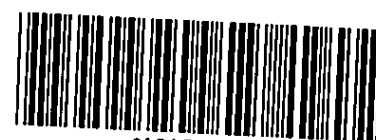


NM Insurance Holdings Limited

Annual report 2008

Company Registration No. 2221244

WEDNESDAY



A12 *A9A5KCQK* 358
26/08/2009
COMPANIES HOUSE

Contents

Directors and officers	3
Directors' report	4
Independent auditors' report	6
Profit and loss account	8
Balance sheet	9
Accounting policies	10
Notes to the financial statements	11

Company information

Director at 31 December 2008

R Craine	(appointed 10 Nov 2008)
J J Yates	
T J Carroll	(resigned 10 Nov 2008)
R W A Howe	(resigned 10 Nov 2008)
W Wilson	(resigned 10 Nov 2008)
D Baxter	(resigned 10 Nov 2008)
C Thornton	(resigned 10 Nov 2008)
M F Swallow	(resigned 10 Nov 2008)

Secretary

A M Oppal

Registered Office

Windsor House
Telford Centre
Telford TF3 4NB

Solicitors

Wragge & Co, Birmingham

Bankers

Barclays Bank Plc

Auditors

PricewaterhouseCoopers LLP
Hay's Galleria
1 Hay's Lane
London SE1
SE1 2RD

Company Registration Number

2221244

Directors' report and business review for the year ended 31 December 2008

The Directors present the annual report and the audited financial statements of NM Insurance Holdings Limited for the year ended 31 December 2008.

Business review and principal activities

The Company is a Holding Company for NM Pensions Limited.

The long term business of NM Pensions Limited was transferred pursuant to Part VII of the Financial Services and Markets Act 2000 (FSMA) to Windsor Life Assurance Company Limited, a fellow group undertaking on 31 December 2007. Since the transfer, the management services provided to its subsidiary have been minimal.

Future outlook

The company will continue to be a holding Company for NM Pensions Limited.

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of the company are discussed in the business review section of Swiss Re GB plc's annual report which does not form part of this report.

Key Performance Indicators

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 position of the business.

Results

The results for the year ended 31 December 2008, are shown in the financial statements on pages 8 to 14. The Directors do not recommend payment of a dividend (2007: £Nil).

Directors' report and business review for the year ended 31 December 2008 (continued)

Directors and Directors' interests

The name of the Directors who served during the year up to 31 December 2008 are listed on page 3.

The Directors did not have a disclosable interest in any of the group companies.

Statement of Directors' responsibilities

Company law requires the Directors to prepare, for each financial period, financial statements which give a true and fair view of the company's state of affairs at the end of the year and profit and loss for the year then ended. In preparing these financial statements, the Directors are required to ensure that:

- suitable accounting policies are selected and consistently applied;
- reasonable and prudent judgements and estimates are made;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors confirm that the financial statements comply with the above requirements and also confirms that:

- so far as the Directors are aware, there is no relevant audit information of which the company's auditors are unaware; and
- the Directors have taken all the steps that they ought to have taken as a Directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The Directors are responsible for keeping proper accounting records which 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 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.

Auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue in office and accordingly a resolution to re-appoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

By order of the Board

R Craine
Director
23 July 2009



Independent auditors' report to the members of NM Insurance Holding Limited

We have audited the financial statements of NM Insurance Holding Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of director's responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

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 director's 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report, the information contained within the Company Information page and all of the other information listed on the contents page. 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.

Independent auditors' report to the members of NM Insurance Holdings Limited (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 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 director's report is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

27 July 2009

Profit and loss account

For the year ended 31 December 2008

	Notes	2008 £000	2007 £000
Administrative expenses		(400)	(1,757)
Other operating income	1	1,331	687
Income from shares in group undertakings		-	8,665
Amounts written off investments		66	(185,905)
Profit/(loss) on ordinary activities before interest and taxation		997	(178,310)
Other interest receivable and similar income	3	170	868
Interest payable and similar charges	4	-	201
Profit/(loss) on ordinary activities before taxation		1,167	(177,241)
Tax on profit/(loss) on ordinary activities	5	(314)	(55)
Profit/(loss) for the financial year	14	853	(177,296)

All transactions arise from continuing operations.

There are no recognised gains or losses other than the profit on ordinary activities shown above accordingly no statement of total recognised gains and losses has been presented.

The accounting policies and notes on pages 10 to 14 form part of these financial statements.

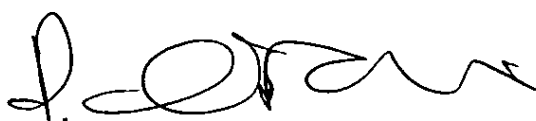
Balance sheet

At 31 December 2008

	Notes	2008 £000	2007 £000
Fixed Assets			
Shares in group undertakings	6	3,066	3,000
Current assets			
Debtors	8	-	400
Amounts owed by group undertakings	7	23,236	9,048
Cash at bank and in hand		-	15,977
Total current assets		23,236	25,425
Creditors: amounts falling due within one year			
Other creditors	9	(125)	(400)
Amounts owed to group undertaking	10	(1,552)	(687)
Net current assets		21,559	24,338
Total assets less current liabilities		24,625	27,338
Creditors: amounts due after more than one year	10	-	(1,557)
Provisions for other risks and charges	11	(194)	(2,073)
Total net assets		24,430	23,708
Capital and reserves			
Called up share capital	13	131,487	131,487
Share premium account	14	87,891	87,891
Capital contribution	14	2,000	2,000
Other reserves	14	-	131
Profit and loss account	14	(196,948)	(197,801)
Total shareholders' funds	15	24,430	23,708

These financial statements were approved by the Board of Directors on 23 July 2009.

R Craine
Director



The accounting policies and notes on pages 10 to 14 form part of these financial statements.

Accounting policies

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

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under historical cost accounting rules.

The Company has taken advantage of the exemption under S228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements. The Company is exempt from preparing a cash flow statement in accordance with Financial Reporting Standard 1 (revised 1996) as the ultimate parent company Swiss Reinsurance Company, prepares a consolidated cash flow statement in which the results of the company are included. In addition, advantage has been taken of the exemption available under Financial Reporting Standard 8, not to disclose details of transactions with other related companies due to the ultimate parent undertaking controlling more than 90% of the share capital.

Investments

Deposits with credit institutions are valued at the lower of cost and net realisable value. Investment income is included in the profit and loss account, on an accruals basis.

Taxation

Tax is charged on all profit and income earned to date less reliefs.

Provision is made for deferred tax assets and liabilities, using the liability method, on all material timing differences, including revaluation gains and losses on investments recognised in the profit and loss account. Deferred tax is calculated at the rates at which it is expected that the tax will arise and discounted to take into account the likely timing of payments and the pattern of the expected realisation of investments. Deferred tax is recognised in the profit and loss account for the period. Deferred tax assets are recognised where it is considered more likely than not, that there is expected to be adequate taxable income in the foreseeable future against which the deferred assets may be recovered.

Operating leases

For empty or sub-let properties any anticipated shortfall, between projected rent expense and income, is provided for in full at appropriate discount rates and the provision is released as this expense is incurred.

Investment in subsidiaries

The investment in subsidiaries held by the Company are stated at the Directors' valuation based on net asset value if it is the view of the Directors that the value of a subsidiary varies significantly from its cost.

Notes to the financial statements

1. Other operating income

Included within the other operating income there was a release of £1,200,000 (2007: £701,000 increase) from the property provision. This release was due to a surrender, one assignment and one reassessment of the properties held.

Operating lease rentals of £537,500 (2007: £888,000) have been charged against the property leases provision.

Auditors' remuneration

Audit fees of £10,000 (2007: £10,000) are borne by a parent undertaking.

2. Staff costs and director's emoluments

No staff are employed by the company other than the directors who are remunerated by a fellow subsidiary undertaking.

The directors received no emoluments for their services to the company (2007: £Nil)

3. Interest receivable and similar income

	2008 £000	2007 £000
Interest on money market deposits	170	223
Interest receivable on inter group loan	-	645
	<u>170</u>	<u>868</u>

4. Interest payable and similar charges

	2008 £000	2007 £000
Interest payable on inter group loan	-	(110)
Write back of interest accrual	-	311
	<u>-</u>	<u>201</u>

5. Taxation

(a) Tax charge

	2008 £000	2007 £000
UK corporation tax	-	55
Current tax credit	314	-
Total tax charge	<u>314</u>	<u>55</u>

Notes to the financial statements (continued)

(b) Factors affecting tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK 28.5% (2007: 30%). The differences are explained below:

	2008 £000	2007 £000
Profit/(loss) on ordinary activities before tax	1,167	(177,241)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.5% (2007: 30%)	333	(53,172)
Effects of:		
Amounts written off investments	(19)	55,772
Other income not taxable	-	(2,600)
Expenses not deductible	-	55
Current tax charge for year	314	55

6. Shares in group undertakings

	2008 £000	2007 £000
Net asset value		
At 1 January	3,000	190,486
Capital contribution	-	5,100
Disposal in year	-	(6,681)
Impairment	-	(185,905)
Revaluation during period	66	-
At 31 December	3,066	3,000

7. Amounts owed by group undertaking

	2008 £000	2007 £000
Amounts owed by group undertakings	23,236	9,048

Amounts owed by group undertakings comprise of one unsecured loan to Admin Re UK Limited (formerly Life Assurance Holding Company Limited), a fellow group undertaking, totalling £13,464,550. This is a non interest bearing loan and has no fixed date of repayment.

Notes to the financial statements (continued)

8. Debtors	2008	2007
	£000	£000
Other debtors	-	400
	<hr/>	<hr/>
9. Creditors	2008	2007
	£000	£000
Corporation Tax	-	400
Other creditors	125	-
	<hr/>	<hr/>
	125	400
	<hr/>	<hr/>
10. Amounts owed to group undertakings	2008	2007
	£000	£000
Amounts falling due within one year	1,552	687
Amounts falling due after more than one year	-	1,557
	<hr/>	<hr/>
	1,552	2,244
	<hr/>	<hr/>
11. Provisions for other risks and charges	2008	2007
	£000	£000
Vacated premises		
At 1 January 2008	2,073	3,508
Movement in provision for the year	(1,200)	(547)
Amounts utilised	(679)	(888)
	<hr/>	<hr/>
At 31 December 2008	194	2,073
	<hr/>	<hr/>

The property provision relates to the estimated net cost of carrying empty leased properties during the time until they reach a break point in the lease or are expected to be sub-let. The timing and amount depends on the property and the circumstances of any lease. All provisions are discounted at 2.56% (2007: 4.47%).

12. Annual operating lease commitments

	Land and buildings	Land and buildings
	2008	2007
	£000	£000
Operating leases which expire:		
- between two and five years	400	400
	<hr/>	<hr/>
	400	400
	<hr/>	<hr/>

Against the liabilities for land and building leases there are sub-leases for which there is contracted rent receivable of £726,962 (2007: £741,134).

Notes to the financial statements (continued)

13. Share capital

	2008 Number 000	2008 £000	2007 Number 000	2007 £000
Authorised				
'A' Ordinary share of £1 each	130,487	130,487	130,487	130,487
'B' Ordinary shares of £1 each	15,370	15,370	15,370	15,370
	<u>145,857</u>	<u>145,857</u>	<u>145,857</u>	<u>145,857</u>
Allotted, called up and fully paid				
'A' Ordinary share of £1 each	130,487	130,487	130,487	130,487
'B' Ordinary shares of £1 each	1,000	1,000	1,000	1,000
	<u>131,487</u>	<u>131,487</u>	<u>131,487</u>	<u>131,487</u>

"A" Ordinary share and "B" Ordinary shares rank pari passu for the payment of dividends, return of assets on a winding up and on a conversion. Both classes of share have identical voting rights.

14. Reserves

	Called Up share capital £000	Share premium £000	Capital contribution £000	Other reserves £000	Profit and loss account £000
At 1 January 2008	131,487	87,891	2,000	131	(197,801)
Retained profit for the year				(131)	853
At 31 December 2008	<u>131,487</u>	<u>87,891</u>	<u>2,000</u>	<u>-</u>	<u>(196,948)</u>

15. Reconciliation of movement in shareholders' funds

	2008 £000	2007 £000
Opening shareholders' funds	23,708	199,004
Result for the financial year	853	(177,296)
Capital contribution	-	2,000
Reserve transfer to P&L	(131)	-
Closing shareholders' funds	<u>24,430</u>	<u>23,708</u>

16. Immediate and ultimate parent undertaking

The immediate parent company is Swiss Re GB Plc, incorporated in England and Wales.

The smallest and largest group in which the results of the Company are consolidated is that of Swiss Reinsurance Company Ltd which is the parent company. The consolidated accounts of Swiss Reinsurance Company may be obtained from its registered office at Mythenquai 50/60, PO Box 8022, Zurich, Switzerland.