

NEXUS EXECUTIVE RISKS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017



NEXUS EXECUTIVE RISKS LIMITED

COMPANY INFORMATION

Directors	A C Ford H J C Morland C W Thompson I M Whistondale (resigned 26 March 2018)
Company secretary	K L Cambridge
Registered number	07055310
Registered office	52-56 Leadenhall Street London EC3A 2EB
Independent auditors	Moore Stephens LLP Statutory Auditor 150 Aldersgate Street London EC1A 4AB

NEXUS EXECUTIVE RISKS LIMITED

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NEXUS EXECUTIVE RISKS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

Principal activity

The company did not trade in the year. The company is incorporated in the United Kingdom.

Results and dividends

The loss for the year, after taxation, amounted to £133 (2016 - loss £14,293).

No dividends have been declared.

The directors who served during the year were:

A C Ford
H J C Morland
C W Thompson
I M Whistondale (resigned 26 March 2018)

Disclosure 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 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 ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

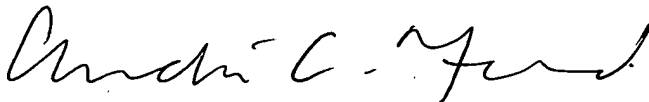
Auditors

The auditors, Moore Stephens LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

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

This report was approved by the board on 24 May 2018 and signed on its behalf.



A C Ford
Director

NEXUS EXECUTIVE RISKS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting 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 to 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.

NEXUS EXECUTIVE RISKS LIMITED

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

Opinion

We have audited the financial statements of Nexus Executive Risks Limited for the year ended 31 December 2017, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, and the notes to the financial statements, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its loss 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.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company'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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the

NEXUS EXECUTIVE RISKS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NEXUS EXECUTIVE RISKS LIMITED (CONTINUED)

financial statements does not cover the information and, except to the extent otherwise explicitly stated in our 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' 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 directors' 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' exemptions in preparing the Directors' Report and from the requirement to prepare a strategic report.

NEXUS EXECUTIVE RISKS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NEXUS EXECUTIVE RISKS LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 2, the directors 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 directors 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 directors are responsible for assessing the Company'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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditors' Report.



Thomas Reed (Senior Statutory Auditor)

for and on behalf of
Moore Stephens LLP

Statutory Auditor

150 Aldersgate Street
London
EC1A 4AB

25 May 2018

NEXUS EXECUTIVE RISKS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
Administrative expenses		(133)	(1,858)
Operating loss		(133)	(1,858)
Tax on loss	4	-	(12,435)
Loss for the financial year		(133)	(14,293)
Other comprehensive income for the year			
Total comprehensive income for the year		(133)	(14,293)

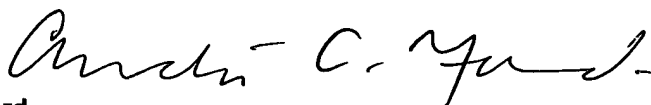
NEXUS EXECUTIVE RISKS LIMITED
REGISTERED NUMBER: 07055310

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Current assets			
Debtors: amounts falling due within one year	6	38,396	38,307
Cash at bank and in hand	7	438	528
		<u>38,834</u>	<u>38,835</u>
Creditors: amounts falling due within one year	9	(54,884)	(54,752)
Net current liabilities		<u>(16,050)</u>	<u>(15,917)</u>
Total assets less current liabilities		<u>(16,050)</u>	<u>(15,917)</u>
Net liabilities		<u>(16,050)</u>	<u>(15,917)</u>
Capital and reserves			
Called up share capital	8	10,000	10,000
Capital contribution reserve		57,553	57,553
Profit and loss account		(83,603)	(83,470)
		<u>(16,050)</u>	<u>(15,917)</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 May 2018.



A C Ford
Director

The notes on 9 to 16 form part of these financial statements.

NEXUS EXECUTIVE RISKS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Capital contribution	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2016	10,000	57,553	(69,177)	(1,624)
Comprehensive income for the year				
Loss for the year	-	-	(14,293)	(14,293)
At 1 January 2017	10,000	57,553	(83,470)	(15,917)
Comprehensive income for the year				
Loss for the year	-	-	(133)	(133)
At 31 December 2017	10,000	57,553	(83,603)	(16,050)

The notes on page 9 to 16 form part of these financial statements.

NEXUS EXECUTIVE RISKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. General information

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which the majority of the company's transactions are denominated. They comprise the financial statements of the company for the period ended 31 December 2017 and are presented to the nearest pound.

The company is a United Kingdom private company limited by shares and is incorporated in England. The address of its registered office is 52-56 Leadenhall Street, London, EC3A 2EB.

2. Summary of significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 required the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Nexus Underwriting Management Limited as at 31 December 2017 and these financial statements may be obtained from 52-56 Leadenhall Street, London, EC3A 2EB.

NEXUS EXECUTIVE RISKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Summary of significant accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

NEXUS EXECUTIVE RISKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Summary of significant accounting policies (continued)

2.4 Taxation

Income tax expense represents the sum of the current tax and deferred tax.

The charge for current tax is based on the result for the year adjusted for items which are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Current and deferred tax is recognised in the same component of the income statement, other comprehensive income or equity as the transaction or event that resulted in the tax expense or income.

Deferred tax is the tax expected to be payable or recoverable on differences between taxable profits and the total comprehensive income as reported in the financial statements.

Deferred tax liabilities are recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither taxable profit nor the total comprehensive income.

The carrying amounts of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax is calculated at the tax rates that been enacted, or substantively enacted, and are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2.5 Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses (except for goodwill), the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been

NEXUS EXECUTIVE RISKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Summary of significant accounting policies (continued)

determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.6 Financial assets and liabilities

General

Financial instruments are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at fair value, which generally equates to acquisition cost, which includes transaction costs for financial instruments not subsequently measured at fair value. Subsequent to initial recognition, they are measured as set out below.

Classification

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS 102.

Subsequent measurement

At the end of each reporting period, debt instruments classified as basic are measured at amortised cost using the effective interest rate method.

Investments in preference and ordinary shares classified as basic financial instruments, and all financial instruments classified as 'other' are, at the end of the reporting period, measured at fair value with the resulting changes recognised in profit or loss. Where their fair value cannot be reliably measured, they are recognised at cost less impairment

Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the group has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

2.7 Debtors

Trade debtors are commission amounts due, relating to the underwriting of insurance business in the ordinary course of business. Trade debtors are recognised at the undiscounted amount of cash receivable, which is normally the invoice price, less any allowances for doubtful debts.

NEXUS EXECUTIVE RISKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Summary of significant accounting policies (continued)

2.8 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks, and investments in money market instruments which are readily convertible, being those with original maturities of three months or less.

Cash and cash equivalents are measured at fair value.

2.9 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of taxation, from the proceeds.

2.10 Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as creditors falling due within one year if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as creditors falling due after one year.

Trade creditors are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the cost effective method.

3. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2016 - £NIL).

4. Taxation

Factors affecting tax charge for the year

There was no tax charge for the year (2016: £12,435 adjustment in respect of previous periods).

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

NEXUS EXECUTIVE RISKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

5. Tangible fixed assets

	Office equipment £
Cost or valuation	
At 1 January 2017	5,504
At 31 December 2017	5,504
Depreciation	
At 1 January 2017	5,504
At 31 December 2017	5,504
Net book value	
At 31 December 2017	-
At 31 December 2016	-

NEXUS EXECUTIVE RISKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

6. Debtors

	2017 £	2016 £
Amounts owed by group undertakings	38,396	38,307
	<u>38,396</u>	<u>38,307</u>

7. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	438	528
	<u>438</u>	<u>528</u>

8. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
10,000 ordinary shares shares of £1 each	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

9. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	53,590	53,458
Amounts owed to group undertakings	1,260	1,260
Accruals and deferred income	34	34
	<u>54,884</u>	<u>54,752</u>

Included in amounts due to group companies are amounts due to related parties which consists of the following amounts:

Nexus Professional Risks Limited £1,260 (2016: £1,260)

NEXUS EXECUTIVE RISKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

10. Charges and guarantees

On the 10th July 2017, the Company and certain of its fellow group undertakings acceded to a Debenture between Nexus Underwriting Management Limited, Wilmington Trust (London) Limited (the Agent) and CSL Fund (PB) Lux S.à.r.l. It the lender and provided a guarantee and charged their assets by way of fixed and floating charges as security for the obligations under the Debenture. The outstanding amount under the Debenture as at 31 December 2017 was £23,286,438.

On the same date, the Company and certain of its fellow group undertakings acceded to a Loan Agreement between Nexus Underwriting Management Limited and B.P. Marsh & Company limited, and provided a guarantee by the way of fixed and floating charges as security under the loan agreement. The charge is subordinated to the interests of the above. The outstanding amount under the Loan agreement as at 31 December 2017 was £1,999,644.

11. Related party transactions

The immediate parent of the Company is Nexus Underwriting Management Limited, incorporated in the United Kingdom. The transactions between the inter- companies is done on an arms length basis.

The outstanding balance owed from the parent company is listed in the Debtors note 6.

12. Controlling party

The ultimate controlling party is Nexus Underwriting Management Limited by virtue of its majority shareholding in the company.

The consolidated accounts for the group are available from 52-56 Leadenhall Street, London, EC3A 2EB.