

NM Life Group Limited

Annual report and financial statements 2009



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Company information

Director at 31 December 2009

R Craine

J J Yates (resigned 18 Sep 2009)

Secretary

P Shakespeare

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

2863565

NM Life Group Limited

(registered number 2863565)

Director's report

The Director present the annual report and the audited financial statements of NM Life Group Limited for the year ended 31 December 2009

Business review and principal activities

The principal activity of the Company is a holding Company for NM Life Limited and NM Life Trustees Limited

On 31 December 2009 following a group restructure, ownership of the Company transferred from Swiss Re GB Plc (SRGB) to Admin Re UK Limited and the net liabilities of the Company on transfer were £545,000

Future outlook

The company will continue to be a holding Company for its remaining subsidiaries. The Director believes that the Company continues to be a going concern as Admin Re UK Limited has undertaken to provide support for the foreseeable future to enable the Company to meet its obligations as they fall due

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

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

Results

The results for the year ended 31 December 2009, are shown in the financial statements on pages 8 to 14. The Director does not recommend payment of a dividend (2008 £Nil)

Directors and Directors' interests

The name of the Directors who served during the year up to 31 December 2009 are listed on page 3

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

NM Life Group Limited

(registered number 2863565)

Directors' report

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 elected to prepare 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 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 director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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 them 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.

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 himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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



11 June 2010

Independent auditors' report to the members of NM Life Group Limited

We have audited the financial statements of NM Life Group Limited for the year ended 31 December 2009 which comprise the profit and loss account, the balance sheet, the accounting policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 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.

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 2009 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

Independent auditors' report to the members of NM Life Group Limited

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 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



Gordon Ireland (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
11 June 2010

Profit and loss account

For the year ended 31 December 2009

	Notes	2009 £000	2008 £000
Administrative expenses		-	(28)
Interest receivable and similar income	3	2	87
Reversal of amounts previously written off investments	5	<u>3</u>	<u>66</u>
Profit on ordinary activities before taxation		5	125
Tax on profit on ordinary activities	4	-	4
		<u> </u>	<u> </u>
Profit for the financial year	9	<u>5</u>	<u>129</u>

All transactions arise from continuing operations

There are no recognised gains or losses other than the loss 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

As at 31 December 2009

	Notes	2009 £000	2008 £000
Fixed Assets			
Investments in subsidiary undertakings	5	3,069	3,066
Current assets			
Debtors	6	5,435	5,437
Cash at bank and in hand		4	-
Total current assets		5,439	5,437
Creditors			
Other creditors including tax & social security	7	(9,048)	(9,048)
Total current liabilities		(9,048)	(9,048)
Net current liabilities		(3,609)	(3,611)
Total net liabilities		(540)	(545)
Capital and reserves			
Called up share capital	8	149,704	149,704
Capital contribution	9	1,100	1,100
Profit and loss account	9	(151,344)	(151,349)
Total shareholders' deficit	10	(540)	(545)

The financial statements were approved by the Board of Directors on 11 June 2010 and signed on behalf by

R Craine
Director



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

Accounting policies for the year ending 31 December 2009

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 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 as it is a wholly owned subsidiary.

Changes in accounting policies

The Companies Act 2006 is fully implemented in the financial statements this year and its requirements replace the equivalent regulations set out in Companies Act 1985.

An amendment to FRS 8 'Related party transactions' is applicable for this accounting period. The definition of related party has been amended to be consistent with IAS 24.

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.

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 for year ending 31 December 2009

1. Auditors' remuneration

Audit fees of £10,000 (2008 £10,000) are borne by a parent undertaking

2. Staff costs and directors' 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 (2008 £Nil)

3. Interest receivable and similar income

	2009 £000	2008 £000
Interest receivable on intercompany balances	2	87

4. Tax on profit on ordinary activities

(a) Tax charge

	2009 £000	2008 £000
UK corporation tax	-	(4)
Total tax credit	-	(4)

Notes to the financial statements for year ending 31 December 2009 (continued)

4. Tax on profit on ordinary activities (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% (2008 28.5%). The differences are explained below

	2009 £000	2008 £000
Profit/(loss) on ordinary activities before tax	5	125
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008: 28.5%)	1	36
Effects of:		
Impairment of investments in group undertakings	-	(19)
Imputed Interest on interest free loan	12	-
Unrelieved losses utilised	(13)	(25)
Disallowed expenses	-	8
Prior year adjustment	-	(4)
Current tax credit for year	-	(4)

(c) Deferred tax

Potential deferred tax assets of £659,000 (2008 £672,003) relating to non-trade losses have not been recognised

5 Investments in subsidiary undertaking

	2009 £000	2008 £000
Net asset value		
At 1 January	3,066	3,000
Revaluation during period	3	66
At 31 December	3,069	3,066

Notes to the financial statements for year ending 31 December 2009 (continued)

6. Debtors

	2009 £000	2008 £000
Amounts owed by other group undertakings	5,435	5,437

Amounts owed by group undertakings is comprised primarily of

- an unsecured loans to Admin Re UK Limited, a fellow group undertaking, totalling £4,767,123. This is a non interest bearing loan
- a £649,605 (2008 £649,605) contingent loan made to National Mutual Life Assurance Society. The loan is repayable when National Mutual Life Assurance Society is de-registered. The contingent loan debtor is subject to prevailing market rates of interest.

7. Creditors

	2009 £000	2008 £000
Amounts falling due within one year	9,048	9,048

8. Called up share capital

	2009 Number £000	2009 £000	2008 Number £000	2008 £000
Authorised Ordinary share of £1 each	152,646	152,646	152,646	152,646
Allotted, called up and fully paid Ordinary share of £1 each	149,704	149,704	149,704	149,704

9. Reserves

	Capital contribution £000	Profit and loss account £000
At 1 January 2009	1,100	(151,349)
Retained profit for the year	-	5
As at 31 December 2009	1,100	(151,344)

Notes to the financial statements for year ending 31 December 2009 (continued)

10. Total shareholders' deficit

	2009 £000	2008 £000
Opening shareholders' deficit	(545)	(674)
Result for the financial year	5	129
Closing shareholders' deficit	<u>(540)</u>	<u>(545)</u>

11. Related party transactions

The company has made use of the exemption under the Financial Reporting Standard 8 from reporting on transactions with any of its group companies

12. Immediate and ultimate parent undertaking

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

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