

Registered Number 2676407

Annual Report and Financial Statements
for the Year Ended 31 December 2009
for
METLIFE INVESTMENTS LIMITED

TUESDAY



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METLIFE INVESTMENTS LIMITED

**Contents of the Report of the Directors and Financial Statements
for the Year Ended 31 December 2009**

	Page
Company Information	1
Report of the Directors	2
Independent Auditors' Report	4
Profit and Loss Account	6
Balance Sheet	7
Notes to the Financial Statements	8

METLIFE INVESTMENTS LIMITED

Company Information
for the Year Ended 31 December 2009

DIRECTORS: J Rosenthal (appointed 6 March 2009)
H P M Penot
F Donnantuono

SECRETARY: H P M Penot

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

REGISTERED NUMBER: 2676407 (England and Wales)

AUDITORS: Deloitte LLP
London

METLIFE INVESTMENTS LIMITED

Report of the Directors for the Year Ended 31 December 2009

The directors present their report with the financial statements of the company for the year ended 31 December 2009

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 and Europe

BUSINESS REVIEW

As shown in the company's profit and loss account on page 6, there was a profit on ordinary activities before taxation of £682,671 (2008 £788,839). The balance sheet on page 7 shows that the company's cash position has improved again with balances increasing by £126,988. We continue to ensure excess cash is invested appropriately to maximise interest returns.

The company's performance is monitored by comparing budgeted expenses with actual expenses. The actual expenses for the year were 20% under budget due to savings in salary costs during the year. We believe the use of further key performance indicators are not appropriate.

There have been no significant events since the balance sheet date which require disclosure.

DIVIDENDS

No dividends are proposed in respect of the year (2008 £Nil).

DIRECTORS

The directors during the year under review were

J Rosenthal (appointed 6 March 2009)

H Penot

F Donnantuono

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. The most important components of its financial risk are credit risk and liquidity risk. 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 effect 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 Management monitors exposure to credit risk through regular review of credit exposure, assessing 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.

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.

METLIFE INVESTMENTS LIMITED

Report of the Directors – (continued)
for the Year Ended 31 December 2009

DIRECTORS' RESPONSIBILITIES STATEMENT

Directors' responsibilities statement

The directors are responsible for preparing the Annual 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 United Kingdom 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 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 judgments and accounting 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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

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 auditors are unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

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

AUDITORS

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

ON BEHALF OF THE BOARD:



H Penot – DIRECTOR

Date 9 September 2010

Independent auditors' report to the members of Metlife Investments Limited

We have audited the financial statements of Metlife Investments Limited for the year ended 31 December 2009 which comprise the profit and loss account, the balance sheet and the related notes 1 to 13. 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 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 Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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.

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 2009 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 matter 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.

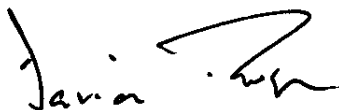
The notes form part of these financial statements

Independent auditors' report to the members of Metlife Investments Limited (continued)

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



David Rush (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom

9 September 2010

METLIFE INVESTMENTS LIMITED
Profit and Loss Account
for the Year Ended 31 December 2009

		<u>31 12 09</u>	<u>31 12 08</u>
	Notes	£	£
TURNOVER		7,444,677	7,197,363
Administrative expenses		<u>(6,783,593)</u>	<u>(6,537,420)</u>
		661,084	659,943
Other operating income		<u>4,560</u>	<u>4,560</u>
OPERATING PROFIT	3	665,644	664,503
Interest receivable and similar income		<u>17,027</u>	<u>124,336</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		682,671	788,839
Tax on profit on ordinary activities	4	<u>(191,127)</u>	<u>(242,423)</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u><u>£491,544</u></u>	<u><u>£546,416</u></u>

CONTINUING OPERATIONS

All of the company's activities are from continuing operations

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 form part of these financial statements

METLIFE INVESTMENTS LIMITED
Company Number 2676407

Balance Sheet
31 December 2009

		<u>31 12 09</u>		<u>31 12 08</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	5		37,725		51,405
CURRENT ASSETS					
Debtors	6	3,654,746		3,737,318	
Cash at bank		<u>4,311,380</u>		<u>4,184,392</u>	
		7,966,126		7,921,710	
CREDITORS: Amounts falling due within one year	7	<u>(1,964,334)</u>		<u>(2,425,142)</u>	
NET CURRENT ASSETS:			<u>6,001,792</u>		<u>5,496,568</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>£6,039,517</u>		<u>£5,547,973</u>
CAPITAL AND RESERVES:					
Called up share capital	8		250,100		250,100
Profit and loss account			<u>5,789,417</u>		<u>5,297,873</u>
EQUITY SHAREHOLDERS' FUNDS:	12		<u>£6,039,517</u>		<u>£5,547,973</u>

ON BEHALF OF THE BOARD



H Penot - DIRECTOR

Approved by the Board and authorised for issue on

9 September 2010

The notes form part of these financial statements

METLIFE INVESTMENTS LIMITED
Notes to the Financial Statements
for the Year Ended 31 December 2009

1 ACCOUNTING POLICIES

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 are described below.

Accounting convention

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

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

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.

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.

Cash flow statement

Under Financial Reporting Statement No 1 the company is exempt from preparing a cash flow statement as its ultimate parent company, MetLife Inc, prepares a cash flow statement which is publicly available.

Turnover

Turnover comprises the value of charges levied for investment advice. The whole of the turnover is earned in the United Kingdom.

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.

Operating leases

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

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 accounts.

2 STAFF COSTS

	31 12 09	31 12 08
	£	£
Wages and salaries (including directors)	3,988,271	3,851,007
Social security costs	388,606	546,942
Pension costs	<u>273,314</u>	<u>574,368</u>
	<u>4,650,191</u>	<u>4,972,317</u>

The notes form part of these financial statements

METLIFE INVESTMENTS LIMITED

Notes to the Financial Statements

For the Year Ended 31 December 2009

2 **STAFF COSTS – continued**

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

	31 12 09	31 12 08
	No	No
Investment advisory	22	25
Administrative	<u>2</u>	<u>2</u>
TOTAL	<u>24</u>	<u>27</u>

	31 12 09	31 12 08
	£	£
Directors' emoluments	<u>419,990</u>	<u>200,768</u>

The number of directors to whom retirement benefits were accruing was as follows

	No	No
Defined contribution schemes	<u>1</u>	<u>1</u>

Information regarding the highest paid director is as follows

	31 12 09	31 12 08
	£	£
Emoluments (excluding pension contributions)	<u>419,990</u>	<u>200,768</u>

During the year the company contributed £214,120 (2008 £213,190) into the Pension Scheme on behalf of the director (£183,750 relating to the year ended 31 December 2008)

3 **OPERATING PROFIT**

The operating profit is stated after charging/(crediting)

	31 12 09	31 12 08
	£	£
Depreciation - owned assets	27,786	34,885
Foreign exchange differences loss/(gain)	335,873	(91,345)
Auditors' remuneration - audit fee for audit of annual accounts	<u>7,200</u>	<u>7,000</u>

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

	31 12 09	31 12 08
	£	£
Current tax		
UK corporation tax	113,474	200,269
Prior year adjustment	-	<u>128,727</u>
Total current tax	<u>113,474</u>	<u>328,996</u>

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 December 2009

4 TAX ON PROFIT ON ORDINARY ACTIVITIES - continued

	31 12 09 £	31 12 08 £
Deferred tax		
Timing differences	77,653	(86,573)
Tax on profit on ordinary activities	<u>191,127</u>	<u>242,423</u>

UK corporation tax has been charged at 28% (2008 – 28.49%)

Factors affecting the tax charge

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

	31 12 09 £	31 12 08 £
Profit on ordinary activities before tax	<u>682,671</u>	<u>788,839</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 – 28.5%)	191,148	224,819
Effects of		
Depreciation in excess of Capital allowances	(184)	1,180
Pension contributions accrual	(77,469)	(22,049)
Income not taxable	(21)	(28)
Corporation tax interest tax relief	-	(3,653)
Prior year adjustment	-	128,727
Current tax charge	<u>113,474</u>	<u>328,996</u>
Deferred Tax		
Balance brought forward 1 January 2009	(104,110)	(17,537)
Prior year adjustment	-	(115,956)
Effects of rate change	-	8,899
Depreciation in excess of capital allowances	184	(1,159)
Expenses allowable in future years	<u>77,469</u>	<u>21,643</u>
Balance carried forward 31 December 2009	<u>(26,457)</u>	<u>(104,110)</u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 December 2009**

5 TANGIBLE FIXED ASSETS

	<u>Leasehold Property</u>	<u>Fixtures and fittings</u>	<u>Computer equipment</u>	<u>Totals</u>
	£	£	£	£
COST:				
At 1 January 2009	232,327	77,500	256,330	566,157
Additions	-	486	13,620	14,106
Disposals	-	-	(202,014)	(202,014)
At 31 December 2009	<u>232,327</u>	<u>77,986</u>	<u>67,936</u>	<u>378,249</u>
DEPRECIATION:				
At 1 January 2009	232,327	49,068	233,357	514,752
Charge for year	-	9,495	18,291	27,786
Disposals	-	-	(202,014)	(202,014)
At 31 December 2009	<u>232,327</u>	<u>58,563</u>	<u>49,634</u>	<u>340,524</u>
NET BOOK VALUE:				
At 31 December 2009	<u>-</u>	<u>19,423</u>	<u>18,302</u>	<u>37,725</u>
At 31 December 2008	<u>-</u>	<u>28,432</u>	<u>22,973</u>	<u>51,405</u>

**6 DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	<u>31 12 09</u>	<u>31 12 08</u>
	£	£
Interest receivable	-	20,782
Amounts due from group undertakings	1,262,734	479,148
Accrued income	1,543,217	2,519,602
Prepayments	255,420	134,535
Rent deposits	304,730	304,730
Recoverable VAT	41,367	-
Deferred taxation	26,457	104,110
Other debtors	<u>220,821</u>	<u>174,411</u>
	<u>3,654,746</u>	<u>3,737,318</u>

**7 CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	<u>31 12 09</u>	<u>31 12 08</u>
	£	£
Trade creditors	312,327	31,719
Amounts due to group undertakings	210,089	503,638
Social security and other taxes	16,698	15,216
Taxation	3,507	158,975
Accrued expenses	<u>1,421,713</u>	<u>1,715,594</u>
	<u>1,964,334</u>	<u>2,425,142</u>

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 December 2008

8 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value £1	31 12 09 £	31 12 08 £
1,000,000	Ordinary		<u>1,000,000</u>	<u>1,000,000</u>
Allotted, issued and fully paid Number	Class	Nominal value £1	31 12 09 £	31 12 08 £
250,100	Ordinary		<u>250,100</u>	<u>250,100</u>

9 PENSION COMMITMENTS

The company contributes to the cost of a defined contribution scheme for all eligible employees. One of the directors of the company is a member of a defined benefit pension scheme operated by Metlife, Inc. No costs associated with this are borne within Metlife Investments Limited. All contributions are paid for by Metlife, Inc. Metlife Investments Limited 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.

10 ULTIMATE PARENT COMPANY

The immediate parent company is Metropolitan Life Insurance Company owning 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.

11 RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption allowed by FRS 8 not to disclose related party transactions with Metlife Inc and its subsidiaries. There are no other related party transactions requiring disclosure.

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 12 09 £	31 12 08 £
Profit for the financial year	<u>491,544</u>	<u>546,416</u>
Net addition to shareholders' funds	491,544	546,416
Opening shareholders' funds	<u>5,547,973</u>	<u>5,001,557</u>
Closing shareholders' funds	<u>6,039,517</u>	<u>5,547,973</u>

METLIFE INVESTMENTS LIMITED

Notes to the Financial Statements
for the Year Ended 31 December 2008

13 OPERATING LEASE COMMITMENTS

	31 12 09 £	31 12 08 £
The following annual payments are committed to be made		
Land and Buildings		
Expiring in one to two years	<u>340,300</u>	<u>-</u>
Expiring in two to five years	<u>-</u>	<u>340,300</u>
Other Leases		
Expiring in one year	<u>-</u>	<u>981</u>