

Registered number: 07055310

NEXUS EXECUTIVE RISKS LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



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
Accountants	BDO LLP Statutory Auditor 150 Aldersgate Street London EC1A 4AB

NEXUS EXECUTIVE RISKS LIMITED

CONTENTS

	Page
Directors' Report	1
Directors' Responsibilities Statement	2
Accountants' Report	3
Statement of Comprehensive Income	4
Statement of Financial Position	5
Notes to the Financial Statements	6 - 13

NEXUS EXECUTIVE RISKS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors present their report and the financial statements for the year ended 31 December 2018.

Principal activity

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

Results and dividends

The profit for the year, after taxation, amounted to £Nil (2017 - loss £133).

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)

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 2019 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'A C Ford', with a large, stylized 'F' and a horizontal stroke extending to the right.

A C Ford
Director

NEXUS EXECUTIVE RISKS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

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

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF
THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF NEXUS EXECUTIVE RISKS LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2018**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Nexus Executive Risks Limited for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position and the related notes from the Company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of Nexus Executive Risks Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of Nexus Executive Risks Limited and state those matters that we have agreed to state to the Board of Directors of Nexus Executive Risks Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Nexus Executive Risks Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Nexus Executive Risks Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and result of Nexus Executive Risks Limited. You consider that Nexus Executive Risks Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Nexus Executive Risks Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

BDO LLP

BDO LLP

Statutory Auditor

150 Aldersgate Street
London
EC1A 4AB
24 May 2019

NEXUS EXECUTIVE RISKS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
Administrative expenses		-	(133)
Operating profit/(loss)		-	(133)
Profit/(loss) for the financial year		-	(133)
Total comprehensive income for the year		-	(133)

The notes on pages 6 to 13 form part of these financial statements.

NEXUS EXECUTIVE RISKS LIMITED
REGISTERED NUMBER: 07055310

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Current assets			
Debtors: amounts falling due within one year	6	37,226	38,396
Cash at bank and in hand	7	348	438
		<u>37,574</u>	<u>38,834</u>
Creditors: amounts falling due within one year	9	(53,624)	(54,884)
Net current liabilities		<u>(16,050)</u>	<u>(16,050)</u>
Total assets less current liabilities		<u>(16,050)</u>	<u>(16,050)</u>
Net liabilities		<u>(16,050)</u>	<u>(16,050)</u>
Capital and reserves			
Called up share capital	8	10,000	10,000
Merger reserve		57,553	57,553
Profit and loss account		(83,603)	(83,603)
		<u>(16,050)</u>	<u>(16,050)</u>

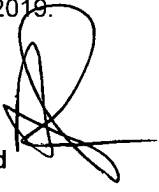
For the year ended 31 December 2018 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006.

Members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 2019.


A C Ford
 Director

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

NEXUS EXECUTIVE RISKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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 2018 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 2018 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 2018**

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 2018

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 have 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 2018

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 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.

NEXUS EXECUTIVE RISKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Summary of significant accounting policies (continued)

2.8 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.

2.9 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 (2017 - £NIL).

4. Taxation

Factors affecting tax charge for the year

There was no tax charge for the year (2017: £Nil 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 2018

5. Tangible fixed assets

	Office equipment £
Cost or valuation	
At 1 January 2018	5,504
At 31 December 2018	5,504
Depreciation	
At 1 January 2018	5,504
At 31 December 2018	5,504
Net book value	
At 31 December 2018	-
At 31 December 2017	-

NEXUS EXECUTIVE RISKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. Debtors

	2018 £	2017 £
Amounts owed by group undertakings	37,226	38,396
	<u>37,226</u>	<u>38,396</u>

7. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	348	438
	<u>348</u>	<u>438</u>

8. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
10,000 (2017 - 10,000) ordinary shares shares of £1.00 each	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

9. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	53,590	53,590
Amounts owed to group undertakings	-	1,260
Accruals and deferred income	34	34
	<u>53,624</u>	<u>54,884</u>

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

Nexus Professional Risks Limited £Nil (2017: £1,260)

NEXUS EXECUTIVE RISKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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. II (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 2018 was £26,250,954.

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 2018 was £4,073,726.

On the 26th March 2019, the Company and certain of its fellow group undertakings acceded to a new £14m facility between Nexus Underwriting Management Limited, Wilmington Trust (London) Limited (the Agent) and CSL Fund (PB) Lux S.à.r.l. II (the lender).

On the same date, the Company and certain of its fellow group undertakings acceded to a short term revolving Facility of £2m between Nexus Underwriting Management Limited and B.P. Marsh & Company Limited and all amounts borrowed under the facility will be secured by way of the debenture granted by Nexus in favour of B.P. Marsh and Company Limited.

11. Related party transactions

The company has taken advantage of the exemption available under FRS102 section 33.1A, where disclosure of transactions between group members is not required, provided the subsidiary is wholly owned.

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.