

SR Delta Investments (UK) Limited

**Directors' report and financial statements
for the year ended 31 December 2012**

Registered number 4464901

MONDAY



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Directors' report

The Directors present their annual report and the audited financial statements of the Company for the year ended 31 December 2012

Principal activities and business review

SR Delta Investments (UK) Limited ("the Company") is an investment company (registered number 4464901) whose principal activity is to make and manage investments. The Company had ceased to make and manage investments by the end of 2012.

The Company's results for the year ended 31 December 2012 show a loss after tax of €5,000 (2011 profit of €21,000).

The Directors consider the results for the year to be satisfactory.

In December 2012 the Directors resolved that the Company should cease business and be wound up as soon as its outstanding affairs can be brought to a satisfactory conclusion. In pursuance of this decision, the Company entered into an arrangement with its immediate parent company, Swiss Re Specialised Investments Holdings (UK) Limited ("SRSIH"), whereby SRSIH will bear all future costs, receive all future revenues, and act as agent of the Company until such time as it is wound up.

In December 2012 the Company resolved to undertake a capital reduction to facilitate a future liquidation. At 31 December 2012 the Company had no assets or liabilities, issued share capital of €1 and a deficit on its profit and loss reserves of €1.

Dividends

Ordinary dividends of €3,434,000 (€0.687 per share) were declared and paid in the current year (2011: €nil).

Directors

The Directors who held office during the year and up to the date of signing of the financial statements were as follows:

Sean Andrews (resigned 28 February 2013)

Drew Price

Paul Wood (appointed 28 February 2013)

Directors indemnity

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial period and is currently in force. The Company also purchased and maintained throughout the financial period Directors' and Officers' liability insurance in respect of itself and its Directors.

Key performance indicators ("KPIs")

Given the straightforward nature of the business, the Company's Directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or financial position of the business.

Principal place of business

The Company is domiciled, managed and controlled in the UK. The offices of the Company and the location of board meetings during the year were at 30 St Mary Axe, London EC3A 8EP.

Political and charitable contributions

The Company made no political or charitable contributions during the current or previous year.

Directors' report (*continued*)

Principal risks and uncertainties

Refer to note 14 for details of the Company's financial risk management policies

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared 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 judgements 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 to 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.

Statement of disclosure of information to auditors

The directors confirm that they have complied with the above and also confirm that

- so far as each of the directors of the Company is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- each of the directors have 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.

Independent auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue in office.

On behalf of the Board



Drew Price

Director

26 June 2013

Independent Auditors' Report to the Members of SR Delta Investments (UK) Limited

We have audited the financial statements of SR Delta Investments (UK) Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities set out on page 2 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its loss 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

Independent Auditors' Report to the Members of SR Delta Investments (UK) Limited *(continued)*

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

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



Kenneth Yam (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

27 June 2013

Profit and loss account
for the year ended 31 December 2012

	Note	2012 €000	2011 €000
Administrative expenses	3	(11)	(11)
Foreign exchange loss on revaluation		(35)	(22)
Interest receivable	6	28	55
Interest payable	7	-	(1)
		<hr/>	<hr/>
(Loss) / profit on ordinary activities before taxation		(18)	21
Tax on (loss) / profit on ordinary activities	8	13	-
		<hr/>	<hr/>
(Loss) / profit for the financial year	12	(5)	21
		<hr/>	<hr/>

The Company's results are derived from discontinued operations

The Company has no recognised gains and losses other than the (loss) / profit for the financial year. Accordingly, no statement of total recognised gains and losses is presented

There is no difference between the (loss) / profit on ordinary activities before taxation and the (loss) / profit for the financial year stated above and their historical cost equivalents

The notes on pages 7 to 14 form part of these financial statements

Balance sheet
as at 31 December 2012

	Note	2012 €000	2011 €000
Current assets			
Debtors	9	-	4,312
Creditors, amounts falling due within one year	10	-	(873)
Net assets		<u>-</u>	<u>3,439</u>
Capital and reserves			
Called up share capital	11	-	5,000
Share premium account	12	-	4,850
Profit and loss account	12	-	(6,411)
Total shareholders' funds	13	<u>-</u>	<u>3,439</u>

The financial statements on pages 5 to 14 were approved by the Board of Directors on 26 June 2013 and were signed on its behalf by



Drew Price
Director

Notes to the financial statements

1 General information

SR Delta Investments (UK) Limited ("the Company") is a company which makes and manages investments. The Company is a limited liability company incorporated in the UK and domiciled, managed and controlled in the UK. The offices of the Company and the location of Board meetings throughout the year were 30 St Mary Axe, London EC3A 8EP. The Company is not listed on any exchange. The Company is registered in the UK under the registration number 4464901.

The financial statements were authorised for issue by the Board of Directors on 26 June 2013. Once approved, the financial statements cannot be amended without re-presenting them for approval by the Board.

2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

The financial statements have been prepared on the break up basis in accordance with the Companies Act 2006, United Kingdom accounting standards and under the historical cost accounting rules.

Cash flow statement

Under FRS 1 (revised 1996) the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking controlling 90% or more of the Company's voting rights includes the Company in its own published consolidated financial statements which are publicly available.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. The Company does not have any assets it has classified as cash equivalents.

Foreign currencies

Transactions in currencies other than the reporting currency of the entity are recorded at the rate of exchange prevailing on the date of transaction.

Monetary assets and liabilities on the balance sheet other than those covered by matching forward contracts, are restated at the prevailing exchange rate at the balance sheet date, with any foreign exchange difference taken to the profit and loss account in the financial year. Where transactions are covered by a matching forward contract, the rate of exchange specified in the contract is used.

Interest receivable

Interest income on funds advanced is recognised in the profit and loss account on an accruals basis.

Notes to the financial statements *(continued)*

Taxation

Current year tax expense is based on the taxable profit for the year. Taxable profit differs from profit before tax as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Capital management

The Company formerly regarded its net assets as its capital. The Company's objectives when managing its capital were to safeguard the Company's ability to continue as a going concern, and to manage its market risk, interest rate risk and credit risk and its cost of capital. To maintain or adjust its capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce its debt. To manage its market risk and credit exposure the Company lends only to highly rated counterparties and regularly monitors those credit ratings. To manage its interest rate risk the Company loans funds under agreements with short maturity dates.

The Company does not have any externally imposed capital requirements.

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Notes to the financial statements *(continued)*

3 Administrative expenses

	2012 €000	2011 €000
Audit fees	-	(11)
MCBA fees	(11)	-
	<u>(11)</u>	<u>(11)</u>

Fees charged by the independent auditors to SRSL for audit services relating to the Company amounted to £10,000. This amount was recharged to other Swiss Re Group companies.

In December 2012 the Company entered into a Management and Cost Bearing Agreement (the "MCBA") with its immediate parent company, Swiss Re Specialised Investments Holdings (UK) Limited ("SRSIH"), whereby SRSIH will bear all future costs, receive all future revenues, and act as agent of the Company until such time as it is wound up.

4 Employees

The Company had no employees during the current or previous year, all services being provided by Swiss Re Services Limited, a Swiss Re Group company.

5 Directors' emoluments

The Directors received no remuneration for their services to the Company in the current or previous year.

6 Interest receivable

	2012 €000	2011 €000
Amounts receivable from Group companies		
- Interest on funds advanced	28	55
	<u>28</u>	<u>55</u>

7 Interest payable

	2012 €000	2011 €000
Amounts payable to non-Group companies	-	(1)
	<u>-</u>	<u>(1)</u>

Notes to the financial statements *(continued)*

8 Tax on (loss) / profit on ordinary activities

Analysis of credit

	2012 €000	2011 €000
UK corporation tax		
Current tax credit	13	-
	<u>13</u>	<u>-</u>
Tax on (loss) / profit on ordinary activities	<u>13</u>	<u>-</u>

The tax assessed for the year differs from the standard rate of corporation tax in the UK. The differences are explained below:

(Loss) / profit on ordinary activities before tax	(18)	21
	<u> </u>	<u> </u>
(Loss) / profit before tax multiplied by the standard UK corporation tax at 24.5% (2011: 26.5%)	5	(6)
Effects of		
Group relief for nil value	(5)	6
Adjustments to tax charge in respect of previous periods	13	
	<u> </u>	<u> </u>
Current tax credit for the period	<u>13</u>	<u>-</u>

Notes to the financial statements *(continued)*

9 Debtors

	2012 €000	2011 €000
Amounts owed by Group companies		
- Funds advanced	-	4,305
- Accrued interest	-	7
	<u>-</u>	<u>4,312</u>

Funds advanced to Group companies formerly had maturity dates of less than three months

10 Creditors' amounts falling due within one year

	2012 €000	2011 €000
Amounts due to Group companies		
- other creditors	-	(873)
	<u>-</u>	<u>(873)</u>

11 Called up share capital

	2012 €000	2011 €000
Authorised, allotted, called up and fully paid		
1 (2011 5,000,000) ordinary shares of €1 each	-	5,000
	<u>-</u>	<u>5,000</u>

Each ordinary share carries one vote that may be exercised at general meetings of the Company

Notes to the financial statements *(continued)*

12 Share premium and reserves

	Share premium account €000	Profit and loss account €000	Total €000
At 1 January 2011	4,850	(6,432)	(1,582)
Profit for the financial year	-	21	21
	<hr/>	<hr/>	<hr/>
At 31 December 2011	4,850	(6,411)	(1,561)
Loss for the financial year	-	(5)	(5)
Capital reduction	(4,850)	9,850	5,000
Dividend paid	-	(3,434)	(3,434)
	<hr/>	<hr/>	<hr/>
At 31 December 2012	-	-	-
	<hr/>	<hr/>	<hr/>

13 Reconciliation of movements in equity shareholders' funds

	2012 €000	2011 €000
(Loss) / profit for the financial year	(5)	21
Dividends paid	(3,434)	-
	<hr/>	<hr/>
Opening shareholders' funds	3,439	3,418
	<hr/>	<hr/>
Closing shareholders' funds	-	3,439
	<hr/>	<hr/>

Notes to the financial statements (*continued*)

14 Financial instruments

(a) Financial risk management

The Company's activities potentially expose it to a variety of financial risks. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

(i) Foreign exchange risk

The Company was formerly exposed to foreign exchange risk on its Sterling and Euro denominated assets and liabilities, however these amounts were not significant. There was no such exposure at the balance sheet date.

(ii) Credit risk

The Company formerly had exposure to credit risk with Swiss Re Group companies to which it has lent funds and accordingly the credit risk to which the Company is exposed is low. Management believe the amount of the exposure was formerly indicated by the carrying value of the financial assets. There was no such exposure at the balance sheet date.

(iii) Market risk

The Company has no exposure to market risk as it holds no market traded financial assets.

(iv) Liquidity risk

The Company formerly held assets that were sufficient to cover its liabilities. The assets were sufficiently liquid to meet the liabilities of the Company as they fall due. There was no liquidity risk at the balance sheet date.

(v) Interest rate risk

The Company formerly had exposure to movements in interest rates. All of the loans the Company has advanced had short maturity dates and earned a return which is based upon the prevailing LIBOR rate. As the Company had no interest bearing liabilities it had no significant exposure to interest rate risk, and had no such risk at the balance sheet date.

(vi) Operational risk

Operational risk is the risk of loss resulting from inadequate or failed processes or systems, human factors or external events. To monitor and control operating risk, the Company has adopted a system of comprehensive policies and a control framework which is designed to provide a sound and well controlled operational environment. The Company had no significant operational risk at the balance sheet date.

(b) Financial assets and financial liabilities

The Company has no receivables or payables at the balance sheet date.

(c) Capital management

The Company is managed on a break up basis as its operation was wound up during the year.

Notes to the financial statements (*continued*)

15 Related party transactions

The Company is controlled by Swiss Re Specialised Investments Holdings (UK) Limited, its immediate parent company

As 100% of the voting rights of the Company are controlled within the Swiss Re Group, the Company has taken advantage of the exemption contained in FRS 8 "Related Party Disclosures" not to disclose transactions or balances with entities which are wholly owned subsidiaries within the Swiss Re Group

16 Ultimate parent company

The ultimate parent company and the ultimate controlling party is Swiss Re Ltd ("Swiss Re"), a company incorporated in Switzerland

The smallest and largest group in which the results of the Company are consolidated is that headed by Swiss Re. The consolidated financial statements of the Swiss Re Group are available to the public and may be obtained from 30 St Mary Axe, London EC3A 8EP