

**Company Registration No. 2676407
(England and Wales)**

Metlife Investments Limited

Annual Report and Financial Statements

for the year ended 31 December 2011

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Metlife Investments Limited

Report and financial statements 2011

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Metlife Investments Limited

Report and financial statements 2011

Officers and professional advisers

Directors

J Rosenthal
H P M Penot
F Donnantuono

Secretary

H P M Penot

Registered Office

C/O Latham & Watkins
99 Bishopsgate
London
EC2M 3XF

Auditor

Deloitte LLP
London

Metlife Investments Limited

Directors' report

The Directors present their report with the financial statements of the Company for the year ended 31 December 2010.

Registered number 2676407

Principal activity

The principal activity of the Company in the year under review was that of providing investment advice to its ultimate parent company Metlife, Inc., and certain affiliates. The Company also provided investment management and advisory services to fellow group undertakings in the UK, Europe and Asia.

Business review and results and performance, future developments

As shown in the Company's profit and loss account on page 6, there was a profit on ordinary activities before taxation of £811,395 (2010 £613,875). The balance sheet on page 7 shows that the Company's net current assets have increased by £605,973 to £7,049,587. 100% of the issued share capital of the Company is owned by Metropolitan Life Insurance Company, which is incorporated in the USA, and whose ultimate parent is MetLife, Inc., a company incorporated and registered in the USA.

The Company's performance is monitored by comparing budgeted expenses with actual expenses. Although the actual expenses for the year increased this was planned for. This was due to an upturn in the business of the group as a whole which resulted in additional staff being recruited. We believe the use of further key performance indicators are not appropriate. In the current year the Company will continue its expansion process and will be recruiting further new staff. Turnover and operating profit will increase as a result of this. There have been no significant events since the balance sheet date which require disclosure.

Dividends

No dividends are proposed in respect of the year (2010 £nil).

Principal risks and uncertainties

Financial risk management

The Company is exposed to financial risk through its financial assets and financial liabilities. In particular the key financial risk is that the debtors may not be able to pay the amounts in full when they become due. However, as all debts are due from group companies this risk is considered to be minimal. All balances due are followed up on a monthly basis and any significant delays are reported to management. The Company is not exposed to any significant interest rate risk as the funds held on deposit are not a material part of operations. Significant fluctuations in interest rates would not affect the Company's operations.

Credit risk

Credit risk is the risk that the counterparty will be unable to pay amounts in full when due. The Directors monitor exposure to credit risk through regular review of credit exposures, assessment of the creditworthiness of counterparties and prudent estimates of provision for doubtful debts. Due to the nature of its financial assets, the Company believes it is not exposed to any major concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations. To guard against this risk, assets are managed with liquidity in mind, maintaining a healthy balance of cash and cash equivalents. The maturity profile is monitored to ensure adequate liquidity is maintained.

Directors

The Directors during the year under review were

J Rosenthal

H Penot

F Donnantuono

Metlife Investments Limited

Directors' report (continued)

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts

Statement of disclosure of information to the auditor

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

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each of the the Directors has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

The Company has elected to dispense with the obligation to appoint an auditor annually and, accordingly, Deloitte LLP shall be deemed to be re-appointed as the auditor for a further term

Statement of directors' responsibilities for 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 the Directors have elected to prepare the financial statements in accordance with UK Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and 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 are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Metlife Investments Limited

Directors' report (continued)

Statement of directors' responsibilities for the financial statements (continued)

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website (www.metlife.com) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

On behalf of the Board



14 June 2012

H Penot
Director

Date

Independent auditor's report to the members of Metlife Investments Limited

We have audited the financial statements of Metlife Investments Limited for the year ended 31 December 2011 which comprise the profit and loss account, the balance Sheet and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

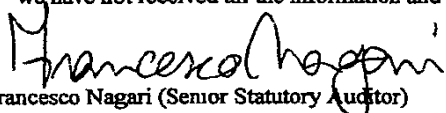
Opinion on other matters prescribed by the Companies Act 2006

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.


Francesco Nagari (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

Date 14/06/2012

Metlife Investments Limited

Profit and loss account for the year ended 31 December 2011

	Notes	2011 £	2010 £
Turnover	15	11,411,117	7,009,804
Administrative expenses		(10,608,087)	(6,402,111)
		<u>803,030</u>	<u>607,693</u>
Other operating income		<u>6,760</u>	<u>4,560</u>
Operating profit	3	809,790	612,253
Interest receivable and similar income		<u>1,605</u>	<u>1,622</u>
Profit on ordinary activities before taxation		811,395	613,875
Tax on profit on ordinary activities	4	(218,782)	(173,726)
Profit for the financial year after taxation		<u><u>592,613</u></u>	<u><u>440,149</u></u>

Continuing operations

All of the Company's activities are continuing.

Total recognised gains and losses

The Company has no recognised gains or losses other than the profit for the year and the previous year, accordingly no statement of total recognised gains and losses is presented

The notes on pages 8 to 15 form an integral part of these financial statements

Metlife Investments Limited

Balance sheet 31 December 2011

	Notes	£	2011 £	£	2010 £
Fixed assets					
Tangible assets	6		22,692		36,052
Current assets					
Debtors	7	9,186,457		3,667,514	
Cash at bank		2,154,655		4,808,393	
		<u>11,341,112</u>		<u>8,475,907</u>	
Creditors: amounts falling due within one year	8	<u>(4,291,525)</u>		<u>(2,032,293)</u>	
Net current assets			<u>7,049,587</u>		<u>6,443,614</u>
Total assets less current liabilities			<u>7,072,279</u>		<u>6,479,666</u>
Capital and reserves					
Called up share capital	9		250,100		250,100
Profit and loss account			<u>6,822,179</u>		<u>6,229,566</u>
Equity shareholders' funds	13		<u>7,072,279</u>		<u>6,479,666</u>

The financial statements of Metlife Investments Limited (registered number 2676407) were approved by the Board of Directors and authorised for issue on its behalf by H Penot.

On behalf of the board



H Penot
Director

14 June 2012

The notes on pages 8 to 15 form an integral part of these financial statements

Metlife Investments Limited

Notes to the financial statements for the year ended 31 December 2011

1. Accounting policies

a) Basis of preparing the financial statements

The financial statements are prepared in accordance with applicable United Kingdom applicable accounting standards and the Companies Act 2006. The particular accounting policies adopted have been applied consistently in the current and prior years and are described below:

b) Accounting convention

The financial statements have been prepared under the historical cost convention.

c) Tangible fixed assets

In the balance sheet fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Fixtures and fittings	-	20% on cost
Computer equipment	-	33% on cost

d) Taxation

Current tax is provided at amounts expected to be paid using the rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

e) Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

f) Cash flow statement

The Company has applied the exemption under FRS 1(5)(a) (revised), Cash Flow Statements and has not presented a cash flow statement, as the subsidiary is 100% controlled within the MetLife, Inc group of companies. The consolidated financial statements in which the subsidiary undertakings are included are publicly available.

g) Turnover

Turnover comprises the value of charges levied for investment advice.

h) Pension costs

Payments to the Company's defined contribution pension scheme are charged to the profit and loss account in the period to which they relate.

i) Operating leases

Rental costs under operating leases are charged to the profit and loss account in equal amounts over the period of the leases.

Metlife Investments Limited

Notes to the financial statements for the year ended 31 December 2011

Accounting policies (continued)

j) Going concern

Included in the Directors' Report are the key risks and uncertainties facing the Company. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the account.

2. Staff costs

	2011 £	2010 £
Wages and salaries (including Directors)	6,645,549	4,168,576
Social security costs	617,867	425,566
Pension costs	569,944	246,031
	<u>7,833,360</u>	<u>4,840,173</u>

The average monthly number of employees including executive Directors during the year was as follows:

	2011 No.	2010 No.
Investment advisory	29	20
Administrative	2	2
Total	<u>31</u>	<u>22</u>

	2011 £	2010 £
Directors' emoluments	<u>462,957</u>	<u>508,614</u>

Information regarding the highest paid Director is as follow

	2011 £	2010 £
Emoluments (excluding pension contributions)	<u>462,957</u>	<u>508,614</u>

During the year the Company contributed £30,400 (2010: £30,400) into the Pension Scheme on behalf of the Directors.

Metlife Investments Limited

Notes to the financial statements for the year ended 31 December 2011

3. Operating profit

The operating profit is stated after charging/(crediting)

	2011 £	2010 £
Depreciation - owned assets	17,881	22,245
Foreign exchange (gain)/loss	(100,217)	100,424
Payments made under operating leases	340,300	340,300
Auditor's remuneration - audit fee for audit of annual accounts	11,000	10,200

4. Tax on profit on ordinary activities

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	2011 £	2010 £
Current tax:		
UK corporation tax	264,582	171,204
Prior year adjustment	-	-
Total current tax	264,582	171,204

	2011 £	2010 £
Deferred tax:		
Timing differences	(45,800)	2,522
Tax on profit on ordinary activities	218,782	173,726

UK corporation tax has been charged at 26/28% (2010. 28%)

Metlife Investments Limited

Notes to the financial statements for the year ended 31 December 2011

5. Tax on profit on ordinary activities (continued)

Factors affecting the tax charge

The tax assessed for the year is higher (2010 lower) than the standard rate of corporation tax in the UK. The difference is explained below

	2011 £	2010 £
Profit on ordinary activities before tax	811,395	613,875
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26% (2010: 28%)	210,963	171,885
Effects of:		
Capital allowances in excess of depreciation	(578)	(505)
Pension contributions accrual	49,167	(176)
Expenses not allowable for tax purposes	105	-
Change in tax rate	4,925	-
Current tax charge	264,582	171,204
	2011 £	2010 £
Deferred tax		
Balance brought forward 1 January 2011	(23,935)	(26,457)
Depreciation in excess of capital allowances	1,157	1,707
Expenses allowable in future years	(46,957)	815
Balance carried forward 31 December 2011	(69,735)	(23,935)

Metlife Investments Limited

Notes to the financial statements for the year ended 31 December 2011

6. Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 January 2011	232,327	84,609	52,253	369,189
Additions	-	322	4,199	4,521
Disposals	-	(3,733)	(24,984)	(28,717)
At 31 December 2011	232,327	81,198	31,468	344,993
Depreciation:				
At 1 January 2011	232,327	68,239	32,571	333,137
Charge for year	-	8,218	9,663	17,881
Disposals	-	(3,733)	(24,984)	(28,717)
At 31 December 2011	232,327	72,724	17,250	322,301
Net book value:				
At 31 December 2010	-	16,370	19,682	36,052
At 31 December 2011	-	8,474	14,218	22,692

7. Debtors: amounts falling due within one year

	2011 £	2010 £
Amounts due from group undertakings	2,611,693	1,893,742
Accrued income	5,477,258	1,249,157
Prepayments	84,553	90,567
Rent deposits	306,407	304,730
Recoverable VAT	24,438	15,919
Deferred taxation	69,735	23,935
Other debtors	612,373	89,464
	<u>9,186,457</u>	<u>3,667,514</u>

8. Creditors: amounts falling due within one year

	2011 £	2010 £
Trade creditors	88,673	26,562
Amounts due to group undertakings	720,555	-
Other creditors	113,872	-
Taxation	63,592	19,010
Accrued expenses	3,304,833	1,986,721
	<u>4,291,525</u>	<u>2,032,293</u>

Metlife Investments Limited

Notes to the financial statements for the year ended 31 December 2011

9. Called up share capital

	2011 £	2010 £
Allotted, issued and fully paid 250,100 ordinary shares of £1 each	<u>250,100</u>	<u>250,100</u>

10. Pension commitments

The Company contributes to the cost of a defined contribution scheme for all eligible employees. As at 31 December 2011 there were outstanding contributions of £221,025 (2010 £31,920). Two of the Directors of the Company are members of a defined benefit pension scheme operated by Metlife, Inc. No costs associated with this scheme are borne by the Company because all contributions are paid for by Metlife, Inc. The Company is not entitled to any benefits arising from a surplus, nor is it liable for any costs associated with a deficit arising from the operation of the scheme.

11. Immediate and ultimate parent company

The immediate parent Company is Metropolitan Life Insurance Company, a company incorporated in the USA, which owns all of the Company's issued share capital. The ultimate Parent Company and controlling party is Metlife, Inc., which is organised under the laws of the State of Delaware, USA. Copies of the financial statements of the ultimate parent Company are publicly available and can be obtained from 200 Park Avenue, New York, USA. The largest and smallest group for which consolidated accounts are prepared is Metlife, Inc.

12. Related party disclosures

As a wholly owned subsidiary, the Company has applied the exemption under FRS 8(3) (c), Related Party Disclosures to not disclose transactions with other wholly-owned subsidiary undertakings of the MetLife, Inc group of companies. The consolidated financial statements in which the subsidiary undertakings are included are publicly available.

13. Reconciliation of movements in shareholders' funds

	2011 £	2010 £
Profit for the financial year	<u>592,613</u>	<u>440,149</u>
Net addition to shareholders' funds	592,613	440,149
Opening shareholders' funds	<u>6,479,666</u>	<u>6,039,517</u>
Closing shareholders' funds	<u>7,072,279</u>	<u>6,479,666</u>

Metlife Investments Limited

Notes to the financial statements for the year ended 31 December 2011

14. Operating lease commitments

	Land and buildings	
	2011	2010
	£	£
The following annual payments are committed to be made		
Expiring within one year	177,000	340,300
Expiring in one to two years	-	-

15. Turnover

	2011	2010
	£	£
The turnover can be analysed over the following geographical markets		
USA	8,428,823	5,345,264
United Kingdom	1,858,166	1,437,311
Europe	623,119	136,404
Asia	501,009	90,825
	<u>11,411,117</u>	<u>7,009,804</u>