

**Nexus Executive Risks Limited (formerly Torus
Executive Risks Limited)**

Directors' Report and Financial Statements

31 December 2012

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Registered Number: 07055310

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COMPANY INFORMATION

Directors

A C Ford
H J C Morland
D J O'Donohoe (resigned 10 September 2013)
C W Thompson
I M Whistondale

Company Secretary

K L Cambridge

Company Number

07055310

Registered Office

150 Leadenhall Street
London
EC3V 4QT

Auditors

Moore Stephens LLP
150 Aldersgate Street
London
EC1A 4AB

Nexus Executive Risks Limited is Authorised and Regulated by the Financial Conduct Authority (FCA Number 531823)

DIRECTORS' REPORT

The directors present their report and the financial statements for the year ended 31 December 2012

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

The company is a Managing General Agency that underwrites financial lines and other insurance business

RESULTS AND DIVIDENDS

The financial year under review was a successful period for the Company with Gross Written Premium and related turnover increasing during 2012 led to an operating margin of 37%

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

Year to 31 December	2012 £000	2011 £000
Gross Written Premiums	22,130	22,045
Turnover – underwriting commission	4,042	2,701
Operating profit	1,492	816
Profit after tax	1,118	579

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 £900,000 has been declared on 2 September 2013, but not yet paid

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

C W Thompson

I M Whistondale

A C Ford

D J O'Donohoe

None of the directors who served during the year have any direct 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

POLITICAL AND CHARITABLE CONTRIBUTIONS

The company made charitable contributions totalling £1,684 (2011 £2,002) during the year

DIRECTORS' REPORT**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

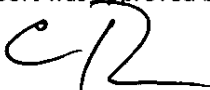
The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

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.

This report was approved by the board on 20/12/13 and signed on its behalf by


C W Thompson
Director

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

We have audited the financial statements of Nexus Executive Risks Limited for the period ended 31 December 2012, set out on pages 8 to 14. 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 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 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 2012 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
- the directors were not exempt from the requirement to prepare a strategic report



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

20/12/13

PROFIT AND LOSS ACCOUNT

For the year ended 31 December	Note	2012 £	2011 £
Turnover	2	4,042,158	2,701,025
Administrative expenses		(2,549,930)	(1,884,657)
Operating profit	3	1,492,228	816,368
Interest receivable and similar income		35	453
Profit on ordinary activities before taxation		1,492,263	816,821
Taxation	5	(374,733)	(237,796)
Profit for the financial year		1,117,530	579,025

All amounts relate to continuing operations

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

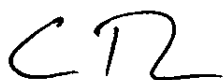
The notes on pages 9 to 12 form part of these financial statements

BALANCE SHEET AS AT 31 DECEMBER 2012

	Note	2012 £	2011 £
Fixed assets			
Tangible assets	6	2,068	3,444
Current assets			
Debtors	7	1,576,770	1,070,316
Cash at bank		552,368	56,544
		2,129,138	1,126,860
Creditors amounts falling due within one year	8	(958,646)	(525,274)
Net current assets		1,170,492	601,586
Net assets		1,172,560	605,030
Capital and reserves			
Called up share capital	9	10,000	10,000
Profit and loss account	10	1,162,560	595,030
Shareholders' funds		1,172,560	605,030

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 its behalf by



C W Thompson
Director

Registered No 07055310

The notes on pages 9 to 12 form part of these financial statements

and were signed on
20/12/13

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.

NOTES TO THE FINANCIAL STATEMENTS

2. TURNOVER

Turnover consists entirely of underwriting commission earned in the United Kingdom

3. OPERATING PROFIT

The operating profit is stated after charging

	2012 £	2011 £
Depreciation of tangible fixed assets	1,376	1,376
Auditors' remuneration - audit	24,150	9,000
Auditors' remuneration – non-audit – tax compliance	3,250	3,250

4. DIRECTORS' REMUNERATION

	2012 £	2011 £
Total Director's Remuneration	162,204	-

5. TAXATION

	2012 £	2011 £
UK corporation tax charge on profit for the year	374,733	237,796

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 24.5% (2011: 26.5%)

There were no factors that may affect future tax charges

NOTES TO THE FINANCIAL STATEMENTS**6. TANGIBLE FIXED ASSETS****Office Equipment**

	Total £
Cost	
At 1 January 2012	5,504
Additions	-
At 31 December 2012	5,504
Depreciation	
At 1 January 2012	2,060
Charge for the year	1,376
At 31 December 2012	3,436
Net book value	
At 31 December 2012	2,068
At 31 December 2011	3,444

7. DEBTORS

	2012 £	2011 £
Trade debtors	1,081,187	1,005,613
Prepayments & accrued income	486,687	-
Other debtors	8,896	64,703
	<u>1,576,770</u>	<u>1,070,316</u>

8. CREDITORS – amounts falling due within one year

	2012 £	2011 £
Trade creditors	50,825	88,379
Accruals & deferred income	190,567	-
Owed to parent company	38,424	-
Corporation tax	612,529	237,796
Social security and other taxes	25,905	33,709
Other creditors	40,396	165,390
	<u>958,646</u>	<u>525,274</u>

NOTES TO THE FINANCIAL STATEMENTS**9 SHARE CAPITAL**

Allotted, called up and fully paid	2012 £	2011 £
10,000 Ordinary shares of £1 each	10,000	10,000

10. RESERVES

Profit and loss account	2012 £	2011 £
At 1 January 2012	595,030	16,005
Profit for the financial year	1,117,530	579,025
Dividends	(550,000)	-
At 31 December 2012	1,162,560	595,030

11. DIVIDENDS

	2012 £	2011 £
Dividends on equity capital	550,000	-

Dividends included within accruals which were outstanding at the year-end were £123,750 (2011 £Nil)

12. RELATED PARTY TRANSACTIONS

Nexus Underwriting Management Limited owned a shareholding of 70% in Nexus Executive Risks Limited until 31 August 2013 when it purchased the remaining 30% from Torus Insurance Holdings Limited. On 2 September 2013 the company changed its name to Nexus Executive Risks Limited.

During the period management recharges of £1,608,733 (2011 £1,028,612) were charged to Nexus Executive Risks Limited for costs incurred on behalf of the company, with an amount of £38,424 (2011 £nil) being payable at 31 December 2012.

At 31 December 2012 there was an amount due from Nexus Underwriting Limited, a related undertaking, of £Nil (2011 £35,295).

13. 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.