

# NMB Holdings LLP

Company Registration No OC339420

## Members' report and financial statements

For the year ended 31 March 2012



# NMB HOLDINGS LLP

## COMPANY INFORMATION

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### Members

G F Newman \*  
M B Beagley  
R J Benzies \*  
C D Bonard  
B R Buchan \*  
P Burnett  
A T Draycott  
R A W Haines  
A J Law \*  
M Lawson  
C J Rogers \*  
S R Pringle \*  
C M Sims \*  
M J Stephenson  
J K J Talbot  
J P Wylie (resigned 30 September 2011)  
Newman Martin and Buchan (1987) Limited \*

### \* Designated members

### Members of the Executive Committee

G F Newman (Chairman)  
R J Benzies  
B R Buchan  
A J Law  
S R Pringle  
C J Rogers  
C M Sims

### Company number

OC339420

### Registered office

NMB House  
17 Bevis Marks  
London EC3A 7LN

### Auditor

Mazars LLP  
Tower Bridge House  
St Katharine's Way  
London E1W 1DD

### Bankers

Barclays Bank PLC  
1 Churchill Place  
London EH14 5HP

The Royal Bank of Scotland PLC  
Shipping Business Centre  
5-10 Great Tower Street  
London EC3P 3HX

# **NMB HOLDINGS LLP**

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# NMB HOLDINGS LLP

## EXECUTIVE COMMITTEE'S REPORT FOR THE YEAR ENDED 31 MARCH 2012

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The Executive Committee presents its report to the members and the financial statements of NMB Holdings LLP ("the LLP") for the year ended 31 March 2012. The LLP registration number is OC339420.

### Principal activities

The principal activities are the provision of management services to Newman Martin and Buchan LLP, participating as a corporate member in Newman Martin and Buchan LLP and the holding of investments. The LLP is a subsidiary of Newman Martin and Buchan (1987) Limited which is ultimately owned predominantly by the members of the LLP and the staff of Newman Martin and Buchan LLP.

### Business review

The results for the year ended 31 March 2012 reflect the benefit of the LLP's focused approach to its areas of specialist knowledge.

The LLP remained aware whilst trading that there were a number of risks to its future performance and these were reviewed by the Executive Committee. The business, through its involvement with Newman Martin and Buchan LLP, was subject to a variety of risks, but sought to assess and mitigate these risks wherever possible. The principal risks are set out below.

**Credit risk:** Financial instruments which potentially subject the Group to concentrations of credit risk consist primarily of cash and temporary cash investments. The Group managed this risk by maintaining investment practices that restrict placement of these investments to financial institutions evaluated as highly creditworthy.

There is also the risk that other parties that owe the Group money will not pay. The Group took steps to minimise this risk by maintaining sound credit and collection practices and by making provision for any amounts deemed uncollectible.

**Interest rate risk:** The Group's operations were subject to the risk of interest rate fluctuations only as it affects interest earning assets.

**Exchange rate risk:** The Group is exposed to exchange rate risk as regards the value of its overseas holdings and the income arising therefrom.

**Competition:** The Group operated in a highly competitive market, both domestically and internationally. It mitigated this risk by ensuring the employment of specialist well-trained staff in its subsidiary undertakings.

# **NMB HOLDINGS LLP**

## **EXECUTIVE COMMITTEE'S REPORT FOR THE YEAR ENDED 31 MARCH 2012**

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### **Charitable Donations**

During the year the LLP made donations to charitable institutions of Nil (2011 £9,100)

### **Results**

The profit for the year available for discretionary distribution to members amounted to £10,434,841 (2011 £7,429,334)

### **Management**

The overall management of the LLP, including its policies, direction and management of the business are the responsibility of the Executive Committee. The Executive Committee comprised the following members

G F Newman (Chairman)  
R J Benzies  
B R Buchan  
A J Law  
S R Pringle  
C J Rogers  
C M Sims

# **NMB HOLDINGS LLP**

## **EXECUTIVE COMMITTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2012**

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### **Statement of members' responsibilities**

The Executive Committee, as comprised of the Designated Members, is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

The Large and Medium sized Limited Liability Partnerships (Accounts) Regulations 2008 requires the LLP to prepare financial statements for each financial year. Under that law the Executive Committee has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 Executive Committee is required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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

The Executive Committee is responsible for keeping proper 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 the financial statements comply with the Large and Medium sized Limited Liability Partnerships (Accounts) Regulations 2008. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

### **Disclosure of Information to the Auditor**

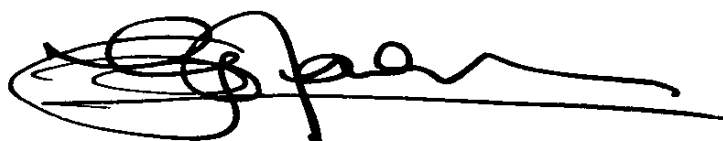
So far as each of the members is aware at the time the report is approved

- there is no relevant audit information of which the LLP's auditor is unaware, and
- the Executive Committee has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

### **Auditors**

Mazars LLP will continue as auditor in accordance with section 487(2) of the Companies Act 2006

This report was approved by the members and signed on the Executive Committee's behalf by



**G. F. Newman**  
for and on behalf of NMB Holdings LLP,  
Chairman, Executive Committee

4 July 2012

# **NMB HOLDINGS LLP**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NMB HOLDINGS LLP**

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We have audited the financial statements of NMB Holdings LLP for the year ended 31 March 2012 which comprise the Profit and Loss Account, the Balance Sheet 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 members and auditors**

As explained more fully in the Members' Responsibilities Statement set out on page 3, the members 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 and express an opinion on 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 (APB's) Ethical Standards for Auditors. 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 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.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

### **Opinion on the financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 March 2012 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 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008

## **NMB HOLDINGS LLP**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NMB HOLDINGS LLP**

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#### **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 as applied to limited liability partnerships 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
- we have not received all the information and explanations we require for our audit



Andrew Heffron (Senior statutory auditor)  
For and on behalf of Mazars LLP, Chartered Accountants (Statutory auditor)  
Tower Bridge House  
St Katharine's Way  
London E1W 1DD

4 July 2012



## NMB HOLDINGS LLP

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2012

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		2012	2011
		£	£
	Note		
Turnover	1	10,487,905	7,460,959
Administrative expenses		<u>(57,152)</u>	<u>(36,262)</u>
Operating profit	2	10,430,753	7,424,697
Interest receivable		<u>4,088</u>	<u>4,637</u>
Profit for the financial year available for discretionary division among members	9	<u><u>10,434,841</u></u>	<u><u>7,429,334</u></u>

The LLP's turnover and expenses all relate to continuing operations

There were no recognised gains and losses in either year other than those included in the above profit and loss account

The notes on pages 8 - 11 form part of these financial statements

# NMB HOLDINGS LLP

## BALANCE SHEET AS AT 31 MARCH 2012

	Note	2012 £	2011 £
<b>Fixed assets</b>			
Investments in group undertakings	5	3,159,946	3,033,316
Investment – other	6	34,118	34,118
		<u>3,194,064</u>	<u>3,067,434</u>
<b>Current assets</b>			
Debtors	7	6,237,187	3,161,218
Cash at bank		<u>1,067,489</u>	<u>3,127,462</u>
		7,304,676	6,288,680
<b>Creditors</b> amounts falling due within one year	8	<u>(5,563,018)</u>	<u>(6,277,009)</u>
<b>Net current assets</b>		<u>1,741,658</u>	<u>11,671</u>
<b>Total assets less current liabilities</b>		<u>4,935,722</u>	<u>3,079,105</u>
<b>Represented by:</b>			
Members capital	9	150,300	160,300
Members other interests	9	<u>4,785,422</u>	<u>2,918,805</u>
		<u>4,935,722</u>	<u>3,079,105</u>

The financial statements were approved and authorised for issue by the Executive Committee and were signed on its behalf on 4 July 2012



**G. F. Newman**  
Chairman

The notes on pages 8 to 11 form part of these financial statements

# NMB HOLDINGS LLP

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

### 1. Accounting policies

#### 1.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis under the historical cost convention in accordance with applicable accounting standards and the March 2006 Limited Liability Partnership Statement of Recommended Practice. The LLP was formed on 18 August 2009.

The financial statements contain information about NMB Holdings LLP as an individual company, and do not contain consolidated financial information as the parent of a sub group. In accordance with Section 400 of the Companies Act 2006, consolidated accounts have not been prepared as the company is included in the consolidated accounts of NMB Holdings (1987) Limited, a company incorporated in England and Wales.

#### 1.2 Turnover

Turnover consists of management fees, dividends and drawings that the LLP is entitled to from subsidiary and associated companies.

#### 1.3 Foreign currencies

Assets, liabilities, revenues and costs expressed in foreign currencies are translated into sterling at rates of exchange ruling on the date on which transactions occur, except for:

- (i) monetary assets and liabilities which are translated at the rate ruling at the balance sheet date, and
- (ii) transactions to be settled at a contracted rate and trading transactions covered by a related or matching forward contract which are translated at those contracted rates.

Differences arising on the translation of such items are dealt with in the profit and loss account.

#### 1.4 Cash flow statement

The LLP has taken advantage of the exemption conferred by FRS 1 from presenting a cash flow statement on the grounds that consolidated group accounts are prepared by the ultimate parent undertaking NMB Holdings (1987) Limited.

2. Operating profit	2012 £	2011 £
The operating profit is stated after charging		
Auditors' remuneration		
Fees payable to the LLP's auditor for the audit of the LLP's annual accounts	7,260	6,600
Fees payable to the LLP's auditor and its associates in respect of other services relating to taxation	3,610	4,350

### 3 Staff Numbers

Apart from the members, the company had no employees during the year (2011: nil).

# NMB HOLDINGS LLP

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

### 4 Members' share of profit

Each individual member is entitled to receive a base profit share which is agreed between the member and the Chairman of the Executive Committee. This base profit share is shown in the accounts as an expense charged to the Profit and Loss account.

The Executive Committee determines the amount of profits to be distributed after the financial statements have been approved by the members and the amounts, all of which are treated as an expense, are distributed shortly after the year end.

These distributable profits are then divided among the members by the Executive Committee.

The highest paid member's share of the distributable profit for the year was £3,604,682 (2011 £2,879,111).

The average number of members during the year was 16.5 (2011 16.5).

Profits are allocated on a gross basis before corporation and income tax charges which are the personal liability of the individual members.

Members do not receive any interest on capital contributions.

### 5 Fixed asset investments

	Shares in subsidiary undertakings £
<b>COST</b>	
At 1 April 2011	3,069,518
Additions	<u>126,630</u>
At 31 March 2012	<u>3,196,148</u>
 <b>PROVISION FOR DIMINUTION IN VALUE</b>	
At 1 April 2011 and at 31 March 2012	<u>(36,202)</u>
 <b>NET BOOK VALUE</b>	
At 31 March 2012	<u><u>3,159,946</u></u>
At 31 March 2011	<u><u>3,033,316</u></u>

# NMB HOLDINGS LLP

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

### 5 Fixed asset investments (cont.)

Additional information on subsidiary undertakings

	Principal Activity	Country of incorporation / registration	Percentage of ordinary shares/capital held by the Company
Newman Martin and Buchan LLP	Lloyd's insurance broker	England and Wales	99.997%
NMB Brasil Corretora de Resseguros Ltda	Reinsurance broker	Brazil	88%
NMB Colombia Corredores de Reaseguros S A	Reinsurance broker	Colombia	94%
NMB Nordic Limited	Service entity	England and Wales	100%
NMB Overseas Holdings Limited	Investment holding	Barbados	90%
Asia Mideast Insurance & Reinsurance Pty Limited	Underwriting Agency	Australia	65%

### 6 Investment other

Other investments represent a 9.65% interest in the issued share capital of Iridium Risk Services Inc, a company incorporated in Canada.

### 7. Debtors

	2012 £	2011 £
Amounts due from group undertakings	6,233,389	3,160,295
Other debtors	120	-
Prepayments and accrued income	3,678	923
	<u>6,237,187</u>	<u>3,161,218</u>

### 8. Creditors: Amounts falling due within one year

	2012 £	2011 £
Amounts owed to parent company	3,604,682	2,879,111
Amounts due to other members	1,901,554	3,383,573
Accruals and deferred income	56,782	14,325
	<u>5,563,018</u>	<u>6,277,009</u>

# NMB HOLDINGS LLP

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

### 9. Members' interests

Members are required to provide capital on admission to membership

In the event of the LLP going into administration or being wound up the members' capital ranks after unsecured creditors that are not members of the LLP

	Members' capital £	Other reserves £	Total £
Members' interests at 1 April 2011	160,300	2,918,805	3,079,105
Capital withdrawn / allocated	(10,000)	78,984	68,984
	150,300	2,997,789	3,148,089
Profit for the financial year available for division amongst members	-	10,434,841	10,434,841
Members' interests including profit for the year	150,300	13,432,630	13,582,930
Drawings	-	(8,647,208)	(8,647,208)
Members' interests at 31 March 2012	150,300	4,785,422	4,935,722

### 10. Contingent liabilities

The LLP is subject to potential claims and litigation arising out of the ordinary course of business. Any such claims are vigorously defended. On the facts known to the members, the members do not believe that any material losses will be incurred.

### 11. Related Party Transactions

During the year the LLP entered into transactions with related parties as follows

Asia Mideast Insurance & Reinsurance Pty Limited (subsidiary) for management fees £19,702 (2011 nil) and dividends received of £85,647 (2011 £216,402)

Newman Martin and Buchan LLP (subsidiary) for management fees £7,951,380 (2011 £7,244,557)

Newman Martin and Buchan LLP (subsidiary) for members' drawings £2,383,396 (2011 nil)

NMB Colombia Corredores de Reaseguros S A (subsidiary) for management fees £45,610 (2011 nil).

Newman Martin and Buchan (1987) Limited (immediate parent company) allocated profit £3,604,682 (2011 £2,879,111)

The amounts outstanding at the year-end were Asia Mideast Insurance & Reinsurance Pty Limited £19,702 (2011 nil), Newman Martin and Buchan LLP £6,211,320 (2011 £1,115,771), and Newman Martin and Buchan (1987) Limited £3,604,682 (2011 £2,879,111)

At the year-end NMB Overseas Holdings Limited (subsidiary) owed the LLP £2,367 (2011 £2,367)

### 12. Ultimate parent undertaking and controlling party

The LLP's immediate parent company is Newman Martin and Buchan (1987) Limited

The ultimate parent company and controlling entity is NMB Holdings (1987) Limited. Copies of the parent companies accounts can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ