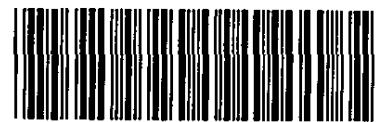


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**NM Insurance Holdings Limited**  
**Annual report and financial statements for the year ended**  
**31 December 2013**

Company Registration No 2221244

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## Directors and officers

### **Directors**

Michael Woodcock

### **Company Secretary**

Paul Shakespeare

### **Registered Office**

Windsor House

Telford Centre

Telford

Shropshire

TF3 4NB

### **Company Registration Number**

2221244

## Director's report for the year ended 31 December 2013

The director presents the annual report together with the audited financial statements of the company for the year ended 31 December 2013

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

### Principal activities and future outlook

During the year amounts owed to this company by group undertakings have been written-off to the profit and loss account and amounts owed by this company to group undertakings have been forgiven and recognised as income in the profit and loss account. The company's investments in group undertakings were transferred to Admin Re UK Limited during the year and the amount due subsequently written-off to the profit and loss account.

There is no other trade in the company and it is intended that the company will be dissolved and struck off from the company register.

The company is a subsidiary of Admin Re UK Limited (ARUK) which is part of the Swiss Re group, a worldwide reinsurance and financial services group, of which Swiss Re Limited is the ultimate parent company.

### Results

The results for the year are set out on page 7. The loss for the financial year is £23,641,000 (2012 profit £130,000).

The net liabilities of the company at 31 December 2013 are £154,000 (2012 net assets £23,487,000).

The director does not recommend the payment of a dividend (2012 £nil).

### Going concern

The director believes that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of its immediate parent company ARUK. The director has received confirmation that ARUK intends to support the company for at least one year after these financial statements are signed.

### Director

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 2.

### Director's responsibilities statement

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 the year. In preparing these financial statements, the director is 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.

## Director's report for the year ended 31 December 2013 (continued)

### Director's responsibilities statement (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.

### Qualifying third party indemnity provisions

The company's director is covered by the Swiss Re Limited indemnity provision policy, which was in force during the financial year and at the date of signing the financial statements. This indemnifies directors in respect of payments, as well as any costs associated with legal proceedings brought by third parties. Any director who serves or served for the company is covered to the fullest extent permitted by law and stated in the certificate of incorporation, articles of association, by-laws and other similar constituent documents of the company. Swiss Re Limited unconditionally guarantees payment of such sums by the company.

### Auditors

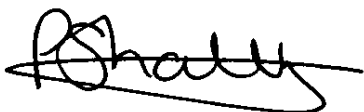
The director confirms that the financial statements comply with the above requirements and also confirms that

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

PricewaterhouseCoopers LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

### Approval

This report was approved by the Board of Directors on 9 June 2014 and signed on its behalf by



Paul Shakespeare  
Company Secretary  
9 June 2014

# Independent auditors' report to the members of NM Insurance Holdings Limited

## Reports on the financial statements

### Our Opinion

In our opinion the financial statements, defined below

- give a true and fair view of the state of the company's affairs as at 31 December 2013 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

This opinion is to be read in the context of what we say in the remainder of this report

### What we have audited

The financial statements, which are prepared by NM Insurance Holdings Limited, comprise

- the profit and loss account for the year then ended,
- the balance sheet as at 31 December 2013, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information

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)

In applying the financial reporting framework, the director has made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, he has made assumptions and considered future events.

### What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 director, and
- the overall presentation of the financial statements

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### 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.

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

## Other matters on which we are required to report by exception

### Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion

- we have not received all the information and explanations we require for our audit, or
- 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

We have no exceptions to report arising from this responsibility

### Director's remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of director's remuneration specified by law are not made. We have no exceptions to report arising from this responsibility

### Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the director was not entitled to take advantage of the small companies' exemption in preparing the Director's Report and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility

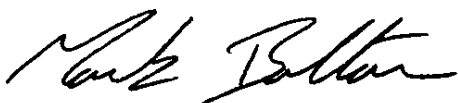
## Responsibilities for the financial statements and the audit

### Our responsibilities and those of the director

As explained more fully in the Director's Responsibilities Statement set out on page 3, the director is 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 ISAs (UK & 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.



Mark Bolton (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
10 June 2014

## Profit and loss account

For the year ended 31 December 2013

	Notes	2013 £000	2012 £000
Administrative expenses	3	(23,601)	362
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(23,601)</b>	<b>362</b>
Tax on (loss)/profit on ordinary activities	5	(40)	(232)
<b>(Loss)/profit for the financial year</b>	11	<b>(23,641)</b>	<b>130</b>

There is no material 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 company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of recognised gains and losses has been presented

All results derive from discontinued operations



## Balance sheet

As at 31 December 2013	Notes	2013 £000	2012 £000
<b>Fixed assets</b>			
Shares in group undertakings	6	-	6,123
		-	6,123
<b>Current assets</b>			
Debtors	7	-	25,254
<b>Creditors amounts falling due within one year</b>	8	(154)	(7,861)
<b>Net current (liabilities)/assets</b>		<b>(154)</b>	<b>17,393</b>
<b>Total assets less current liabilities</b>		<b>(154)</b>	<b>23,516</b>
Provisions for liabilities	9	-	(29)
<b>Net (liabilities)/assets</b>		<b>(154)</b>	<b>23,487</b>
<b>Capital and reserves</b>			
Called up share capital	10	131,487	131,487
Share premium account	11	87,891	87,891
Capital contribution	11	2,000	2,000
Profit and loss account	11	(221,532)	(197,891)
<b>Total shareholders' (deficit)/funds</b>	12	<b>(154)</b>	<b>23,487</b>

The financial statements, on pages 7 to 12, of NM Insurance Holdings Limited (registered number 2221244) were approved by the director and authorised for issue on 9 June 2014



Michael Woodcock  
Director  
9 June 2014

# Notes to the financial statements for the year ended 31 December 2013

## 1 Accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the year and preceding year.

### a) Basis of presentation

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The company is a wholly-owned subsidiary of ARUK and is included in the consolidated financial statements of Swiss Re Limited which are publicly available.

The company is exempt from preparing a cash flow statement in accordance with Financial Reporting Standard 1 (revised 1996) 'Cash flow statements', 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 'Related party disclosures', not to disclose details of transactions with other group companies as the company is a wholly owned subsidiary.

The director believes that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of its immediate parent company ARUK. The director has received confirmation that ARUK intends to support the company for at least one year after these financial statements are signed.

### b) Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

### c) Shares in group undertakings

Shares in group undertakings are accounted for under the historical cost convention. At each balance sheet date, the company performs an assessment of the estimated realisable value of each investment in a subsidiary. Where the estimated realisable value is less than the carrying value, the investment is impaired.

The impairment, which is calculated as the difference between the carrying value and the estimated realisable value, is charged to the profit and loss account. Where an investment in a subsidiary has previously been impaired and a subsequent estimation of that investment's realisable value is higher than the impaired carrying value, the previous impairment is reversed through the profit and loss account. The maximum value for this is that of the original historical cost.

## 2 Auditors' remuneration

Audit fees of £2,000 (2012: £2,000) are borne by a fellow subsidiary undertaking.

## 3 Administrative expenses

	2013 £000	2012 £000
Amounts owed for transfer of shares in group undertakings (note 6)	(6,123)	-
Amounts owed by group undertakings written-off (note 7)	(25,260)	-
Amounts owed to group undertakings forgiven (note 8)	7,781	-
Release of property provision (note 9)	1	374
Other expenses	-	(12)
	<u>(23,601)</u>	<u>362</u>

## Notes to the financial statements for the year ended 31 December 2013 (continued)

### 4 Staff costs and director's remuneration

No staff are employed by the company. The director received no remuneration for his services to the company (2012: £nil).

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

a) Analysis of charge in year	2013 £000	2012 £000
UK corporation tax on (loss)/profit of the year	(40)	(187)
Adjustments in respect of prior years	-	(45)
<b>Total current tax charge</b>	<b>(40)</b>	<b>(232)</b>

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

The tax assessed for the year is higher (2012: higher) than the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%). The differences are explained below:

	2013 £000	2012 £000
(Loss)/profit on ordinary activities before taxation	(23,601)	362
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012: 24.5%)	(5,487)	88
Effects of:		
Connected party loan relationship adjustments	40	99
Intercompany loan write-offs	5,487	-
Adjustments in respect of prior years	-	45
<b>Current tax charge for year</b>	<b>40</b>	<b>232</b>

#### c) Factors affecting future tax charges

During the year, the UK main corporation tax rate effective from 1 April 2013 changed from 24% to 23%.

The December 2012 "Autumn Statement" announced a 2% reduction in the corporation tax rate for the year commencing 1 April 2014, reducing the rate to 21%. A further reduction of 1% (reducing the rate to 20%) for the year commencing 1 April 2015, was announced in the March 2013 Budget. These reductions were substantively enacted by a resolution of Parliament on 2 July 2013.

# Notes to the financial statements for the year ended 31 December 2013 (continued)

## 6 Shares in group undertakings

	2013 £000	2012 £000
<b>Cost</b>		
At 1 January	6,123	3,062
Additions (i)	-	3,061
Disposals (ii)	(6,123)	-
At 31 December	-	<b>6,123</b>

(i) During 2012 the holding of NM Life Group Limited in NM Life Limited and NM Trustees Limited were transferred at cost to the company

(ii) During the year the company's 100% holding in NM Pensions Limited, NM Life Limited and NM Life Trustees Limited were transferred at cost to Admin Re UK Limited. The amount due was subsequently written off to the profit and loss account (note 3)

## 7 Debtors

	2013 £000	2012 £000
Amounts owed from group undertakings	-	25,245
Other debtors	-	9
	-	<b>25,254</b>

## 8 Creditors amounts falling due within one year

	2013 £000	2012 £000
Amounts owed to group undertakings	-	7,637
Taxation and social security	154	114
Other creditors	-	110
	<b>154</b>	<b>7,861</b>

## 9 Provisions for liabilities

	2013 £000	2012 £000
<b>Property leases</b>		
At 1 January	29	810
Released during year	(1)	(374)
Utilised during year	(28)	(407)
At 31 December	-	<b>29</b>

The lease for the last remaining property was surrendered in December 2012. Operating lease rentals of £nil (2012 £375,000) have been charged against the property leases provision.

# Notes to the financial statements for the year ended 31 December 2013 (continued)

## 10 Called up share capital

	2013 £000	2012 £000
<b>Allotted, called up and fully paid</b>		
131,486,852 ordinary shares of £1 each	131,487	-
130,486,851 "A" ordinary shares of £1 each	-	130,487
1,000,001 "B" ordinary shares of £1 each	-	1,000
	<b>131,487</b>	<b>131,487</b>

On 24 June 2013 the "A" and "B" ordinary shares were converted into ordinary shares of £1

## 11 Reserves

	Share premium account £000	Capital contribution £000	Profit and loss account £000	Total £000
At 1 January 2013	87,891	2,000	(197,891)	(108,000)
Loss for the financial year	-	-	(23,641)	(23,641)
At 31 December 2013	<b>87,891</b>	<b>2,000</b>	<b>(221,532)</b>	<b>(131,641)</b>

## 12 Reconciliation of movements in shareholders' (deficit)/funds

	2013 £000	2012 £000
Opening shareholders' funds at 1 January	23,487	23,357
(Loss)/profit for the financial year	(23,641)	130
Closing shareholders' (deficit)/funds at 31 December	<b>(154)</b>	<b>23,487</b>

## 13 Immediate and ultimate parent undertaking

The smallest and largest group in which the results of the company are consolidated is that of which Swiss Re Limited is the ultimate parent undertaking

The consolidated financial statements of Swiss Re Limited, the ultimate and controlling parent company, may be obtained from its registered office at Mythenquai 50/60, PO Box 8022, Zurich,

The immediate parent company is Admin Re UK Limited