

Report and Financial Statements

Nirvana Risk Partners LLP

31 December 2017

Registered Number: OC415313

THURSDAY

L7FC7H6Z

LD7 27/09/2018 #258

COMPANIES HOUSE

Nirvana Risk Partners LLP

31 December 2017

CONTENTS:

MEMBERS AND ADMINISTRATION....3
MEMBERS' REPORT....4
STRATEGIC REPORT....5
STATEMENT OF MEMBERS' RESPONSIBILITIES....7
INDEPENDENT AUDITOR'S REPORT....8
INCOME STATEMENT....11
STATEMENT OF CHANGES IN MEMBERS' INTERESTS....12
STATEMENT OF FINANCIAL POSITION....13
NOTES TO THE FINANCIAL STATEMENTS....14

MEMBERS AND ADMINISTRATION

Designated Members:	Castel Underwriting Agencies Limited R M Jones
Registered Auditor:	Ernst & Young LLP 25 Churchill Place Canary Wharf London E14 5EY
Registered Office:	33 Gracechurch Street London EC3V 0BT
Registered Number:	OC415313

MEMBERS' REPORT

The Members present their Annual Report and Financial Statements of Nirvana Risk Partners LLP ("the LLP") (Registration Number OC415313) for the period from 4 January 2017 to 31 December 2017.

Members

The Members of the LLP during the period were as follows:

	Appointed	Resigned
Castel Underwriting Agencies Limited	22 March 2017	
R M Jones	22 March 2017	
M Birrell	4 January 2017	22 March 2017
R J Hill	4 January 2017	22 March 2017

The LLP was incorporated as Castel Risk Partners (No.1) LLP on 4 January 2017 and changed its name to Nirvana Risk Partners LLP on 8 April 2017.

Political and Charitable Donations

The LLP made no political or charitable donations during the period.

Auditors

Ernst & Young LLP have been appointed as auditor and will be proposed for reappointment.

Going Concern

The Members are satisfied that the LLP remains a going concern due to a drawdown facility provided by Castel Underwriting Agencies Limited ("Castel") and have prepared the accounts on this basis.

Disclosure of Information to the Auditors

So far as each Member, who was a Member of the LLP at the date of approving this Report, is aware, there is no relevant audit information, being information needed by the auditor in connection with its Report, of which the auditor is unaware. Having made enquiries of fellow Members and the LLP's auditor, each Member has taken all the steps that he is obliged to take as a Member in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the Members

M V Birrell
For and on behalf of
Castel Underwriting Agencies Limited
Designated Member of Nirvana Risk Partners LLP
21 September 2018

STRATEGIC REPORT

Principal Activity and Review of the Business

The principal activity of the LLP during the period was as a provider of underwriting personnel to Castel on a seconded basis. The LLP is remunerated by Castel by way of a secondment fee.

Result

The result for the period from 4 January 2017 to 31 December 2017 was a loss before Members' remuneration of £327,774 and a loss of £472,149 after Members' remuneration.

Members' Capital and Interests

Details of changes in Members' capital in for the period from 4 January 2017 to 31 December 2017 are set out in the Statement of Changes in Members' Interests.

Individual Members are eligible to receive fixed drawings from the LLP. The LLP has set these fixed drawings based on forecast activity such that all obligations of the LLP can be met as they fall due. Members' drawings of £144,375 have been charged as an expense for the period from 4 January 2017 to 31 December 2017 as disclosed in the Income Statement.

As at 31 December 2017 the LLP had 1 individual member.

The LLP agreement states that the LLP and the Members may not call for the Members to contribute any capital on the insolvency of the LLP.

Business Review

The LLP provides staff to Castel who underwrite Cyber, Media, Technology, Film and TV liability.

Future Developments

It is intended that the LLP will continue in its present capacity in the coming year.

Principal Risks and Uncertainties

The principal risks and uncertainties of the LLP are as follows:

Operational Risk

This is the risk that errors or weaknesses caused by people, processes or systems lead to losses to the LLP. The Members seek to manage this risk through the use of detailed procedures manuals and a structured programme of testing processes and systems by internal audit. Business continuity and disaster recovery plans are in place and are regularly updated.

STRATEGIC REPORT (CONTINUED)

Group risk

Group risk is the possibility that the operation of one part of the Barbican Group ("the Group"), of which the LLP is a member, adversely affects another. Group risks include: negative publicity; inadequate communication within the organisation; undue influence from fellow subsidiaries, holding companies or stakeholders; financial pressures to make funds available to the group; and/or financial restraint leading to shortcomings in core activities.

The overall strategy is to minimise group risk by ensuring there are clear lines of authority and communication between related parties, and that any intra-group agreements are formed objectively and clearly understood by all parties.

Credit Risk

The key aspect of credit risk is the risk of default by one or more of the LLP's trading partners. The Members' policy is that the LLP will only conduct business with counterparties that fulfil the necessary criteria to pass a compliance and financial review.

Regulatory risk

The LLP is an unregulated corporate member and trading platform. Castel is required to comply with the requirements of the Financial Conduct Authority. Regulatory risk is the risk of regulatory intervention owing to a breach of regulatory requirements or failure to respond to regulatory change. The Group's Compliance Officer monitors regulatory developments and assesses the impact on partnership policy and processes.

Currency Risk

The LLP transacts foreign currency business and therefore has receipts and payments in various local currencies. The LLP is subject to currency exposure on the translation of profits and opening net assets but mitigates this risk by matching assets and liabilities by currency where possible.

Liquidity Risk

This is the risk that the LLP will not be able to meet its liabilities as they fall due. To mitigate this risk the Members' review cash flow projections regularly, and ensure that the LLP has sufficient headroom on its loan drawdown facility.

By order of the Members

M V Birrell
For and on behalf of
Castel Underwriting Agencies Limited
Designated Member of Nirvana Risk Partners LLP
21 September 2018

STATEMENT OF MEMBERS' RESPONSIBILITIES

The Members are responsible for preparing the Members' Report, Strategic Report and the LLP Financial Statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 require the Members to prepare the LLP Financial Statements for each financial year. Under that law the Members have elected to prepare the LLP Financial Statements in accordance with UK Accounting Standards and applicable laws (UK Generally Accepted Accounting Practice).

Under Regulation 8 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 the Members 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 LLP and of the profit or loss of the LLP for that period. In preparing these Financial Statements, the Members 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 LLP will continue in business.

Under Regulation 6 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the Members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that its Financial Statements comply with those regulations. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the LLP and to prevent and detect fraud and other irregularities.

The Members are responsible for the maintenance and integrity of the LLP and the financial information included on the LLP's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NIRVANA RISK PARTNERS LLP

We have audited the financial statements of Nirvana Risk Partners LLP for the period ended 31 December 2017 which comprise specify the titles of the primary statements such as the Income Statement, the Statement of Changes in Members' Interest, the Statement of Financial Position and the related notes 1 to 10, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the limited liability partnership's affairs as at 31 December 2017 and of its loss for the period 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the members use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the limited liability partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NIRVANA RISK PARTNERS LLP (CONTINUED)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The members are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the members' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and members' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the limited liability partnership and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or members' report.

We have nothing to report in respect of the following matters in relation to which 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 members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NIRVANA RISK PARTNERS LLP (CONTINUED)

Responsibilities of members

As explained more fully in the Members' Responsibilities Statement set out on page 7, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the limited liability partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the limited liability partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities.This description forms part of our auditor's report.

Use of our report

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the limited liability partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Benjamin Gregory (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
21 September 2018

INCOME STATEMENT

For the period ended 31 December 2017

	Notes	Period from 4 January 2017 to 31 December 2017 £
Turnover	3	48,099
Administrative expenses		(366,713)
Foreign exchange loss		(2,058)
Gross loss	4	(320,672)
Interest payable to group undertakings	7	(7,102)
Loss on ordinary activities before Members' remuneration		(327,774)
Members' remuneration charged as an expense	5	(144,375)
Loss for the period available for division among Members		(472,149)

All operations are continuing.

The notes on pages 14 to 17 form part of these Financial Statements, which were approved by the Members.

STATEMENT OF CHANGES IN MEMBERS' INTERESTS

As at 31 December 2017

	Amounts due from members	Total Members' interests
	£	£
At 4 January 2017	-	-
Loss for the period from 4 January 2017 to 31 December 2017	(472,149)	(472,149)
At 31 December 2017	(472,149)	(472,149)

STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

	Notes	Period from 4 January 2017 to 31 December 2017 £
Current assets		
Prepayments		3,333
		3,333
Creditors: amounts falling due within one year		
Accruals		(2,580)
		(2,580)
Net current assets		753
Creditors: amounts falling due after more than one year		
Amounts owed to group undertakings	7	(472,902)
Net liabilities		(472,149)
Represented by:		
Amounts due from Members		(472,149)
Total Members' Interests		(472,149)

The notes on pages 14 to 17 form part of these Financial Statements, which were approved and authorised for issue by the Members and signed on their behalf by M V Birrell.

M V Birrell
For and on behalf of
Castel Underwriting Agencies Limited
Designated Member of Nirvana Risk Partners LLP
21 September 2018

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of Preparation

The Financial Statements are prepared on a going concern basis, under the historical cost convention and in accordance with the applicable accounting standards and the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' ("the SORP").

The LLP's Financial Statements have been prepared in compliance with FRS 102 as it applies to the Financial Statements of the LLP for the period ended 31 December 2017.

The Financial Statements are prepared in sterling which is the presentation and functional currency of the LLP.

Disclosure exemptions

The Partnership has taken advantage of the disclosure exemption provided by paragraph 1.12 of FRS 102. Accordingly, these Financial Statements do not include the following:

- Statement of Cash Flows,
- Specific information relating to financial instruments that is included within equivalent disclosures for the Group, and
- Disclosure of key management personnel compensation.

The Partnership has been consolidated into the Group Financial Statements of Barbican Group Holdings Limited which provides further detail in respect of these areas.

Going Concern

The Members are satisfied that the LLP remains a going concern and have prepared the accounts on this basis. Notwithstanding the net liability position of the LLP at the reporting date, the Members believe it is appropriate to prepare the accounts on a going concern basis due to a £550k loan drawdown facility provided by Castel to the LLP. The loan is both disclosed and expected to be settled net of secondment fees and expenses.

2. Accounting Policies

Turnover

Turnover consists of secondment fees. All of the LLP's secondment fee income is derived from its activities providing personnel to perform underwriting services on behalf of Castel. Fee income written by secondees is recognised at the later of inception date and completion of placing the underlying risk with Castel.

Taxation

The taxation payable on the result of the LLP is the responsibility of the Members.

Pension

The Group operates a defined contribution pension scheme. Contributions are recognised in the Income Statement in the period in which they become payable in accordance with the rules of the scheme.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Foreign Exchange

Transactions in foreign currencies are recorded at the prevailing rate at the date of the transaction or at the contracted rate if the transaction is covered by a forward foreign currency contract. Monetary assets and liabilities denominated in foreign currencies are restated at the rate of exchange at the reporting date or if appropriate at the forward rate. Income and expenditure is converted at the average rate of exchange during the year. All differences on the translation of foreign currency amounts are dealt with in the Income Statement.

The Financial Statements are prepared in sterling which is the presentation and functional currency of the LLP.

Insurance Transactions

The LLP does not carry out or effect contracts of insurance. Individual members of the LLP transact insurance business on behalf of Castel. In recognition of this arrangement, no assets or liabilities from insurance transactions are included on the statement of financial position of the LLP, other than fees earned.

Financial Instruments

The LLP's financial instruments are initially recorded at cost and are carried at each reporting date at amortised cost.

Borrowings

Borrowings relate to a loan drawdown facility provided to the LLP from Castel.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if, and only if:

- There is a currently enforceable legal right to offset the recognised amounts; and
- There is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Members' Drawings

Individual Members are eligible to receive fixed drawings from the LLP and these are classified as member's remuneration charged as an expense. These drawings are expensed through the income statement.

All other drawings will be charged to the members' individual capital account

3. Turnover

	Period from 4 January 2017 to 31 December 2017
	£
Secondment fees	48,099

All business is carried out in the UK.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. Gross loss

Gross loss is stated after charging:

	Period from 4 January 2017 to 31 December 2017 £
Fee payable to the LLP's auditors for the audit of the Partnership	6,430

5. Members' Remuneration Charged as an Expense

	Period from 4 January 2017 to 31 December 2017 £
Members' Remuneration Charged as an Expense	144,375
Average number of members during the year	2

6. Staff costs

Staff costs are included within administrative expenses and are made up of the amounts below:

	Period from 4 January 2017 to 31 December 2017 £
Wages and salaries	170,994
Social security costs	23,386
Other pension costs	7,766
	202,146

The average number of employees during the year was made up as follows:

Underwriting	1

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Amounts owed to group undertakings

	Period from 4 January 2017 to 31 December 2017 £
Loan drawdown facility	472,902

The LLP entered into a contract with Castel for an unsecured £350k loan drawdown facility on 24 March 2017. The drawdown facility was increased during the year to £550k. All transactions with Barbican group companies are processed through the loan drawdown facility. The facility attracts interest at a fixed interest rate of 2% above the base rate of Barclays Bank plc and is due to be repaid by 31 March 2022. £7,102 of interest was charged in the period. The loan is both disclosed and expected to be settled net of secondment fees and expenses.

8. Related Parties

All items in the Income Statement result from transactions with other group undertakings and are therefore all related party transactions. Outstanding balances resulting from these transactions are disclosed in Note 7.

9. Controlling Company

The Members consider Castel to be the controlling member of the LLP. Castel is 85% owned by Barbican Holdings (UK) Limited, whose ultimate parent company is Barbican Group Holdings Limited. Barbican Group Holdings Limited, a company registered in Guernsey, is the controlling entity for the Barbican Insurance Group. The registered office for Barbican Group Holdings Limited is Level 5 Mill Court, La Charroterie, St Peter Port, Guernsey, GY1 1EJ and the consolidated accounts are available on request.

10. Ultimate Controlling Party

The Members consider the ultimate controlling party to be Carlson Capital L.P.