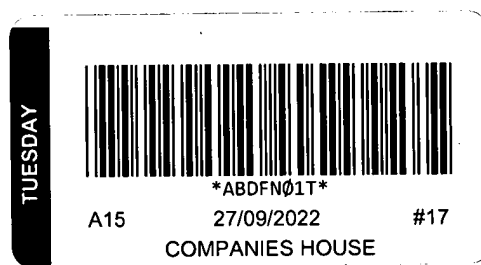


MetLife Investments Limited
Annual report and financial statements
for the year ended 31 December 2021

Registered number: 02676407



Metlife Investments Limited

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Metlife Investments Limited

Company information

Directors	C Scully J Zhang
Company Secretary	M Szwed
Registered office	1 Angel Lane 8 th Floor London EC4R 3AB
Registered Number	02676407 (England and Wales)
Auditor	Deloitte LLP Statutory Auditor Hill House 2 New Street Square London EC4A 3TR United Kingdom

Metlife Investments Limited

Strategic report

For the year ended 31 December 2021

The Directors, in preparing this Strategic report, have complied with s414C of the Companies Act 2006. It has been prepared solely to provide additional information to facilitate an assessment of how the Directors have performed their duty to promote the success of MetLife Investments Limited ('the Company').

STRATEGIC REVIEW AND PRINCIPAL ACTIVITIES

The company is a private limited company limited by shares. Its principal activity in the year under review was the provision of investment advice to its affiliate, Metlife Investment Advisors LLC, who are based in the United States. The company also provided investment management and advisory services to fellow group undertakings in the UK, Europe and Asia.

As shown in the Statement of Comprehensive Income on page 9, there was an operating profit of £1,865,173 (2020: operating profit £1,697,264). The Company's performance is monitored by using key performance indicators comparing expenses year on year as follows:

Administrative expenses 2021 (page 9)	£17,220,326
Administrative expenses 2020 (page 9)	£18,195,382
Decrease	£975,056

The decrease in expenses is mainly due to the decreased compensation costs and shared services charges for the year. As at 31 December 2021 the Company's balance sheet showed capital and reserves amounting to £15.4 million (2020 £14.1 million), net current assets of £14.7 million (2020 £16.1 million) and bank and cash balances in the sum of £10.3 million (2020 £9.9 million). The Directors consider this adequate to continue carrying out the Company's activities. There have not been any significant changes in the Company's principal activities in the year under review.

The above disclosure is sufficient for the requirement to include an analysis of the development of the company's business that is consistent with the size and complexity of the business.

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 substantially all debts are due from group companies, this risk is monitored closely, and any potential issues would be notified to the company promptly due to the close relationship. 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 informed estimates of provision for doubtful debts. Due to the nature of its financial assets, the Company believes that the concentration of credit risk on debts receivable from companies within the MetLife group is acceptable given the credit standing of the MetLife group.

Liquidity risk

Liquidity risk is the risk that cash may not be available, or the assets cannot be liquidated at a reasonable cost, to pay obligations when they fall due. 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.

Metlife Investments Limited

Strategic report For the year ended 31 December 2021

PRINCIPAL RISKS AND UNCERTAINTIES - continued

Brexit

The directors have considered the impact of the United Kingdom now having left the EU and have also taken independent specialist advice. The overall conclusion is that this is not expected to pose a significant risk to the company's existing operations and is not anticipated to have a material impact on the company's business.

Russia/Ukraine Conflict

The directors have also considered the impact of the Russia/Ukraine conflict. The company provides investment advice directly to a MetLife entity in Ukraine, the amount invoiced in 2021 amounted to approximately £14,000 which is not material to the overall turnover for the year of £19 million. Additionally, all the amounts outstanding as at 31 December 2021 have been paid since the year end date. The potential loss of this income in the future would have no material impact on the company.

Interest rates and Inflation

In the current financial year interest rates and inflation have increased substantially. The company does not have any borrowings and therefore there is no risk with regard to interest rates. The company's costs mainly relate to salaries. There may be an upward pressure on salaries, however any increases will be recharged to a related company and reimbursed accordingly.

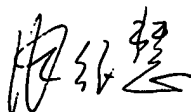
Going Concern

The directors have considered the impacts of COVID-19 in detail and can conclude that this has not and will not in the future have a material impact on the business. The company is reimbursed on a cost plus basis by its affiliate which ensures the company remains profitable. The company has continued to carry out its activities and the fellow group undertakings have continued to reimburse the company in a timely manner. This will continue to the financial strength of the group as a whole.

From an operational point of view systems have been in place for staff to work remotely without any adverse effect on the business. This has continued to operate successfully in the months since the outbreak of the virus. This is referred to in the going concern and post balance sheet events section in note 1 to the Financial Statements. No adjustments are required as a result of the impact of COVID-19

The Report was approved for issue by the Board on 21 September 2022 and signed in its behalf.

ON BEHALF OF THE BOARD:



.....
J Zhang - Director

Date: 21/09/2022
.....

1, Angel Lane
8th Floor
London
EC4R 3AB

Metlife Investments Limited

Directors' report

For the year ended 31 December 2021

The Directors present their Annual report with the audited financial statements of the Company for the year ended 31 December 2021.

DIVIDENDS

The Directors recommended a dividend payment of £50,000 for the year ended 31 December 2021, this was paid on 5 October 2021 (2020 £0).

DIRECTORS

The Directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

C Scully
J Zhang

POLITICAL DONATIONS AND EXPENDITURE

No political donations were made during the year (2020: none)

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. In carrying out this assessment they have considered financial risk management, credit risk and liquidity risk as detailed in the Strategic Report. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in note 1 of the financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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.

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

Metlife Investments Limited

Directors' report
For the year ended 31 December 2021

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

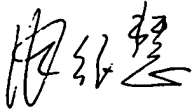
Future Developments

The Directors are not aware, at the date of this report, of any likely major changes in the nature of the Company's activities over the next year. Over the last three years the Company has continued to expand its business by providing services to additional group companies and has recruited new staff to meet demand. However, significant expansion is not forecast for the foreseeable future and turnover and operating profit is expected to remain at similar levels to 2021.

Auditor

The auditor, Deloitte LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

The Report was approved for issue by the Board on 21 September 2022 and signed in its behalf.



.....
J Zhang - Director

Date: 21/09/2022

1, Angel Lane
8th Floor
London
EC4R 3AB

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Metlife Investments Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 20.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Report on the audit of the financial statements

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following areas, and our specific procedures performed to address it are described below:

- We identified the potential for fraud in the recognition of expenses transaction which was pinpointed to the cut-off assertion. The mark up of expenses is the most accessible form of manipulation that management could use to perpetrate fraud, for example by misrepresenting expenses into the incorrect period or double counting expenses in two periods. In response to this fraud risk we performed specific procedures described below:

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

Report on the audit of the financial statements

- Tested cut-off of operating expenses by selecting transactions that occurred 1 month before and after period end. We have documented the rationale for the number of days selected.
- We have obtained and inspected invoices relating to the expenses and confirmed that these have been recognised in the correct period.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

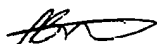
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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 respect of these matters.

Use of our report

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.



Nicholas Bowker, ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
Date 21 September 2022

Metlife Investments Limited

Registered number 02676407 (England and Wales)

Statement of Comprehensive Income for the year ended 31 December 2021

	Notes	31.12.21 £	31.12.20 £
TURNOVER	2	18,905,215	19,883,730
Administrative expenses		<u>(17,220,326)</u>	<u>(18,195,382)</u>
		1,684,889	1,688,348
Other operating income	9	<u>8,916</u>	<u>8,916</u>
OPERATING PROFIT	5	1,693,805	1,697,264
Interest receivable and similar income	8	<u>463</u>	<u>9,476</u>
PROFIT BEFORE TAX		1,694,268	1,706,740
Tax on profit	6	<u>(366,439)</u>	<u>(411,969)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>1,327,829</u>	<u>1,294,771</u>

There was no other Comprehensive Income during the year.

All income was derived from continuing operations.

The notes form part of these financial statements

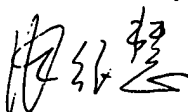
Metlife Investments Limited

Registered number 02676407 (England and Wales)

Balance sheet As at 31 December 2021

	Notes	31.12.21 £	£	31.12.20 £	£
FIXED ASSETS					
Tangible assets	7		1,835,460		210,338
CURRENT ASSETS					
Debtors	10	13,969,267		13,518,885	
Cash at bank and in hand		<u>10,319,401</u>		<u>9,869,124</u>	
		24,288,668		23,388,009	
CREDITORS					
Amounts falling due within one year	11	<u>(9,555,751)</u>		<u>(7,330,862)</u>	
NET CURRENT ASSETS			<u>14,732,917</u>		<u>16,057,147</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			16,568,377		16,267,485
Provisions for liabilities	12		<u>(1,150,750)</u>		<u>(2,127,687)</u>
NET ASSETS			<u>15,417,627</u>		<u>14,139,798</u>
CAPITAL AND RESERVES					
Called up share capital	11		250,100		250,100
Profit and loss account	12		<u>15,167,527</u>		<u>13,889,698</u>
SHAREHOLDER'S FUNDS			<u>15,417,627</u>		<u>14,139,798</u>

The financial statements were approved by the Board of Directors on 21 September 2022 and were signed on its behalf by



.....
J Zhang - Director

The notes form part of these financial statements

Metlife Investments Limited

Statement of changes in equity
At 31 December 2021

	Called up share capital £	Retained earnings £	Total £
Balance at 1 January 2020	250,100	12,594,927	12,845,027
Profit and total comprehensive income	-	1,294,771	1,294,771
Balance at 31 December 2020	250,100	13,889,698	14,139,798
Profit and total comprehensive income	-	1,327,829	1,327,829
Dividends paid	-	(50,000)	(50,000)
Balance at 31 December 2021	<u>250,100</u>	<u>15,167,527</u>	<u>15,417,627</u>

Metlife Investments Limited

Notes to the financial statements for the year ended 31 December 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention. The accounting policies adopted reflect United Kingdom Law and Accounting Standards. The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Basic Financial Instruments paragraphs 11.42 to 11.48A; and
- the requirements of Section 12 Other Financial Instruments paragraphs 12.29A to 12.30; and
- the requirements of Section 26 Share-based Payment 26.18B, 26.19 to 26.21 and 26.23; and
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

The ultimate and controlling party is Metlife Inc, a company incorporated in USA. Metlife Inc prepares publically available consolidated accounts which includes the results of Metlife Investments Limited. The Company is taking advantage of the exemptions granted by FRS102 as stated above. Copies of the group Financial Statements of Metlife Inc can be obtained from 200 Park Avenue, New York, USA.

Financial Instruments

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Cash at Bank and in hand

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to know amounts of cash with insignificant risk of change of value.

Metlife Investments Limited

Notes to the financial statements (continued) for the year ended 31 December 2021

1. ACCOUNTING POLICIES - continued

Turnover

Turnover comprises the value of charges levied for investment advice provided to associated group undertakings, and is stated net of VAT. Turnover is calculated on an accruals basis, any income due to the Company and not invoiced as at the year end date will be accounted for as accrued income. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where a contract has only been partially completed at the balance sheet date turnover represents the value of the service provided to date based on a proportion of the total contract value. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of Creditors due within one year.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life. Tangible Fixed Assets are stated at cost net of depreciation.

Leasehold property	-	over the lease period
Fixtures and fittings	-	20% on cost
Computer equipment	-	33% on cost

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.

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.

Share based payments

The MetLife Group offers certain employees the opportunity to partake in share-based payments award schemes under its long-term incentive plan, as described in note 17. The Company participates in three cash-settled schemes: the Unit Option scheme, the Restricted Units scheme and the Performance Units scheme. The schemes relate to the shares of MetLife, Inc., the Company's ultimate parent company, and are administered by MetLife European Services Limited. The costs of the schemes are recharged to the Company at cost when the cash amounts are paid to the individuals. These amounts are subject to specific vesting conditions.

A liability is recognised for the services received by the Company, measured initially at the fair value of the liability. At each balance sheet date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in the profit and loss account. The Company recognises the expense over the requisite service period. An estimation of the future forfeitures of awards is incorporated into the determination of the compensation expense when recognising the expense over the requisite service period.

The fair value of the Restricted Units and Performance Units schemes are determined using the stock price of MetLife, Inc., at the balance sheet date, discounted using a 3-year Treasury security market yield for the assumed dividends to be paid in the vesting period. The Unit Options scheme fair value is measured using the Binomial model.

The Company recognises a provision in relation to National Insurance Contributions (NICs) which will become payable by the Company on the exercise of the share based payment schemes by the employees to whom awards have been made, as described in note 17. The provision has been calculated according to the value of the liability at the balance sheet date and based on the rate of NICs at the point at which the liability is expected to crystallise, based on current tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Notes to the financial statements (continued)
for the year ended 31 December 2021

1. ACCOUNTING POLICIES - continued

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is recognised in respect of all 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 average rates that are expected to apply in the periods in which the timing differences are expected to crystallise, based on current tax rates and laws that have been enacted or substantively enacted at the balance sheet date. 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. A net deferred tax asset is recognised to the extent that, on the basis of all available evidence, it is regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities are measured on a non-discounted basis.

Interest Receivable and Similar Income

Interest receivable and similar income is recognised as income on an accruals basis.

Other Operating income

Other operating income is recognised as income on an accruals basis.

Going Concern

The company's business activities, together with the factors likely to affect its future development, performance and positions are set out in the Business Review which forms part of the strategic report. The strategic report also describes the financial position of the company; its cash flows and liquidity position. The company meets its day to day working capital requirements through the initial shareholder funds invested and its retained profits. As stated in the Strategic report, the company is reimbursed on a cost plus basis which ensures its ongoing profitability.

The directors' have considered the ongoing effects of COVID-19, as set out in the directors report, and have concluded this will has not and will not have a material impact on the company's business and operations and the company can be considered a going concern. The business continuity plan (BCP) was implemented in early March of 2020 and there were not any major challenges due to the many hours put into planning and testing the global BCP. The continuity and integrity of the company's investment process is intact as a result of the backstops that have been built into its process.

Considering the impact the impact of the United Kingdom leaving the EU without a deal and the COVID-19 pandemic as above, the company's forecasts and projections show that the company will be able to operate with the capital resources it currently has for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

Critical accounting judgements and key sources of estimation uncertainty

In the application of the entities accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The financial statements do not include any estimates apart from an estimation of the future forfeiture awards in respect of share based payments which are not considered material.

Metlife Investments Limited

Notes to the financial statements (continued) for the year ended 31 December 2021

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the Company which is carried out in the UK, that of the provision of investment advice to the group entities.

An analysis of turnover by geographical market in which the recipient operates is given below:

	31.12.21 £	31.12.20 £
USA	12,791,073	13,637,576
United Kingdom	4,073,239	3,437,266
Europe	248,799	720,424
Asia	1,792,104	2,088,464
	<u>18,905,215</u>	<u>19,883,730</u>

All turnover materially relates to a single class of business and therefore no segmental analysis by class of business has been presented.

3. STAFF COSTS

	31.12.21 £	31.12.20 £
Wages and salaries	10,791,759	11,188,291
Social security costs	1,601,963	1,424,348
Other pension costs	547,038	677,880
	<u>12,940,760</u>	<u>13,290,519</u>

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

	31.12.21 Number	31.12.20 Number
Investment advisory	52	52
Administrative	2	2
	<u>54</u>	<u>54</u>

4. DIRECTORS' EMOLUMENTS AND HIGHEST PAID DIRECTOR

	31.12.21 £	31.12.20 £
Directors' remuneration	269,738	688,626
Amounts receivable under long-term incentive schemes	16,794	90,050
Contributions to defined contribution pension schemes	15,951	2,600
	<u>302,483</u>	<u>781,276</u>

Metlife Investments Limited

Notes to the financial statements (continued) for the year ended 31 December 2021

4. DIRECTORS' EMOLUMENTS (continued)

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

	31.12.21	31.12.20
Defined Contribution schemes	<u>1</u>	<u>2</u>

Information regarding the highest paid Director is as follows:

	31.12.21 £	31.12.20 £
Emoluments	<u>286,903</u>	<u>778,676</u>

During the year the Company contributed £15,951 (2020: £2,600) into the Legal and General Pension Scheme on behalf of the Directors.

The highest paid Director has accrued £nil entitlement under a long term incentive scheme as at 31 December 2021. One of the directors did not receive any emoluments and was employed and remunerated by another group entity.

During the year, one Director was a member of a defined contribution pension scheme (2020: two). One Director of the Company is a member of a defined benefit pension scheme operated by MetLife, Inc. (2020: one) No costs associated with this scheme or for any other compensation received by this director are borne by the Company because all costs are paid for by MetLife, Inc.

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.12.21 £	31.12.20 £
Depreciation - owned assets	210,338	640,439
Foreign exchange (gain)/loss	(119,781)	7,360
Auditors remuneration - audit fee for audit of Financial Statements	25,000	25,000
Auditors remuneration – non audit fees	<u>3,483</u>	<u>3,317</u>

6. TAXATION

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

	31.12.21 £	31.12.20 £
Current tax:		
UK corporation tax	<u>325,653</u>	<u>592,258</u>
Total current tax	325,653	592,258
Deferred tax (see below)	34,335	(180,289)
Under provision in respect of previous years	<u>6,451</u>	<u>-</u>
Tax on profit on ordinary activities	<u>366,439</u>	<u>411,969</u>

Metlife Investments Limited

Notes to the financial statements (continued) for the year ended 31 December 2021

6. TAXATION (continued)

The under provision in respect of previous years relates to additional corporation tax payable in respect of accrued amounts for employee compensation which were not paid within nine months of the year end therefore not allowable for tax purposes. These payments related to the previous six financial years.

Reconciliation of total tax charge included in profit and loss

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

	31.12.21 £	31.12.20 £
Profit on ordinary activities before tax	<u>1,694,268</u>	<u>1,706,740</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2020 – 19%)	321,911	324,281
Effects of:		
Expenses not deductible for tax purposes	679	630
Depreciation in excess of capital allowances	37,398	111,006
Pension contributions accrual	-	(672)
Under provision previous years	6,451	-
Share based payments accrual	<u>-</u>	<u>(23,276)</u>
Total tax charge	<u>366,439</u>	<u>411,969</u>

The effective tax rate for the year was 19% (2020: 19%).

Deferred Tax Asset:

	31.12.21 £	31.12.20 £
Balance at 1 January 2021	403,589	223,300
Capital allowances	(2,307)	4,755
Pension accrual	(28,923)	38,008
Share based payment accrual	<u>(3,105)</u>	<u>137,526</u>
Balance at 31 December 2021	<u>369,254</u>	<u>403,589</u>

The deferred tax asset relates to timing differences between accounting and tax deductions for depreciation charged in excess of capital allowances, pension payments and payments in respect of the liability for share based payments. Due to the nature of the fluctuating Pension and share based payment accruals it is not possible to estimate the reversal of the deferred tax balance in the current financial year.

There is no expiry date on the provisions made in respect of these timing differences.

It was announced in the March 2021 Budget that the corporation tax rate will increase from 19% to 25% on 1 April 2023. This will increase the amount of corporation tax payable by 32%. This could potentially increase the deferred tax asset by approximately £117,000 however no additional provision has been made for this.

Metlife Investments Limited

Notes to the financial statements (continued)
for the year ended 31 December 2021

7. TANGIBLE FIXED ASSETS

	Leasehold property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2021	2,519,665	464,147	162,292	3,146,104
Additions	1,710,784	124,676	-	1,835,460
At 31 December 2021	4,230,449	588,823	162,292	4,981,564
DEPRECIATION				
At 1 January 2021	2,322,372	452,835	160,559	2,935,766
Charge for year	197,293	11,312	1,733	210,338
At 31 December 2021	2,519,665	464,147	162,292	3,146,104
NET BOOK VALUE				
At 31 December 2020	197,293	11,312	1,733	210,338
At 31 December 2021	1,710,784	124,676	-	1,835,460

During 2012 the Company relocated to new office premises. The Company incurred costs of £1,806,081 in order to refit the office. In 2019 further changes were made incurring costs of £713,584 bringing the total cost to £2,519,665. The office lease is in the name of MetLife Europe Services Limited, however all rent and associated costs are recharged to the Company. The office refit costs are being amortised over the period of the lease. The original lease ended 25 April 2021 and the costs were fully amortised that date. The company signed a lease (short leasehold) for a new office in its own name in 2021 and the additions of £1,710,784 relate to the cost incurred to the Balance sheet date in respect of the refit of that office. There were further costs to complete this in 2022 and the company relocated there in April 2022. The costs will be amortised over the period of the lease from this date.

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	31.12.21 £	31.12.20 £
Bank interest receivable	463	9,476

9. OTHER OPERATING INCOME

	31.12.21 £	31.12.20 £
Rent receivable	8,916	8,916

Metlife Investments Limited

Notes to the financial statements (continued) for the year ended 31 December 2021

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.21 £	31.12.20 £
Amounts due from group undertakings	9,377,903	9,106,625
VAT	407,923	190,207
Deferred tax asset	369,254	403,589
Accrued income	3,496,376	3,547,920
Prepayments	317,811	270,544
	<u>13,969,267</u>	<u>13,518,885</u>

The amounts due and from group undertakings relate to transactions carried out in the normal course of business on an arm's length basis. These balances are repayable on demand, are not secured and are settled on a cash basis on a regular basis. No interest is chargeable on these balances.

Accrued income represents amounts due to the Company that have not been invoiced as at the year-end date.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.21 £	31.12.20 £
Amounts owed to group undertakings	1,661,875	1,323,360
Corporation tax	27,874	55,770
Other creditors	1,173,714	1,490,737
Accrued expenses	6,692,288	4,460,995
	<u>9,555,751</u>	<u>7,330,862</u>

12. PROVISIONS FOR LIABILITIES

	31.12.21 £	31.12.20 £
Opening Balance	2,127,687	1,501,533
Additions	314,530	1,404,581
Amounts charged	(1,290,467)	(778,427)
	<u>1,151,750</u>	<u>2,127,687</u>

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number:	Class:	Nominal value:	31.12.21 £	31.12.20 £
250,100	Ordinary	£1	<u>250,100</u>	<u>250,100</u>

Metlife Investments Limited

Notes to the financial statements (continued) for the year ended 31 December 2021

14. RESERVES

	Retained earnings £
At 1 January 2021	13,889,698
Profit for the year	1,327,829
Dividend	(50,000)
At 31 December 2021	<u>15,167,527</u>

15. PENSION COMMITMENTS

The Company contributes to the cost of a defined contribution scheme for all eligible employees. During the year £305,415 (2020 £604,181) was recognised in the profit and loss account in respect of this scheme. As at 31 December 2021 there were outstanding contributions of £77,887 (2020: £230,116). 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 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.

16. ULTIMATE PARENT COMPANY

The Company's immediate parent company is Metlife Investment Management Holdings (Ireland) Limited, a company registered in Ireland. This is now the immediate holding company. The ultimate parent company and controlling party remains 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 Financial Statements are prepared is MetLife, Inc.

17. SHARE-BASED PAYMENT TRANSACTIONS

The Company participated in three cash-settled share based payment schemes during the period ended 31 December 2021, as part of its employee long-term incentive programme, the descriptions of which are provided below. The schemes all relate to the shares of MetLife, Inc., the ultimate parent company, and are administered by MetLife Inc. The value of the payments are determined in United States Dollars (US \$) and are converted to local currency using an exchange rate of £1 = US\$1.348 (2020 US\$1.365). The costs of the share-based payments are recharged to the Company and are recognised as part of Administrative expenses. The profit and loss charge for the year in respect of these payments amounted to £314,530 (2020 £1,404,581).

Unit Options

Each Unit Option is the contingent right of the holders to receive a cash payment equal to the closing price of a share of MetLife, Inc. at the vesting date, less the closing price on the grant date, if the difference is greater than nil. The Unit Options become eligible for exercise at a rate of one-third of each award on each of the first three anniversaries of the grant date. An employee may surrender an amount of eligible Unit Options at any time until the expiration date as specified in the relevant Unit Option Agreement. Vesting is subject to continued service, except for employees who are eligible for retirement, and in certain other limited circumstances.

Metlife Investments Limited

Notes to the financial statements (continued) for the year ended 31 December 2021

17. SHARE-BASED PAYMENT TRANSACTIONS (continued)

Restricted Units and Performance Units

Restricted Units are units that, if they vest, are payable in cash equal to the closing price of a share of MetLife, Inc. on the last day of the restriction period, being the period beginning on the grant date and ceasing on the third anniversary of the grant date. The Restricted Units vest in their entirety on the third anniversary of the grant date. Vesting is subject to continued service, except for employees who are eligible for retirement and in certain other limited circumstances.

Performance Units are units that, if they vest, are multiplied by a performance factor to produce a number of final Performance Units which are payable in cash equivalent to the closing price of a share of MetLife, Inc. on a date following the last day of the three-year performance period. Performance Units are accounted for as liability awards, but are not credited with dividend-equivalents for actual dividends paid on shares during the performance period. Accordingly, the estimated fair value of Performance Units is based upon the closing price of a share on the Balance Sheet date, reduced by the present value of estimated dividends to be paid on that stock during the performance period. Performance shares vest in their entirety at the end of the performance period. Vesting is subject to continued service, except for employees who are eligible for retirement and in certain other limited circumstances.

18. LEASE COMMITMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.21 £	31.12.20 £
Later than one year and no later than five years	2,816,016	-
Later than five years	2,120,703	-
	<u>4,936,719</u>	<u>-</u>

19. CAPITAL COMMITMENTS

As stated in note 7, during the year the company acquired a short-term office lease and as at the year-end date was in the process of refurbishing the property. The further amounts incurred after the year end date and payable to the main contractor amounted to £1,018,992.

20. SUBSEQUENT EVENTS

In February 2022 Russia began a military invasion of Ukraine in a major escalation of the Russian - Ukrainian conflict that began in 2014. As disclosed in the strategic report, the company provides investment advice directly to a MetLife entity in Ukraine, the amount invoiced in 2021 amounted to approximately £14,000 which is not material to the overall turnover for the year of £19 million. Additionally, all the amounts outstanding as at 31 December 2021 have been paid since the year end date. The potential loss of this income in the future would have no material impact on the company.