

**ALLIANZ RISK TRANSFER (U.K.) LIMITED**  
**REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

WEDNESDAY



\*A028VV0AQ\*

A06

04/06/2008

318

COMPANIES HOUSE

**ALLIANZ RISK TRANSFER (U.K.) LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS**  
**for the Year Ended 31 December 2007**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Report of the Directors</b>	<b>2</b>
<b>Report of the Independent Auditors</b>	<b>3</b>
<b>Profit and Loss Account</b>	<b>4</b>
<b>Statement of Total Recognised Gains and Losses</b>	<b>5</b>
<b>Balance Sheet</b>	<b>6</b>
<b>Notes to the Financial Statements</b>	<b>7 - 10</b>
<b>Profit and Loss Account</b>	<b>11</b>

**ALLIANZ RISK TRANSFER (U.K.) LIMITED**

**COMPANY INFORMATION**  
**for the Year Ended 31 December 2007**

**DIRECTORS:**

T Bruendler  
C T Fischer Hirs  
B Kirwan

**SECRETARIES:**

J C Wall

**REGISTERED OFFICE:**

30 Gresham Street  
LONDON  
EC2V 7PG

**REGISTERED NUMBER:**

4326287 (England and Wales)

**AUDITOR:**

KPMG LLP  
Registered Auditor  
Chartered Accountants  
8 Salisbury Square  
LONDON  
EC4 8BB

**BANKERS:**

Royal Bank of Scotland  
62/63 Threadneedle Street  
LONDON  
EC2R 8LA

**ALLIANZ RISK TRANSFER (U.K.) LIMITED**

**REPORT OF THE DIRECTORS**  
**for the Year Ended 31 December 2007**

The directors present their report with the financial statements of the company for the year ended 31 December 2007

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of the provision of Alternative Risk Transfer services

**DIRECTORS**

The directors set out in the table below have held office during the whole of the period from 1 January 2007 to the date of this report. The directors shown below were in office at 31 December 2007 but did not hold any interest in the Ordinary shares of £1 each at 1 January 2007 or 31 December 2007

T Bruendler  
C T Fischer Hirs  
B Kirwan

**DIRECTORS AND DIRECTORS' INTERESTS**

Certain directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report. The Company provided qualifying third party indemnity provisions to certain directors of associated companies during the financial year and at the date of this report

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

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

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

The financial statements are required by law to 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

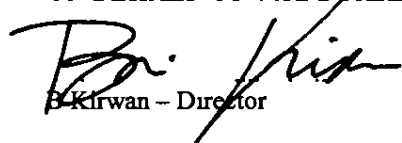
- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

**ON BEHALF OF THE BOARD:**

  
B Kirwan – Director

Date 19<sup>th</sup>/May/2008

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALLIANZ RISK TRANSFER (U.K.) LIMITED**

We have audited the financial statements of Allianz Risk Transfer (U K ) Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Note of Historical Cost Profits and Losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

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

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

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG LLP  
Chartered Accountants  
8 Salisbury Square  
LONDON  
EC4Y 8BB

Registered Auditor

Date

22 May 08

**ALLIANZ RISK TRANSFER (U.K.) LIMITED****PROFIT AND LOSS ACCOUNT**  
**for the Year Ended 31 December 2007**

	Notes	31 12 07 £	31 12 06 £
<b>TURNOVER</b>		1,530,563	1,227,551
Administrative expenses		<u>(1,448,157)</u>	<u>(1,163,547)</u>
		82,406	64,004
Other operating income		<u>150</u>	<u>-</u>
<b>OPERATING PROFIT</b>	2	82,556	64,004
Interest receivable and similar income		<u>59,156</u>	<u>40,323</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		141,712	104,327
Tax on profit on ordinary activities	4	<u>(45,183)</u>	<u>(34,516)</u>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u>96,529</u>	<u>69,811</u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year

**ALLIANZ RISK TRANSFER (U.K.) LIMITED**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**for the Year Ended 31 December 2007**

	31 12 07 £	31 12 06 £
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b><u>96,529</u></b>	<b><u>69,811</u></b>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<b><u>96,529</u></b>	<b><u>69,811</u></b>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**  
**for the Year Ended 31 December 2007**

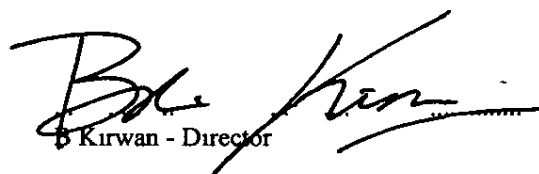
	31 12 07 £	31 12 06 £
<b>REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b><u>141,712</u></b>	<b><u>105,749</u></b>
<b>HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b><u>141,712</u></b>	<b><u>105,749</u></b>
<b>HISTORICAL COST PROFIT FOR THE YEAR RETAINED AFTER TAXATION</b>	<b><u>96,529</u></b>	<b><u>69,811</u></b>

The notes on pages 7 to 10 form part of these financial statements

**ALLIANZ RISK TRANSFER (U.K.) LIMITED****BALANCE SHEET**  
**31 December 2007**

	Notes	31 12 07 £	£	31 12 06 £	£
<b>FIXED ASSETS</b>					
Tangible assets	5		3,978		6,683
<b>CURRENT ASSETS</b>					
Debtors	6	10,165		342,911	
Cash at bank		<u>1,739,766</u>		<u>1,251,766</u>	
		1,749,931		1,594,677	
<b>CREDITORS</b>					
Amounts falling due within one year	7	<u>(587,241)</u>		<u>(531,221)</u>	
<b>NET CURRENT ASSETS</b>			<u>1,162,690</u>		<u>1,063,456</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,166,668</u>		<u>1,070,139</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	8		1,000,000		1,000,000
Profit and Loss Account	9		<u>166,668</u>		<u>70,139</u>
<b>SHAREHOLDERS' FUNDS</b>	10		<u>1,166,668</u>		<u>1,070,139</u>

The financial statements were approved by the Board of Directors on *19 May '08* and were signed on its behalf by

  
B Kirwan - Director



# **ALLIANZ RISK TRANSFER (U.K.) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** **for the Year Ended 31 December 2007**

### **1 ACCOUNTING POLICIES**

#### **Accounting convention**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets

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

#### **Financial Reporting Standard Number 1**

Exemption has been taken from preparing a cash flow statement on the grounds that the company is a wholly owned subsidiary of an ultimate parent company in whose consolidated financial statements it is included and which are publicly available

#### **Turnover**

Turnover represents gross services provided during the year, net of value added tax

#### **Tangible fixed assets**

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

Computer Equipment	- Straight line over 3 years
Fixtures and Fittings	- 25% on reducing balance

#### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date except as otherwise required by FRS 19

#### **Related parties**

As the Company is a wholly owned subsidiary of Allianz Risk Transfer, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties) The consolidated Financial Statements of Allianz Risk Transfer, within which this Company is included, can be obtained from the address given in note 12

#### **Post-retirement benefits**

The company operates a defined contribution pension scheme The assets of the scheme are held separately from those of the company in an independently administered fund The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period

### **2 OPERATING PROFIT**

The operating profit is stated after charging/(crediting)

	31 12 07	31 12 06
	£	£
Depreciation - owned assets	5,871	5,366
Auditors remuneration	5,875	5,250
Auditors' remuneration – non audit services (taxation)	-	9,777
Foreign exchange differences	<u>28</u>	<u>693</u>
Directors' emoluments and other benefits etc (see note 3)	<u>365,452</u>	<u>303,243</u>

**ALLIANZ RISK TRANSFER (U.K.) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2007****3 STAFF NUMBERS AND COSTS**

The average monthly number of persons employed by the company (including directors) during the period, was as follows

	31 12 07 number	31 12 06 number
Production and distribution	<u>4</u>	<u>3</u>

The aggregate payroll costs of these persons were as follows

	31 12 07 £	31 12 06 £
Wages and salaries	792,704	669,588
Social security costs	78,485	51,051
Other pension costs	32,700	23,120
Other benefits	10,512	9,267
Directors' remuneration		
Emoluments	302,462	248,894
Social security costs	38,052	31,217
Other pension costs	17,400	16,020
Other benefits	7,538	7,112

**4 TAXATION****Tax on profit on ordinary activities****a) Analysis of charge in period**

	31 12 07 £	31 12 06 £
<u>UK Corporation Tax</u>		
Current tax on income for the period	45,660	34,520
Adjustment in respect of the prior year	(427)	-
Corporation Tax Interest	<u>(50)</u>	<u>(4)</u>
Total current tax	<u>45,183</u>	<u>34,516</u>
Deferred tax	<u>-</u>	<u>-</u>
Tax on profit on ordinary activities	<u>45,183</u>	<u>34,516</u>

**b) Factors affecting the tax charge**

The current tax charge for the period is higher than the standard rate of corporation tax in the UK (30%, 2006 30%) The difference is explained below

	31 12 07 £	31 12 06 £
Profit on ordinary activities before tax	<u>141,762</u>	<u>105,749</u>
Current tax at 30% (2006 30%)	42,529	31,725
Effects of		
Expenses not deductible for tax purposes	4,267	3,992
Capital Allowances	(1,136)	(1,197)
Prior year underprovided	-	-
Prior year overprovided	(427)	-
Interest received	<u>(50)</u>	<u>(4)</u>
Total current tax charge (see above)	<u>45,183</u>	<u>34,516</u>

**ALLIANZ RISK TRANSFER (U.K.) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2007****5 TANGIBLE FIXED ASSETS**

	Computer Equipment £	Fixtures and Fittings £	Totals £
<b>COST OR VALUATION</b>			
At 1 January 2007	34,196	3,903	38,099
Additions	<u>3,166</u>	<u>-</u>	<u>3,166</u>
At 31 December 2007	<u>37,362</u>	<u>3,903</u>	<u>41,265</u>
<b>DEPRECIATION</b>			
At 1 January 2007	28,627	2,789	31,416
Charge for year	<u>5,587</u>	<u>284</u>	<u>5,871</u>
At 31 December 2007	<u>34,214</u>	<u>3,073</u>	<u>37,287</u>
<b>NET BOOK VALUE</b>			
At 31 December 2007	<u>3,148</u>	<u>830</u>	<u>3,978</u>
At 31 December 2006	<u>5,569</u>	<u>1,114</u>	<u>6,682</u>

Cost or valuation at 31 December 2007 is represented by:

	Computer Equipment £	Fixtures and Fittings £	Totals £
Valuation in 2002	11,615	2,030	13,645
Cost	<u>25,747</u>	<u>1,873</u>	<u>27,620</u>
	<u>37,362</u>	<u>3,903</u>	<u>41,265</u>

Computers, fixtures & fittings were revalued on an existing use basis on 31 December 2002 by the Directors

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

	31 12 07 £	31 12 06 £
Amounts owed by group undertakings	-	333,205
Other debtors	<u>10,165</u>	<u>9,706</u>
	<u>10,165</u>	<u>342,911</u>

**ALLIANZ RISK TRANSFER (U.K.) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2007****7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31 12 07	31 12 06
	£	£
Amounts owed to group undertakings	87,171	-
Other creditors, including taxation and social security	47,487	34,520
Accruals and deferred income	<u>452,583</u>	<u>496,701</u>
	<u>587,241</u>	<u>531,221</u>

**8 CALLED UP SHARE CAPITAL**

Authorised, allotted, issued and fully paid			31 12 07	31 12 06
Number	Class	Nominal value	£	£
1,000,000	Ordinary	£1	<u>1,000,000</u>	<u>1,000,000</u>

**9 RESERVES**

	Profit and Loss Account £
At 1 January 2007	70,139
Profit for the year	<u>96,529</u>
At 31 December 2007	<u>166,668</u>

**10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31 12 07	31 12 06
	£	£
Profit for the financial year	<u>96,529</u>	<u>69,811</u>
Net addition to shareholders' funds	96,529	69,811
Opening shareholders' funds	<u>1,070,139</u>	<u>1,000,328</u>
Closing shareholders' funds	<u>1,166,668</u>	<u>1,070,139</u>

**11 PENSION SCHEME**

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £32,700 (2006 £23,120).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year (2006 £nil).

**12 ULTIMATE PARENT COMPANY**

The Company is a subsidiary undertaking of Allianz Risk Transfer, incorporated in Switzerland.

The largest group in which the results of the Company are consolidated is that headed by Allianz SE, registered in Germany. The smallest group in which they are consolidated is that headed by Allianz Risk Transfer of Lavaterstrasse 67, CH-8002, Zurich, Switzerland. The consolidated Financial Statements of these groups are available to the public and may be obtained from Lavaterstrasse 67, CH-8002, Zurich, Switzerland.

**ALLIANZ RISK TRANSFER (U.K.) LIMITED****PROFIT AND LOSS ACCOUNT**  
**for the Year Ended 31 December 2007**

	31 12 07		31 12 06	
	£	£	£	£
<b>Turnover</b>				
Services Provided		1,530,563		1,227,551
<b>Other income</b>				
Deposit Account Interest	59,156		40,323	
HMRC Incentive Payments Received	<u>150</u>		<u>250</u>	
		<u>59,306</u>		<u>40,573</u>
		1,589,869		1,268,124
<b>Expenditure</b>				
Rent and Service Charges	102,600		110,225	
Directors' Gross salaries	302,462		248,894	
Directors' Income Protection Plan Payments	1,071		1,025	
Directors' Personal Tax Payments	53,957		-	
Directors' Life Assurance Payments	6,467		6,088	
Directors' Social Security	38,052		31,217	
Directors' Pension Contributions	17,400		16,020	
Salaries	488,927		420,694	
National Insurance	40,433		20,084	
Pensions	21,262		7,100	
Other Benefits	2,974		2,155	
Telephone	12,826		9,364	
Printing, Postage and Stationery	1,450		1,078	
Marketing	14,369		-	
Travelling Expenses	102,751		107,698	
Computer Service Charges and Line Rental	17,343		18,793	
Human Resource Costs	71,608		54,055	
Sundry Expenses	33,464		26,870	
Accountancy	13,763		28,871	
Irrecoverable VAT	20,662		12,551	
Legal and Professional Fees	63,651		11,038	
Auditors Remuneration	5,875		5,250	
Auditors Remuneration for non audit work (taxation)	-		9,777	
Foreign exchange losses	28		693	
Entertaining	<u>7,808</u>		<u>7,943</u>	
		<u>1,441,203</u>		<u>1,157,483</u>
		148,666		110,641
<b>Finance costs</b>				
Bank Charges and Interest		<u>1,083</u>		<u>948</u>
		147,583		109,693
<b>Depreciation</b>				
Computer Equipment	5,587		4,998	
Fixtures and Fittings	<u>284</u>		<u>368</u>	
		<u>5,871</u>		<u>5,366</u>
<b>NET PROFIT</b>		<u>141,712</u>		<u>104,327</u>

This page does not form part of the statutory financial statements