

  
Company No: FC024266

**YARRA FINANCE LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**31 December 2007**

SATURDAY



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13/12/2008  
COMPANIES HOUSE

## **YARRA FINANCE LIMITED**

### **DIRECTORS' REPORT**

The directors submit their annual report and audited financial statements for the year ended 31 December 2007.

### **PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS**

The principal activity of the Company is that of an investment company.

The Company was incorporated in the Cayman Islands on 4 February 2002 as a company limited by shares. On 9 December 2002, the Company was registered as having established a branch in England and Wales under Schedule 21A, Companies Act 1985. Accordingly these accounts have been prepared in accordance with section 700 of the Companies Act 1985 (as amended by Statutory Instrument 1990 No.440).

### **RESULTS AND DIVIDENDS**

The results of the Company are set out in detail on page 4. Ordinary dividends of £nil (2006: £11,267,057) were paid during the year. The retained profit for the year of £52,556 (2006: £146,374) will be transferred to reserves.

### **POST BALANCE SHEET EVENTS**

On 8 April 2008, notice was given to the Company by the holder of the Bonus Debenture Stock that it required repayment of all the Bonus Debenture Stock in issue at par (£299,970,000) together with accrued interest up to but excluding the date of repayment on 15 April 2008. The repayment was funded through the repurchase by Thurlaston Finance Limited, a fellow subsidiary undertaking, of its 29,997 Preference Shares (Class B) held by the Company at a repurchase price of £299,970,000.

### **DIRECTORS**

The directors who held office at the year end were as follows:

N G Aiken  
E J Hughson (appointed 28 March 2007)  
H F J Fane de Salis  
A D Levy  
J D N Thomas

P R Burke resigned as a director of the Company on 31 January 2007.

Certain directors benefited from qualifying third party indemnity provisions in place during the financial year.

## **YARRA FINANCE LIMITED**

### **DIRECTORS' REPORT (Continued)**

#### **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 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 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. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

#### **DISCLOSURE OF INFORMATION TO AUDITORS**

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

Approved by the Board of Directors  
Signed on behalf of the Board



A D Levy  
Director

12 December 2008

## **YARRA FINANCE LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO YARRA FINANCE LIMITED**

We have audited the financial statements of Yarra Finance Limited for the year ended 31 December 2008 which comprise the profit and loss account, balance sheet 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, in accordance with the terms of our engagement. Our audit work has been undertaken so that we might state to the Company those matters we are required to state to it 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 for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and KPMG Audit Plc**

As described in the Statement of Directors' Responsibilities on page 2, the directors of the Company have accepted responsibility for the preparation of these financial statements in accordance with the basis of preparation as set out in note 1 to the financial statements.

Our responsibility is to audit the financial statements in accordance with the terms of our engagement letter dated 9 November 2007 and International Standards on Auditing (UK and Ireland).

Under the terms of engagement we are required to report to you our opinion as to whether the financial statements have been properly prepared in accordance with the accounting policies set out in note 1 to the financial statements. We also report to you if, in our opinion, we have not received all the information and explanations we require for our audit.

We read the other information accompanying the financial statements and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

#### **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 judgements 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 for the year ended 31 December 2008 have been properly prepared in accordance with the accounting policies set out in note 1 to the financial statements.

*KPMG Audit Plc*

**KPMG Audit Plc**  
*Chartered Accountants*  
London  
12 December 2008

# YARRA FINANCE LIMITED

## PROFIT & LOSS ACCOUNT For the year ended 31 December

	Notes	2007 £	2006 £
Income from participating interests		15,263,703	2,760,012
Administrative expenses	2	-	(15)
Operating profit		15,263,703	2,759,997
Interest receivable and similar income	3	12,386	11,405,510
Interest payable Debenture coupon		(15,219,818)	(2,752,076)
Profit on ordinary activities before tax		56,271	11,413,431
Tax on ordinary activities	4	(3,715)	-
Profit on ordinary activities after tax	10	52,556	11,413,431

All activities relate to continuing operations.

The Company has no recognised gains or losses other than the profits above and therefore no separate statement of total recognised gains and losses has been presented.

There are no differences between the profit on ordinary activities above and its historical cost equivalent.

A statement showing the movement in reserves is set out in note 10 on page 9.

The accounting policies and notes on pages 6 to 10 form an integral part of these financial statements.

# YARRA FINANCE LIMITED

## BALANCE SHEET As at 31 December

	Notes	2007 £	2006 £
<b>Fixed assets</b>			
Investments	5	4,994	4,994
<b>Current assets</b>			
Debtors - amounts falling due after more than one year	6	299,970,000	299,970,000
- amounts falling due within one year	7	879,095	906,220
		<hr/> 300,849,095	<hr/> 300,876,220
<b>Creditors: amounts falling due within one year</b>			
Bonus Debenture Stock	8	299,970,000	299,970,000
Coupon payable on Bonus Debenture Stock		625,472	708,868
Corporation Tax payable		3,715	-
		<hr/> 300,599,187	<hr/> 300,678,868
<b>Net current assets</b>		<hr/> 249,908	<hr/> 197,352
<b>Net assets</b>		<hr/> 254,902	<hr/> 202,346
<b>Capital and reserves</b>			
Called up share capital	9	55,000	55,000
Profit and loss account	10	199,902	147,346
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<hr/> 254,902	<hr/> 202,346

These financial statements were approved by the Board of Directors on 12 December 2008 and signed on its behalf by: -



A D Levy  
Director

The notes on pages 6 to 10 form an integral part of these financial statements.

# **YARRA FINANCE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2007**

### **1. ACCOUNTING POLICIES**

#### **Basis of preparation**

The financial statements are prepared in accordance with applicable accounting standards in the United Kingdom and accounting standards and under the historical cost convention.

As the Company is registered as having a branch in England and Wales, these accounts have been prepared as required by section 700 of the Companies Act 1985 (as amended by Statutory Instrument 1990 No. 440).

The principal accounting policies have been applied consistently throughout the current year and the preceding year.

#### **Interest and preference dividends receivable**

Interest and preference share income is recognised on an accruals basis.

#### **Investments**

Investments are held to maturity and are stated at cost less provision for impairment. The cost of investment includes any incidental costs of acquisition.

#### **Bonus Debenture Stock**

Bonus Debenture Stock is carried in the accounts at amortised cost.

#### **Taxation**

The charge for taxation is based on profit for the year.

Full provision is made in the profit and loss account for taxation in respect of all differences in timing between the accounting and tax treatments of income and expenses. The timing differences are recognised as deferred tax liabilities or assets, measured at expected future tax rates. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain. Deferred tax assets and liabilities are not discounted.

#### **Cash flow statement**

The Company has taken advantage of the exemption under FRS 1 (revised) 'Cash flow Statements' not to prepare a cash flow statement on the grounds that an intermediate parent undertaking, Dresdner Bank AG, prepares consolidated financial statements, which are publicly available.

#### **Related party transactions**

The Company's intermediate parent undertaking, Dresdner Bank AG, prepares consolidated financial statements, which are publicly available. Accordingly advantage is taken in these financial statements of the exemptions available in FRS 8, 'Related Party Disclosures' for disclosure of transactions with entities that are part of the group or investees of group entities as related parties.

### **2. ADMINISTRATIVE EXPENSES**

All administrative expenses, including auditor's remuneration for services to the Company, were borne by Dresdner Kleinwort Limited, a fellow subsidiary undertaking. The Company had no employees during the year. None of the directors received any emoluments in respect of their services to the Company. The audit fee applicable in respect of the Company's financial statements was £4,200 (2006 - £4,000).

No amounts were receivable by the Company's auditor in respect of services to the Company, other than the audit of the Company's financial statements.

# YARRA FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 31 December 2007

### 3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2007 £	2006 £
Interest receivable from the immediate parent undertaking	-	11,397,970
Interest receivable from an intermediate parent undertaking	12,108	7,262
Interest receivable on UK Gilts	278	278
	<hr/> 12,386	<hr/> 11,405,510

### 4. TAX ON ORDINARY ACTIVITIES

#### a) Analysis of tax charge for the year

	2007 £	2006 £
Current tax (note 4b)	3,715	-

#### b) Factors affecting tax charge for the year

Profit on ordinary activities before tax	56,271	11,413,431
Standard rate tax charge in the UK of 30%	<hr/> 16,881	<hr/> 3,424,029
Effects of:		
Non-deductible expense	-	5
Non-taxable preference dividends	(4,579,111)	(828,004)
Non-deductible debenture coupon	4,565,945	825,623
Group relief claimed at no charge	-	(3,421,653)
Current tax charge for the year (note 4a)	<hr/> 3,715	<hr/> -

### 5. FIXED ASSET INVESTMENTS

	Listed Investments £
Cost and net book value at 1 January and 31 December 2007	<hr/> 4,994

The market value of the listed investment at 31 December 2007 was £4,714 (2006: £4,665).

### 6. DEBTORS: Amounts falling due after more than one year

	2007 £	2006 £
Investment in preference shares of fellow subsidiary undertaking	<hr/> 299,970,000	<hr/> 299,970,000



# YARRA FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 31 December 2007

### 6. DEBTORS: Amounts falling due after more than one year (continued)

Fellow subsidiary undertaking	Country of incorporation	Principal activity
Thurlaston Finance Limited	Grand Cayman	Investment Company

On 27 October 2006 the Company invested £299,970,000 in 29,997 fixed rate cumulative irredeemable class B preference shares of £0.01 nominal or par value each in the capital of Thurlaston Finance Limited, a fellow subsidiary undertaking, funded by the issue of £299,970,000 nominal amount 5.07378% Bonus Debenture Stock due 26 October 2009.

On 15 April 2008, Thurlaston Finance Limited repurchased the 29,997 class B preference shares at a repurchase price of £299,970,000 in order for the Company to repay the Bonus Debenture Stock on that date.

### 7. DEBTORS: Amounts falling due within one year

	2007 £	2006 £
Amounts due from an intermediate parent undertaking	250,621	194,474
Amounts due from a fellow subsidiary undertaking	628,196	711,051
Gilt interest receivable	278	695
	<hr/> 879,095	<hr/> 906,220

### 8. BONUS DEBENTURE STOCK

	2007 £	2006 £
Bonus Debenture Stock 2009	<hr/> 299,970,000	<hr/> 299,970,000

On 26 October 2006 the Company capitalised the balance on the share premium account of £299,970,000 and applied it in paying up in full the same nominal amount of Bonus Debenture Stock due to mature on 26 October 2009, but also repayable on demand by either the Company or the holder. The rate of the debenture was set on issue by reference to the 3 year swap rate on that date.

The Debenture holder is entitled, upon giving the Company not less than five business days notice in writing, to require the Company to repay all of the Bonus Debenture Stock, then in issue, at par together with accrued interest up to but excluding the date of repayment.

On 8 April 2008, notice was given to the Company by the holder of the Bonus Debenture Stock that it required repayment of all the Bonus Debenture Stock in issue at par (£299,970,000) together with accrued interest up to but excluding the date of repayment on 15 April 2008.

# YARRA FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 31 December 2007

### 9. CALLED UP SHARE CAPITAL

	2007 £	2006 £
Authorised:		
25,000 ordinary A shares of £1 each	25,000	25,000
30,000 ordinary B shares of £1 each	30,000	30,000
30,000 ordinary C shares of £1 each	30,000	30,000
40,000 ordinary D shares of £1 each	40,000	40,000
	<u>125,000</u>	<u>125,000</u>

### Allotted and fully paid:

25,000 ordinary A shares of £1 each	25,000	25,000
30,000 ordinary B shares of £1 each	30,000	30,000
	<u>55,000</u>	<u>55,000</u>

### 10. COMBINED RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS AND STATEMENT OF MOVEMENTS ON RESERVES

	Ordinary share capital 2007 £	Profit & Loss Account 2007 £	Shareholders' Funds Total 2007 £	Shareholders' Funds Total 2006 £
At 1 January	55,000	147,346	202,346	25,972
Ordinary shares issued	-	-	-	1,000,000,000
Ordinary shares repurchased	-	-	-	(700,000,000)
Debenture stock capitalisation	-	-	-	(299,970,000)
Profit for the year	-	52,556	52,556	11,413,431
Ordinary dividends paid	-	-	-	(11,267,057)
At 31 December	55,000	199,902	254,902	202,346

## YARRA FINANCE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2007

#### 11. DIVIDENDS

The aggregate amount of dividends comprises:

	2007	2006
	£	£
Interim dividends paid in respect of the current year	-	11,267,057

The aggregate amount of dividends proposed and recognised as liabilities as at the year end is £nil (2006: £nil).

#### 12. ULTIMATE PARENT UNDERTAKING

The largest group in which the results of the Company are consolidated is that headed by Allianz SE, a company incorporated in Germany, under European law and German law. Allianz SE is also the ultimate parent undertaking and controlling party. Financial statements of Allianz SE are available from Allianz SE, Investor Relations, Koeniginstrasse 28, D-80802 Munich, Germany.

The smallest group in which the results of the Company are consolidated is that headed by Dresdner Bank AG, a company incorporated in Germany. Copies of the consolidated financial statements of Dresdner Bank AG are available from Dresdner Bank AG, Juergen-Ponto-Platz 1, 60301 Frankfurt am Main, Germany.