Holdings No 3 Limited. The maturity date of this loan is 13 January 2012. Interest is accrued at average LIBOR rate, this interest is compounded and is collectible with the note principal.

7 CREDITORS Amounts falling due within one year	2011	2010
	€	€
Amounts owed to group undertakings	(31,786)	(31,569)

8 SHARE CAPITAL	2011	2010
	No	No
Authorised		
Ordinary shares of €1 each	4,000,000	4,000,000
Allotted, called up and fully paid		
Ordinary shares of €1 each	2,100,000	2,100,000
	2,100,000	2,100,000
	2011	2010
	€	€
Authorised		
Ordinary shares of €1 each	4,000,000	4,000,000
Allotted, called up and fully paid		
Ordinary shares of €1 each	2,100,000	2,100,000
	2,100,000	2,100,000

## 9 ULTIMATE PARENT COMPANY AND OTHER PARENT UNDERTAKINGS

Deutsche Bank Luxembourg S A, 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 Secretary, Deutsche Bank AG, London branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB.

## 10 RELATED PARTY TRANSACTIONS

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