

Nexus CIFS Limited

Directors' Report and Financial Statements

Year Ended

31 December 2021

Company Number 08125609



Nexus CIFS Limited

Company Information

Directors	C B Penruddocke A C Ford N Payton C W Thompson R N Marriage S M Rouse
Company secretary	T J Furnston
Registered number	08125609
Registered office	52-56 Leadenhall Street London EC3A 2EB
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

Nexus CIFS Limited

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Nexus CIFS Limited

Directors' Report For the Year Ended 31 December 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

The Board can announce that the Company has reported a 15% increase in revenue to £7.8m (2020 - £6.8m). Company Contribution in 2021 was up 20% to £5.4m (2020 - £4.5m).

The Company's Ultimate Parent Undertaking changed its name from Nexus Underwriting Management Limited to Kentro Capital Limited on the 22 February 2022.

Directors' responsibilities statement

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 judgements and accounting estimates that are reasonable and prudent; and
- 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

The directors who served during the year were:

C B Penruddocke
A C Ford
N Payton
C W Thompson
R N Marriage
S M Rouse
K A Morris (resigned 28 February 2022)

Going concern

The directors of the Company have assessed the impact of COVID-19. They are continually reviewing their plans and forecasts and believe that the going concern basis is appropriate. Based on the stress testing and forward looking forecasts performed, Management do not consider that there is a material uncertainty with regards to going concern at the date of approval.

Nexus CIFS Limited

Directors' Report (continued) For the Year Ended 31 December 2021

COVID-19

The events seen throughout 2020 and 2021 have been unprecedented. COVID-19 has touched every corner of the globe. In Mid-March 2020, we successfully moved to remote working arrangements for all our employees across the Group and this continued throughout 2021. From an operational perspective, all operating systems and controls have and continue to work normally and there has been no material disruption to our business.

Revenue continued to be impacted by COVID-19 during 2021 across various lines of business. Quarterly reforecasts were produced to understand the potential full year impact and measures taken to mitigate the impacts across the Group.

Cash Flow forecasts are continually reviewed and modelled based on the quarterly re-forecasts and 2022 budget with the aim being to maintain adequate cash levels.

The business has reviewed the collectability of its 31 December 2021 debtors and at present there has been nothing to suggest that debtor recoverability is being affected by COVID-19. The impact during 2021 was also negligible.

The Group via the Nexus Claims subsidiary is continuing to monitor the number and extent of all COVID-19 claims notifications. A separate reporting function to individually monitor all COVID-19 related claims was established in Q1 2020 and is being used to provide our supporting insurers with accurate and timely information.

We continue to monitor closely all developments relating to the Coronavirus Pandemic and our priorities remain the well being of our employees and delivering an excellent service to our clients.

Financial instruments

The Company is exposed to financial risk mainly through its insurance contracts. The core components of the financial risk are market risk, credit risk and liquidity risk.

Market risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate due to changes in market prices. Market risk comprises of three types of risk; equity risk, interest rate risk and currency risk.

Credit risk is the risk of potential loss resulting from clients or counterparties who are unable to meet their payment obligations in full when due.

Liquidity risk is the risk that the Company is unable to meet its payment obligations when due, at a reasonable cost.

These risks arise mainly from interest rate, sensitive positions, equity instruments, credit exposures and cash flow patterns.

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

Nexus CIFS Limited

Directors' Report (continued) For the Year Ended 31 December 2021

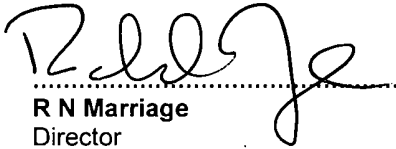
Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies exemption

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 and signed on its behalf by:


R N Marriage
Director

Date: 25th May 2022

Nexus CIFS Limited

Independent Auditor's Report to the Members of Nexus CIFS Limited

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 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.

We have audited the financial statements of Nexus CIFS Limited (the 'Company') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and 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).

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 Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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.

Nexus CIFS Limited

Independent Auditor's Report to the Members of Nexus CIFS Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Other Companies Act 2006 reporting

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.

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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, 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.

Nexus CIFS Limited

Independent Auditor's Report to the Members of Nexus CIFS Limited (continued)

Auditor's 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 auditor's 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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Obtaining a general understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the direct laws and regulations related to elements of company law and tax legislation, and the financial reporting framework and whether there were any known instances of non-compliance;
- Reviewing minutes of board meetings throughout the period;
- Reviewing correspondence with the Financial Conduct Authority (FCA) throughout the period;
- Assessing whether the accounting policies, treatments and presentation adopted in the financial statements is in accordance with 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) and whether there are instances of potential bias in areas with significant degrees of judgement; and
- Assessing the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Nexus CIFS Limited

Independent Auditor's Report to the Members of Nexus CIFS Limited (continued)

Use of our report

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 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Tom Reed

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Thomas Reed (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
55 Baker Street
London
W1U 7EU

Date: 31 May 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Nexus CIFS Limited

Statement of Comprehensive Income For the Year Ended 31 December 2021

	Note	2021 £	2020 £
Turnover	4	7,818,940	6,788,227
Gross profit		7,818,940	6,788,227
Administrative expenses		(4,440,073)	(4,235,553)
Operating profit	5	3,378,867	2,552,674
Interest receivable and similar income		-	1,309
Interest payable and similar charges		(622,760)	(623,395)
Profit before tax		2,756,107	1,930,588
Tax on profit	9	-	312,391
Profit for the financial year		2,756,107	2,242,979
Other comprehensive income for the year			
Total comprehensive income for the year		2,756,107	2,242,979

The notes on pages 11 to 20 form part of these financial statements.

Nexus CIFS Limited
Registered number: 08125609

Statement of Financial Position
As at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	10	254,816	151,466
Tangible assets	11	3,022	2,193
		<u>257,838</u>	<u>153,659</u>
Current assets			
Debtors	12	7,932,653	5,383,279
Cash at bank and in hand	13	495,109	1,879,508
		<u>8,427,762</u>	<u>7,262,787</u>
Current liabilities			
Creditors: amounts falling due within one year	14	(2,314,631)	(3,818,684)
Net current assets		<u>6,113,131</u>	<u>3,444,103</u>
Net assets		<u><u>6,370,969</u></u>	<u><u>3,597,762</u></u>
Capital and reserves			
Called up share capital	17	10,583	10,583
Share option reserve	18	34,080	16,980
Other reserves	18	3,443	3,443
Profit and loss account	18	6,322,863	3,566,756
Total equity		<u><u>6,370,969</u></u>	<u><u>3,597,762</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

S M Rouse
Director

Date: 25 May 2022

The notes on pages 11 to 20 form part of these financial statements.

Nexus CIFS Limited

Statement of Changes in Equity For the Year Ended 31 December 2021

	Called up share capital £	Share option reserve £	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2020	10,583	4,980	3,443	1,823,777	1,842,783
Comprehensive income for the year					
Profit for the year	-	-	-	2,242,979	2,242,979
Dividends paid	-	-	-	(500,000)	(500,000)
Share option	-	12,000	-	-	12,000
At 1 January 2021	10,583	16,980	3,443	3,566,756	3,597,762
Comprehensive income for the year					
Profit for the year	-	-	-	2,756,107	2,756,107
Share option	-	17,100	-	-	17,100
At 31 December 2021	10,583	34,080	3,443	6,322,863	6,370,969

The notes on pages 11 to 20 form part of these financial statements.

Nexus CIFS Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

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 year ended 31 December 2021 and are presented to the nearest pound.

The continuing activities of Nexus CIFS Limited is that of a company continuing to write short and medium term Trade Credit and since 2014 the addition of Single Situation Credit, Contract Frustration and Political Risks.

The Company is a United Kingdom private company limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of its registered office is 52-56 Leadenhall Street, London, EC3A 2EB.

2. 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 Section 1A of 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 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The directors of the Company have assessed the impact of COVID-19. They are continually reviewing their plans and forecasts and believe that the going concern basis is appropriate. Based on the stress testing and forward looking forecasts performed, Management do not consider that there is a material uncertainty with regards to going concern at the date of approval.

2.3 Foreign currency translation

The Company has a presentation currency of Pound Sterling.

The Company has determined that the Pound Sterling is its functional currency, as this is the currency of the economic environment in which the Company predominantly operates.

Transactions in currencies other than Pound Sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on exchange are included in the Statement of Comprehensive Income. The Company does not operate in a hyper-inflationary economy.

Nexus CIFS Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.4 Turnover

Insurance agency commissions and non-risk related income received or receivable are recognised as turnover by the Company on the effective commencement or renewal dates of the related policies. Income receivable from multiyear policies which renew on an annual basis is recognised annually at the anniversary of the original inception.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

2.5 Goodwill

Goodwill arising on acquisition is capitalised in the Statement of Financial Position at cost less any provision for impairment, and is amortised through the profit and loss account in equal instalments over a maximum of three years being the period over which benefit is expected to be derived. Legal fees directly attributable have also been included within goodwill.

Deferred consideration has been recognised on the estimated cost of the acquisition.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	-	25%
Office equipment	-	25%
Computer equipment	-	25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

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 de-recognised only once the liability has been extinguished through discharge, cancellation or expiry

Nexus CIFS Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.7 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.8 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash and cash equivalents consist of cash in 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.

2.10 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.

Nexus CIFS Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.11 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 effective interest method.

2.12 Employee Benefits

Retirement benefit obligations

The Company has a defined contribution plan. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

2.13 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.14 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.15 Dividend distribution

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

Nexus CIFS Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.16 Taxation

The Income tax expense represents the sum of the current 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.

Deferred tax liabilities are recognised for timing differences arising on investments in subsidiaries, associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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 the Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

A change in deferred tax assets and liabilities as a result of a change in the tax rates or laws are recognised in profit and loss or other comprehensive income to the extent that it relates to items previously recognised in other comprehensive income.

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.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

Nexus CIFS Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

4. Turnover

Turnover consists of underwriting commission and administrative fees which are all earned in the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	930	352
Amortisation of intangible assets	66,589	18,638
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	13,500	13,500
Defined contribution pension cost	135,975	140,684
	<u>135,975</u>	<u>140,684</u>

6. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	14,300	13,500
	<u>14,300</u>	<u>13,500</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

7. Employees

The average monthly number of employees, including directors, during the year was 18 (2020 - 19).

8. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	410,114	423,811
Company contributions to defined contribution pension schemes	10,000	10,000
	<u>420,114</u>	<u>433,811</u>

Nexus CIFS Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

9. Taxation

	2021 £	2020 £
UK corporation tax		
Current tax on profits for the year	-	21,187
Adjustments in respect of previous periods	-	(333,578)
Taxation on profit on ordinary activities	<u>-</u>	<u>(312,391)</u>

Factors affecting tax credit for the year

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 19% (2020 - 19%).

10. Intangible assets

	Development expenditure £
Cost	
At 1 January 2021	526,441
Additions	169,939
At 31 December 2021	<u>696,380</u>
Amortisation	
At 1 January 2021	374,975
Charge for the year	66,589
At 31 December 2021	<u>441,564</u>
Net book value	
At 31 December 2021	<u>254,816</u>
At 31 December 2020	<u>151,466</u>

Nexus CIFS Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

11. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost				
At 1 January 2021	700	924	921	2,545
Additions	100	-	1,659	1,759
At 31 December 2021	<u>800</u>	<u>924</u>	<u>2,580</u>	<u>4,304</u>
Depreciation				
At 1 January 2021	83	232	37	352
Charge for the year	198	231	501	930
At 31 December 2021	<u>281</u>	<u>463</u>	<u>538</u>	<u>1,282</u>
Net book value				
At 31 December 2021	<u>519</u>	<u>461</u>	<u>2,042</u>	<u>3,022</u>
At 31 December 2020	<u>617</u>	<u>692</u>	<u>884</u>	<u>2,193</u>

12. Debtors

	2021 £	2020 £
Trade debtors	1,845,372	1,928,881
Amounts owed by group undertakings	5,542,446	1,995,557
Other debtors	-	875
Prepayments and accrued income	544,835	1,457,966
	<u>7,932,653</u>	<u>5,383,279</u>

13. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	<u>495,109</u>	<u>1,879,508</u>

Nexus CIFS Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

14. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	204,485	146,882
Amounts owed to group undertakings	154,816	1,588,869
Corporation tax	21,186	21,186
Other taxation and social security	55,431	111,386
Other creditors	1,465,479	1,510,225
Accruals and deferred income	413,234	440,136
	<u>2,314,631</u>	<u>3,818,684</u>

The average credit period on purchases of goods and services approximates 30 days. No interest is charged on overdue payables. The Company has financial risk management policies in place to ensure all payables are paid within the agreed credit terms.

15. Post-employment benefit plans

The Company operates a defined contribution pension plan for eligible employees.

Defined contribution pension plan:

During the year the Company recognised an expense in the Statement of Comprehensive Income of £135,975 (2020 - £140,684) in relation to the defined contribution pension plans.

16. Information about directors' benefits: advances, credit and guarantees

Nexus CIFS Limited has no advances and credits granted to the directors by itself or by any of its subsidiary undertakings, and has made no guarantees of any kind entered into on behalf of the directors of the parent company, by itself or by any of its subsidiary undertakings.

17. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
10,583 Ordinary shares of £1 each	<u>10,583</u>	<u>10,583</u>

Nexus CIFS Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

18. Reserves

Other reserves

This represents capital contributed by the owners of the Company.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

Share option reserve

This represents the accumulated share based payment charge related to the share option scheme.

19. Charges and guarantees

On the 6 October 2021, the Company and certain of its fellow group undertakings acceded to a new debenture between Kentro Capital Limited (formally known as Nexus Underwriting Management Limited), Wilmington Trust (London) Limited (the Agent) and Baring Asset Management Limited (Mandated Lead Arranger) and provided a guarantee and charged their assets by way of fixed and floating charges as security for the obligations under the debenture.

On the same date, the Company settled in full, all amounts outstanding under the previous debenture between Kentro Capital Limited, Wilmington Trust (London) Limited (the Agent) and CSL Fund (PB) LUX S.a.r.l. II (the lender).

At the same time, the Company settled in full, all amounts outstanding under the loan agreement between Kentro Capital Limited and B.P. Marsh & Company Limited.

The outstanding amount under the Debenture as at 31 December 2021 was £52,984,313 (2020 - £40,430,610 outstanding under the previous debenture and £4,048,280 outstanding under the loan agreement).

20. Related party transactions

The Company has taken advantage of the exemptions under paragraph 1AC.35 of the Financial Reporting Standard 102 - section 1A whereby it has not disclosed related party transactions with the ultimate parent Company or any wholly owned subsidiary undertakings of the group.

21. Controlling party

The ultimate controlling party is Kentro Capital Limited (formerly Nexus Underwriting Management Limited) by virtue of its 100% shareholding in the Company.

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