



Torus Executive Risks Limited

Directors' Report and Financial
Statements

31 December 2011

Registered Number. 7055310

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COMPANY INFORMATION

Directors	A C Ford H J C Morland D J O'Donohoe C W Thompson I M Whistondale
Company Number	7055310
Registered Office	80 Guildhall Street Bury St Edmunds Suffolk IP33 1QB
Business Address	Third Floor 70 St Mary Axe London EC3A 8BE
Auditors	Moore Stephens LLP 150 Aldersgate Street London EC1A 4AB

Torus Executive Risks Limited is Authorised and Regulated by the Financial Services Authority (FSA Number 531823)

DIRECTORS' REPORT

The directors present their report and the financial statements for the year ended 31 December 2011

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company was incorporated on 23 October 2009 and started to trade on 1 April 2010

The company is an authorised intermediary acting as a managing general agency underwriting financial lines and other insurance business on behalf of Torus (UK) Insurance Limited. The company is authorised by the Financial Services Authority

RESULTS AND DIVIDENDS

The financial year under review was a successful period for the Company following its starting trading on 1 April 2010 with Gross Written Premium and related turnover more than doubling during 2011 producing an operating margin of 30% in the company's first full year of operation

The operating results of the Company for the past two years are summarised below

Year to 31 December (2010 9 months)	2011 £000	2010 £000
Gross Written Premiums	22,045	9,002
Turnover – underwriting commission	2,701	1,238
Operating profit	816	25
Profit after tax	579	16

The directors' strategy remains to profitably grow the company and to continue to operate in underwriting sectors that will allow us to yield top quartile results

A dividend of £550,000 was proposed and declared in April 2012

DIRECTORS

The current directors of the company are set out on Page 2. The directors who served during the year were

H J C Morland

D J O'Donohoe

C W Thompson

I M Whistondale

A C Ford was appointed a director on 2 February 2012

None of the directors who served during the year have any interest in the share capital of the company

HJC Morland, CW Thompson and IM Whistondale are all directors of the parent company, Nexus Underwriting Management Limited, and their interests in that company are disclosed in its financial statements

DIRECTORS' REPORT

POLITICAL AND CHARITABLE CONTRIBUTIONS

The company made charitable contributions totalling £2,002 (2010 £100) during the year

AUDITORS

Under section 487(2) of the Companies Act 2006, Moore Stephens LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

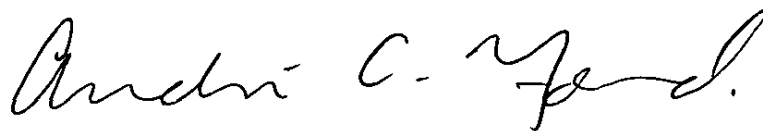
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors 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 directors are required to

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

The directors are 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. They are 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

DIRECTORS' REPORT

This report was approved by the board on 29 August 2012 and signed on its behalf by

A handwritten signature in black ink, appearing to read "Andrew C. Ford". The signature is fluid and cursive, with a large initial 'A' and a distinct 'F'.

A C Ford
Director

INDEPENDENT AUDITORS' REPORT**TO THE SHAREHOLDERS OF TORUS EXECUTIVE RISKS LIMITED**

We have audited the financial statements of Torus Executive Risks Limited for the period ended 31 December 2011, set out on pages 8 to 13. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company'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 company's members those matters we are required to state to them in an Auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Statement of directors' responsibilities, 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 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 Ethical Standards for Auditors.

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 applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

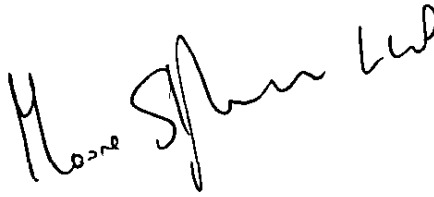
In our opinion the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT

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 remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' report



19/9/12

Simon Gallagher (Senior Statutory Auditor)
for and on behalf of Moore Stephens LLP (Statutory Auditor)
150 Aldersgate Street
London
EC1A 4AB

PROFIT AND LOSS ACCOUNT

For the year ended 31 December	Note	2011 £	2010 £
Turnover	2	2,701,025	1,237,583
Administrative expenses		(1,884,657)	(1,212,262)
Operating profit	3	816,368	25,321
Interest receivable and similar income		453	20
Profit on ordinary activities before taxation		816,821	25,341
Taxation	4	(237,796)	(9,336)
Profit for the financial year	9	579,025	16,005

All amounts relate to continuing operations

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

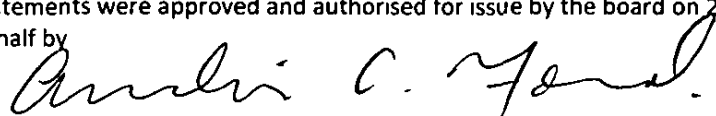
The notes on pages 10 to 13 form part of these financial statements

BALANCE SHEET

As at 31 December	Note	2011 £	2010 £
Fixed assets			
Tangible assets	5	3,444	4,820
Current assets			
Debtors	6	1,070,316	573,893
Cash at bank		56,544	40,888
		<u>1,126,860</u>	<u>614,781</u>
Creditors amounts falling due within one year	7	<u>(525,274)</u>	<u>(593,596)</u>
Net current assets		601,586	21,185
Total assets less current liabilities		<u>605,030</u>	<u>26,005</u>
Capital and reserves			
Called up share capital	8	10,000	10,000
Profit and loss account	9	595,030	16,005
Shareholders' funds		<u>605,030</u>	<u>26,005</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board on 29 August 2012 and were signed on its behalf by



A C Ford
Director

Registered No 7055310

The notes on pages 10 to 13 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

The financial statements are prepared in accordance with the Companies Act 2006 and applicable UK accounting standards. The particular accounting policies adopted, which have been consistently applied are described below.

a. Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

b. Turnover

Income is derived from commission relating to the underwriting of insurance business.

Income is recognised upon placement of the policy in line with Financial Reporting Standard 5 Application Note G where the inception of the policy is considered to be when contractual obligations have been fulfilled.

Endorsements and changes to slip details are accounted for in the month that the adjustments have been made.

Profit commission is recognised when the amount can be estimated with a reasonable degree of certainty.

c. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment – 25% straight line

d. Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

e. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

2. TURNOVER

Turnover consists entirely of underwriting commission earned in the United Kingdom.

NOTES TO THE FINANCIAL STATEMENTS

3. OPERATING PROFIT

The operating profit is stated after charging

	2011 £	2010 £
Depreciation of tangible fixed assets	1,376	684
Auditors' remuneration	12,250	7,200

During the year, no director received any emoluments

4. TAXATION

	2011 £	2010 £
UK corporation tax charge on profit for the year	237,796	9,336

Except for adjustments made for permanently disallowable tax expenses there were no factors that affected the tax charge for the year which has been calculated on the profit on ordinary activities before tax at the effective rate of corporation tax in the UK of 26.5% (2010: 21%)

There were no factors that may affect future tax charges

5. TANGIBLE FIXED ASSETS

Office Equipment	£
Cost	
At 1 January 2011	5,504
Additions	—
At 31 December 2011	5,504
Depreciation	
At 1 January 2011	684
Charge for the year	1,376
At 31 December 2011	2,060
Net book value	
At 31 December 2011	3,444
At 31 December 2010	4,820

NOTES TO THE FINANCIAL STATEMENTS**6. DEBTORS**

	2011 £	2010 £
Trade debtors	1,005,613	565,640
Other debtors	64,703	8,253
	<u>1,070,316</u>	<u>573,893</u>

7. CREDITORS – amounts falling due within one year

	2011 £	2010 £
Trade creditors	88,379	51,605
Amounts owed to participating interest	—	350,000
Corporation tax	237,796	9,336
Social security and other taxes	33,709	23,790
Other creditors	165,390	158,865
	<u>525,274</u>	<u>593,596</u>

8. SHARE CAPITAL

Allotted, called up and fully paid	2011 £	2010 £
10,000 Ordinary shares of £1 each	10,000	10,000

9. RESERVES

Profit and loss account	2011 £	2010 £
At 1 January 2011	16,005	—
Profit for the financial year	579,025	16,005
At 31 December 2011	<u>595,030</u>	<u>16,005</u>

A dividend of £550,000 was proposed and declared in April 2012

NOTES TO THE FINANCIAL STATEMENTS**10. RELATED PARTY TRANSACTIONS**

Nexus Underwriting Management Limited owns a shareholding of 70% in Torus Executive Risks Limited. During the period management recharges of £1,028,612 (2010: £713,776), including £nil (2010: £5,054) tangible fixed asset additions, were charged to Torus Executive Risks Limited for costs incurred on behalf of the company, with an amount of £nil (2010: £48,057) being payable at 31 December 2011.

Torus Insurance Holdings Limited owns 30% of the share capital of the company and at 31 December 2010 a commission advance of £350,000 was payable to Torus Insurance Marketing Limited, a company owned by Torus Insurance Holdings Limited. This advance was both unsecured and interest free and was fully repaid during the financial year.

At 31 December 2011 there was an amount due from Nexus Underwriting Limited, a related undertaking, of £35,295 (2010: £nil).

11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The directors consider that the ultimate parent and controlling party is Nexus Underwriting Management Limited, a company incorporated in England and Wales, by virtue of its shareholding.