

MStream Limited

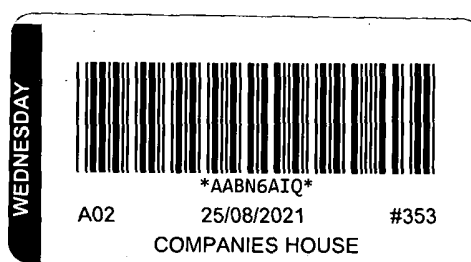
Directors' Report and Unaudited

Financial Statements

Year Ended

31 December 2020

Company Number 07170246



MStream Limited

Company Information

Directors	M J Mills C W Thompson S M Rouse
Registered number	07170246
Registered office	52-56 Leadenhall Street London EC3A 2EB
Accountants	BDO LLP 55 Baker Street London W1U 7EU

MStream Limited

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MStream Limited

Directors' Report For the Year Ended 31 December 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

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 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.

Principal activity

The principal activity of the Company during the year was that of a holding company for its subsidiary, Millstream Underwriting Limited, a company participating in the provision of underwriting services.

Directors

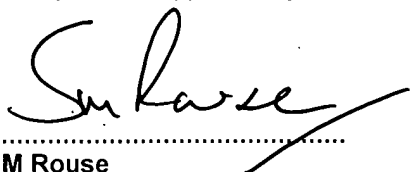
The directors who served during the year were:

M J Mills
C W Thompson
S M Rouse
T C F Coles (resigned 3 November 2020)

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 and signed on its behalf.



.....
S M Rouse
Director

Date: 26/5/21

MStream Limited

Chartered Accountants' Report to the Board of Directors on the Unaudited Financial Statements of MStream Limited

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of MStream Limited for the year ended 31 December 2020 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 <https://www.icaew.com/regulation/a-z>.

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

We have not been instructed to carry out an audit or a review of the financial statements of MStream 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 accounts.

Use of our report

This report is made solely to the board of directors of MStream Limited, as a body, in accordance with the terms of our engagement letter dated 14 May 2021. Our work has been undertaken solely to prepare for your approval the accounts of MStream Limited and state those matters that we have agreed to state to the board of directors of MStream 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 MStream Limited and its board of directors as a body for our work or for this report.

BDO LLP

BDO LLP
Chartered Accountants
London
United Kingdom

Date: 29 May 2021

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

MStream Limited

Statement of Comprehensive Income For the Year Ended 31 December 2020

The Company has not traded during the year or the preceding financial year. During these years, the Company received no income and incurred no expenditure and therefore made neither profit nor loss.

MStream Limited
Registered number:07170246

Statement of Financial Position
As at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	5	3,490,001	3,490,001
Current assets			
Debtors	6	313,345	313,345
Creditors: amounts falling due within one year	7	(730,000)	(730,000)
Net current liabilities		<u>(416,655)</u>	<u>(416,655)</u>
Net assets		<u><u>3,073,346</u></u>	<u><u>3,073,346</u></u>
Capital and reserves			
Called up share capital	8	841	841
Share premium account	9	2,676,500	2,676,500
Revaluation reserve	9	335,950	335,950
Capital redemption reserve	9	159	159
Profit and loss account	9	59,896	59,896
		<u><u>3,073,346</u></u>	<u><u>3,073,346</u></u>

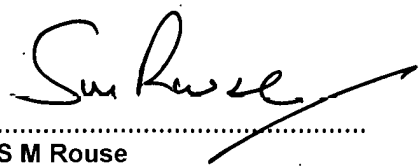
For the year ended 31 December 2020 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006.

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 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: 26/5/21

The notes on pages 5 to 9 form part of these financial statements.

MStream Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

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 2020 and are presented to the nearest pound.

The principal activity of the Company during the year was that of a holding company for its subsidiary, Millstream Underwriting Limited, a company participating in the provision of underwriting services.

The Company is a 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 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 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.4 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.5 Creditors

Short term creditors are measured at the transaction price.

MStream Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

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.

Recoverability of amounts owed by group undertakings (see note 6)

Provision for impairment of the carrying value of amounts due from group undertakings is made based on management's estimate of the prospect of recovering the amounts due, which includes considering the solvency of the counterparty and its future outlook, based on budgets and forecasts prepared by management. The directors are of the opinion that the amounts due from group undertakings are recoverable in full and on this basis no impairment has been provided in the current year in respect of these balances (2019 - £Nil).

Investments (see note 5)

Management must first determine whether there are any indicators of impairment of investments in subsidiaries, and if so consider whether the company's investments in its subsidiaries have been impaired. This requires an estimation of the value in use of the investment. The value in use calculation requires management to estimate the future cash flows expected to arise from the investment and a suitable discount rate in order to calculate the present value. Factors taken into account include the future business plans and projections of subsidiaries and their long term economic value and viability. The carrying amount of the investment in subsidiaries at the reporting date was £3,490,001 (2019 - £3,490,001) with no impairment loss recognised in the current or prior period.

4. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2019 - £Nil).

MStream Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

5. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2020	3,490,001
At 31 December 2020	<u>3,490,001</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Principal activity	Class of shares	Holding
Millstream Underwriting Limited	Providing insurance intermediary services to Underwriters and Brokers	Ordinary	100%

6. Debtors

	2020 £	2019 £
Amounts owed by group undertakings	<u>313,345</u>	<u>313,345</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

7. Creditors: Amounts falling due within one year

	2020 £	2019 £
Amounts owed to group undertakings	<u>730,000</u>	<u>730,000</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

MStream Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

8. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
841 Ordinary shares of £1 each	<u>841</u>	<u>841</u>

9. Reserves

Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

Capital redemption reserve

The capital redemption reserve contains the amount arising on redemption of shares.

Revaluation reserve

Gains/losses arising on the revaluation of the group's investments.

Profit and loss account

This represents cumulative profits or losses, net of dividends paid and other adjustments.

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.a.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.

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.

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.a.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 with all amounts borrowed under the facility being secured by the way of the debenture granted by Nexus in favour of B.P. Marsh & Company Limited. On the 30th April 2020, the revolving facility of £2m was repaid in full.

The outstanding amount under the Debenture as at 31 December 2020 was £40,430,610 (2019 - £31,809,348). The outstanding amount under the loan agreement as at 31 December 2020 was £4,048,280 (2019 - £6,073,054).

MStream Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

11. Related party transactions

The Company has taken advantage of the exemption available under paragraph 33.1A of the Financial Reporting Standard 102 not to disclose related party transactions with other wholly owned members of the group.

12. Controlling party

The immediate and ultimate parent undertaking is Nexus Underwriting Management Limited by virtue of its majority shareholding in the Company.

Nexus Underwriting Management Limited is the parent of the largest and smallest group into which the results of the company are consolidated.

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

In the opinion of the directors, there is no single ultimate controlling party.