

**NM Insurance Holdings Limited**  
**Annual report and financial statements for the year ended**  
**31 December 2011**

TUESDAY



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# **NM INSURANCE HOLDINGS LIMITED**

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# **NM INSURANCE HOLDINGS LIMITED**

## **COMPANY INFORMATION**

**Director at 31 December 2011**

R Craine

**Company Secretary**

P Shakespeare

**Registered Office**

Windsor House

Telford Centre

Telford

Shropshire

TF3 4NB

**Solicitors**

Wragge & Co, Birmingham

**Bankers**

Barclays Bank Plc

**Independent Auditors**

PricewaterhouseCoopers LLP

Chartered Accountants & Statutory auditors

7 More London Riverside

London

SE1 2RT

**Company Registration Number**

2221244

# **NM INSURANCE HOLDINGS LIMITED**

(registered number 2221244)

## **DIRECTOR'S REPORT**

The director presents the annual report and the audited financial statements of NM Insurance Holdings Limited for the year ended 31 December 2011

### **Principal activities**

The principal activity of the Company is a holding Company for NM Pensions Limited

### **Future outlook**

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

The Company is a direct subsidiary of Admin Re UK Limited which is part of the Swiss Re Group, a worldwide reinsurance and financial services group, of which Swiss Re Limited is the ultimate parent

### **Results**

The results for the year ended 31 December 2011, are shown in the financial statements on pages 8 to 14

### **Key Performance Indicators**

Given the straightforward nature of the business, the company's director is of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business

### **Directors**

The director of the Company who was in office during the year and up to the date of signing the financial statements is listed on page 3

### **Statement of director's responsibilities**

The director is responsible for preparing the director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to

- select suitable accounting policies and then apply them consistently,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

# **NM INSURANCE HOLDINGS LIMITED**

(registered number 2221244)

## **DIRECTOR'S REPORT (continued)**

### **Statement of director's responsibilities (continued)**

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

### **Disclosure of information to auditors**

The director confirms that the financial statements comply with the above requirements and also confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as director in order to make

### **Independent 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.

### **Director's Report exemptions**

This report has been prepared in accordance with Section 415A(2) of the Companies Act 2006, entitling the Company to the small companies' exemption.

By order of the Board



**R Craine**  
**Director**  
**11 May 2012**

# **NM INSURANCE HOLDINGS LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NM INSURANCE HOLDINGS LIMITED**

We have audited the financial statements of NM Insurance Holdings Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet, Accounting Policies 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 Director's Responsibilities Statement set out on page 4 and 5, 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 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 annual 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 2011 and of its profit 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

# **NM INSURANCE HOLDINGS LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NM INSURANCE HOLDINGS LIMITED (continued)**

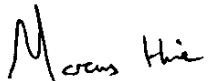
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Director's 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



Marcus Hine (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
11 May 2012

# **NM INSURANCE HOLDINGS LIMITED**

## **PROFIT AND LOSS ACCOUNT**

**For the year ended 31 December 2011**

	<b>Notes</b>	<b>2011 £000</b>	<b>2010 £000</b>
Administrative expenses	<b>1</b>	<b>146</b>	<b>(965)</b>
Profit/(Loss) on ordinary activities before taxation		<b>146</b>	<b>(965)</b>
Tax on profit/(loss) on ordinary activities	<b>3</b>	<b>(108)</b>	<b>242</b>
Profit for the financial year	<b>11</b>	<b>38</b>	<b>(723)</b>

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.



# NM INSURANCE HOLDINGS LIMITED

## BALANCE SHEET

As at 31 December 2011

	Notes	2011 £000	2010 £000
<b>Fixed assets</b>			
Shares in group undertakings	4	3,062	3,069
<b>Current assets</b>			
Amounts owed by group undertakings	5	24,585	24,189
Other debtors	5	307	284
<b>Total current assets</b>		24,892	24,473
<b>Creditors amounts falling due within one year</b>			
Amounts owed to group undertakings	6	(3,787)	(3,181)
<b>Net current assets</b>		21,105	21,292
<b>Total assets less current liabilities</b>		24,167	24,361
<b>Provisions for other risks and charges</b>	7	(810)	(1,042)
<b>Total net assets</b>		<b>23,357</b>	<b>23,319</b>
<b>Capital and reserves</b>			
Called up share capital	9	131,487	131,487
Share premium account	10	87,891	87,891
Capital contribution	10	2,000	2,000
Profit and loss account	10	(198,021)	(198,059)
<b>Total shareholders' funds</b>	11	<b>23,357</b>	<b>23,319</b>

The financial statements were approved by the Director on 11 May 2012 and signed on behalf by



R Craine  
Director

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

# **NM INSURANCE HOLDINGS LIMITED**

## **ACCOUNTING POLICIES**

**For the year ended 31 December 2011**

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 on a going concern basis in accordance with the Companies Act 2006 and applicable accounting standards

The Company has taken advantage of the exemption under S401 of the Companies Act 2006 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 Re Limited, 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 as it is a wholly owned subsidiary.

### **Taxation**

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

### **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**

Investments in group undertakings are valued at cost, unless their value has been impaired, in which case they are valued at net realisable value which is based on the director valuation.

# NM INSURANCE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 December 2011

### 1 Administrative expenses

Included within the administrative expenses is a credit of £139,950 arising from a release in the onerous property provision (2010 charge of £898,000) This was due to a reassessment of the property held

Operating lease rentals of £500,000 (2010 £500,000) have been charged against the property leases provision

#### Auditors' remuneration

Audit fees of £2,000 (2010 £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 director who is remunerated by a fellow subsidiary undertaking

The director received no emoluments for his services to the company (2010 £Nil)

### 3 Tax on profit/(loss) on ordinary activities

#### (a) Tax charge

	2011 £000	2010 £000
Current tax charge/(credit)	108	(242)
Adjustments relating to prior years	-	-
Total tax charge/(credit)	108	(242)

#### (b) Factors affecting current tax charge

The tax assessed for the period is higher (2010 higher) than the standard rate of corporation tax in the UK of 26.5% (2010 28%) The differences are explained below

	2011 £000	2010 £000
Profit/(Loss) on ordinary activities before tax	146	(965)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.5% (2010 28%)	38	(270)
Effects of		
Imputed Interest on interest free loan	68	28
Expenses not deductible	2	-
Current tax charge/(credit) for year	108	(242)

# NM INSURANCE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For year ended 31 December 2011

### 3 Tax on profit/(loss) on ordinary activities (continued)

#### (c) Factors affecting future tax charge

During the year, the UK main corporation tax rate effective from 1 April 2011 changed from 28% to 26.5%

A corporation tax rate of 27% was due to come into force on 1 April 2011, however, further reductions in the rate were announced in the March 2011 Budget and the changes for the years commencing 1 April 2011 (reducing the rate by a further 1% to 26%) and 1 April 2012 (reducing the rate to 25%) were substantively enacted by a resolution of Parliament on 29 March 2011 and 1 April 2012 (reducing the rate to 25%) was substantively enacted by a resolution of Parliament on 5 July 2011. The March 2012 budget announced a further 1% reduction in the corporation tax rate for the year commencing 1 April 2012, reducing the rate to 24%. This further reduction has not yet been substantively enacted. Further changes, which are expected to be enacted separately each year, propose to reduce the rate to 23% and 22% for the years commencing 1 April 2013 and 1 April 2014 respectively. These changes had not been substantively enacted at the balance sheet date and therefore are not recognised in these financial statements. The impact of these changes on future periods will be dependent on the level of taxable profits in those periods.

### 4 Shares in group undertakings

	2011 £000	2010 £000
<b>Net asset value</b>		
At 1 January	3,069	3,069
Movement in group undertakings	(7)	-
At 31 December	3,062	3,069

### 5 Debtors

	2011 £000	2010 £000
Amounts owed by group undertakings	24,585	24,189
Corporation tax debtor	167	276
Other Debtors	140	8
	24,892	24,473

Amounts owed by group undertakings include one unsecured loan to Admin Re UK Limited, a fellow group undertaking, totalling £13,464,550. This is a non interest bearing loan and has no fixed date of repayment.

### 6 Creditors amounts falling due within one year

	2011 £000	2010 £000
Amounts owed to group undertakings	3,787	3,181
	3,787	3,181

# NM INSURANCE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For year ended 31 December 2011

### 7 Provisions for other risks and charges

	2011	2010
	£000	£000
Vacated premises		
At 1 January	1,042	83
Movement in provision for the year	(158)	895
Amounts utilised	(74)	64
At 31 December	810	1,042

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 1.04% (2010: 2.31%).

### 8 Annual operating lease commitments

	Land and buildings	Land and buildings
	2011	2010
	£000	£000
Operating leases which expire		
- between two and five years	500	500
	500	500

Against the liabilities for land and building leases there are sub-leases for which there is contracted rent receivable of £423,000 (2010: £282,000).

### 9 Called up share capital

	2011 Number 000	2011 £000	2010 Number 000	2010 £000
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
	131,487	131,487	131,487	131,487

"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.

### 10 Reserves

	Called Up share capital £000	Share premium £000	Capital contribution £000	Profit and loss account £000	Total £000
1 January 2011	131,487	87,891	2,000	(198,059)	23,319
Retained profit for the year	-	-	-	38	38
31 December 2011	131,487	87,891	2,000	(198,021)	23,357

# NM INSURANCE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For year ended 31 December 2011

### 11 Reconciliation of movement in shareholders' funds

	2011 £000	2010 £000
Opening shareholders' funds	23,319	24,042
Result for the financial year	38	(723)
Closing shareholders' funds	<u>23,357</u>	<u>23,319</u>

### 12 Immediate and ultimate parent undertaking

The company's immediate parent undertaking is Admin Re UK Limited, registered in England and Wales

The parent undertaking of the smallest and largest group of undertakings for which Group consolidated accounts are drawn up and the ultimate parent company is Swiss Re Limited

Accounts of the ultimate parent company may be obtained by applying to the Company Secretary at the following address

Mythenquai 50/60  
P O Box 8022  
Zurich  
Switzerland