Registered number: 00837227

JELF INSURANCE BROKERS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

JELF INSURANCE BROKERS LIMITED

COMPANY INFORMATION

DIRECTORS	D J Bruce T Colraine (appointed 21 January 2021) O Emembolu (resigned 1 March 2021) A B Girling A Gruppo (resigned 31 December 2021) J R Hirst (resigned 28 February 2021) C J Lay
COMPANY SECRETARY	M D-O'Connell
REGISTERED NUMBER	00837227
REGISTERED OFFICE	1 Tower Place West Tower Place London EC3R 5BU

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

INTRODUCTION

The directors present their Strategic Report for Jelf Insurance Brokers Limited (“the Company") for the year ended 31 December 2021. The Company’s registration number is 00837227.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is part of the Marsh & McLennan Companies, Inc group of entities ('MMC Group' or 'the Group'). During the year under review it provided risk management and insurance broking services to clients, and received revenue for services to insurance carriers.

The Company is regulated by the Financial Conduct Authority.

During the year the Company continued to be involved in rationalising the number of legal entities within the MMC Group and as part of that reorganisation in February 2021 the Company acquired the network business of Marsh Limited, a fellow group company. Consideration for this business was in the form of the issue of 1,000 ordinary shares.

Additionally, in March 2021 the Company sold the Marsh Network Business acquired and its Broker to Broker (B2B) business to BBPS Limited, a fellow group undertaking, in exchange for 1,000 shares.

In May 2021 the Company sold its investments in BBPS Limited and The Purple Partnership Limited to an external company.

In July 2021 the Company transferred its remaining employee benefits business to Mercer Limited, a fellow group company.

Subsequent to the year end, in April 2022, the Company sold all of its remaining trade and assets to a fellow group company and as a result, the decision will be made in due course as to its future role.

FINANCIAL KEY PERFORMANCE INDICATORS

	2021	*2020*	Movement	Movement
	£M	*£M*	£M	%
Turnover	**162.5**	*169.3*	(6.8)	(4.0)
Administration expenses	**(167.2)**	*(181.9)*	(14.7)	(8.1)
Profit/ (loss) before tax	**20.3**	*(7.8)*	28.1	360.3
Shareholders' funds	**202.5**	*410.9*	(208.4)	(50.7)

Turnover decreased by £6.8 million (4.0%) to £162.5 million during the year (2020 - £169.3 million) partly due to the sale of certain business lines as noted above.

Administrative expenses decreased by £14.7 million (8.1%) to £167.2 million during the year (2020 - £181.9 million). This reduction was mainly due to lower compensation and benefits, and amortisation as a result of the business disposals during the year.

During the year the Company recorded an impairment loss of £0.4 million (2020 - £24.0 million) following the annual review of its investments. In 2020 the Company acquired the trade and assets of one of its subsidiaries. The subsidiary declared and paid a dividend to the Company resulting in the reduction of its net assets. The Company recorded an impairment against the carrying value of the subsidiary.

FINANCIAL KEY PERFORMANCE INDICATORS (continued)

Other operating income in the year comprised a profit on disposal in relation to a business transfer to a subsidiary of the Company, BBPS Limited (£1.9 million) and the sale of the Company's employee benefit business to Mercer Limited (£11.3 million). The Company also sold its investments in BBPS Limited and Purple Partnership Limited resulting in a profit of £6.1 million.

The Company's profit before tax for the year of £20.3 million increased by £28.1 million compared to the prior year for the reasons noted above.

Shareholders' funds decreased by £208.4 million when compared to the prior year. Dividends declared and paid during 2021 of £251.0 million were offset by the profit for the year of £15.3 million and a premium on share capital issue of £27.0 million.

SECTION 172 (1) OF THE COMPANIES ACT 2006 (THE "ACT") STATEMENT

The Wates Corporate Governance Principles for Large Private Companies (which can be found at www.wates.co.uk/who-we-are/corporate-governance) serves as the framework to demonstrate how Directors have had regard for the matters set out in section 172(1) (a) to (f) of the Act when performing their duties, including how Directors have engaged with and considered the interests of stakeholders including UK employees, suppliers, customers and those in a principal business relationship with the Company.

Corporate Governance Statement

The Directors have set out below an explanation of how the Wates Principles have been applied during the 2021 year.

Principle One - Purpose and leadership

Purpose

The Company is part of the MMC Group, a global professional services provider, specialising in the areas of risk, strategy and people. These services are delivered through four businesses, namely Marsh, Mercer, Guy Carpenter and Oliver Wyman.

The Company is part of the Marsh business, which provides risk management and reinsurance broking services to clients. It is a global leader in insurance broking and risk management. The business aims to help clients understand and manage risks, provides advice on emerging risks and helps ensure clients have the resilience to withstand the unexpected. Work includes interaction with clients of all sizes and in all industries and services including risk management, risk consulting, insurance broking, alternative risk financing and insurance programme management services.

Values and Culture

The Greater Good, which is the Group´s Code of Conduct, applies to all Directors and employees of the Company and it embodies the Group´s commitment to maintaining the highest ethical conduct and professional standards. These non-negotiable standards are outlined in the Greater Good, which emphasises the importance of building trust with colleagues, clients and the wider community. As part of the Company´s ultimate purpose, the Board and the Marsh Commercial Executive team are committed to ensuring that the Company makes a positive difference for its clients, its employees, its communities and society at large.

Principle One - Purpose and leadership (continued)

Values and Culture (continued)

During the year the Company worked with an external provider to deliver a programme designed to deliver an inclusive culture across a diverse workforce. This included an all employee survey on culture, training on diversity and inclusion delivered to over one thousand managers and the setting of diversity and inclusion and colleague metrics goals. The Conduct Risk Dashboard was enhanced to include these metrics, which was reviewed and challenged by the Risk Committee and Board throughout the year.

The Speaking Up report, which applies to all UK business including this Company, has been enhanced, to provide support and assurance to the Audit Committee, which is responsible for making sure that there was proportionate and independent investigation of issues raised by colleagues or other parties that may indicate actual or potential improprieties. The report included information on whistleblowing, disciplinary and grievance events, along with trends and regulatory developments.

The Conduct and Culture working group continued to meet monthly to ensure that Culture and Conduct remained central to the Company’s strategy for growth.

Strategy

The impact of the global Covid-19 pandemic and the hybrid working environment continued to present challenges to the business in the 2021 financial year, offset by the benefit of the hard insurance market. The Board retained its focus on ensuring the safety and wellbeing of colleagues, the operational stability and growth of the business and on the delivery of support and services to its clients.

The Board provided oversight and counsel to the Marsh Commercial Chief Executive Officer in the embedding of cultural initiatives and in the evolution of business strategy to align with evolving demand and growth pathways. The Board has considered the Company’s plans for long lasting improvements for its business, people and clients, endorsing its purpose and promote the Company’s success in the long term. In addition, the Board provided oversight and challenge in respect of the development of the culture of the organisation.

Principle Two - Composition

Chair

The roles and responsibilities of Chair and Chief Executive Officer of the Company are separate and documented in role profiles and Statements of Responsibility, which, as the Company is regulated by the Financial Conduct Authority, comply with the requirements of the Senior Managers & Certification Regime. These ensure that there is a balance of responsibilities, accountabilities and decision-making across the Company. The directors have equal voting rights, except the Chair, who has the casting vote. All directors have access to the advice and services of the Company Secretary and may, if they wish, take professional advice at the Company’s expense.

During 2021, the Board established a skills matrix, which is a key tool in the Board recruitment process, to ensure its composition contains the appropriate mix of skills, background, diversity and independence in order to identify actions or changes required to ensure that Board composition was suitable to meet the requirements of the Company in the future and to maintain focus on succession planning.

Principle Two - Composition (continued)

Non-Executive Directors

The Non-Executive Directors are responsible for bringing independent and objective judgment to deliberations and the formulation of strategy and for providing constructive challenge of executive management in the areas of remuneration, risk, audit and internal controls.

The Board appointed an independent Non-Executive Director ('NED') to the Company and its Risk Committee. Regulatory approval for the appointment of the new NED was received on 21st January 2021.

Balance and Diversity & Size and Structure

The Board comprises four directors, which includes a Non-Executive Chair, an independent Non-Executive Director, the newly appointed Marsh Commercial Chief Executive Officer and the Chief Executive Officer, Marsh UK & Ireland.

On 31 December 2021, the former Marsh Commercial Chief Executive Officer resigned and was replaced by a new Chief Executive Officer, subject to regulatory approval.

Board members have a range of skills, expertise and experience in, amongst other things, the fields of insurance and reinsurance broking, accountancy, operations and commercial management.

Of the Board of four, there was no female directors. We acknowledge that currently there is a lack of gender diversity on the Board. We have established a number of Colleague Resource Groups to help the Company better understand and support a wide range of inclusive constituents of our workforce.

The Directors have equal voting rights when making decisions, except the Chair, who has a casting vote. All Directors have access to the advice and services of the Company Secretary and may, if they wish, take professional advice at the Company's expense.

The duties of the Board are executed partially through its Committees. The Independent Non-Executive Chairman is a member of the relevant committees so that he is able to challenge and influence a range of areas across the Company, including Remuneration, Audit, Compliance, Risk, Board and Executive appointments.

Principle Three - Director Responsibilities

Accountability

The Board has an established governance framework, including clearly documented terms of reference for the Board and Board Committees. The terms of reference set out the Board's responsibility for leading and directing the affairs of the Company, with consideration for the interests of other stakeholders and there are clear delegations of authority in place between the Board, its Committees and the Chief Executive Officer. The Board operates a programme of four scheduled meetings a year, with ad hoc meetings held as and when required. In 2021, the Board met a total of four times and, in addition to its usual areas of focus, key discussion areas concerned matters relating to the sale of the business and assets of the Company to Marsh Limited, Cyber, Digital Transformation, the impact of the global Covid-19 pandemic and the culture of the Organisation.

The Board has reserved certain principal matters for its own approval, and has delegated the day-to-day management of the Company to the Chief Executive Officer.

The Chief Executive Officer is supported by the Marsh Commercial Executive team, which is comprised of the leaders of the main business areas and the Chief Financial Officer, Chief Operating Officer, Chief People Officer, Head of Compliance and Head of Risk. The Chief Executive Officer and Executive team members' roles and responsibilities are clearly documented. The team meets on a monthly basis.

Principle Three - Director Responsibilities (continued)

Accountability (continued)

In accordance with regulatory requirements applicable to the Company, all Directors, members of the Marsh Commercial Executive Team and the most senior managers within the Company´s business and functional support departments have clearly documented statements of responsibility for the matters under their remit. These statements of responsibility are collated into a “responsibility map” which is reviewed by the Board on at least an annual basis, and which provides the Board with a clear view of individual responsibilities and accountabilities across the firm.

Committees

The Company is a wholly owned subsidiary of Marsh Limited. On that basis, the Board has adopted the documented terms of reference of the Marsh Limited Audit, Remuneration and Nominations Committees and has delegated certain governance responsibilities to those Committees. The Board has its own Risk Committee, which also has documented terms of reference and delegated governance responsibilities from the Board.

The membership of these Committees include Non-Executive Directors who provide independent challenge and support effective decision-making.

The Board and its Committees review the terms of reference to ensure that they remain fit for purpose are adapted to promote good governance and meet the requirements of the Company as they evolve.

Integrity of Information

The Board receives regular reports on business and financial performance, key risks and opportunities, strategy, operational matters, market conditions, human resources, legal, compliance, and regulatory matters. Key financial information is collated by the Group´s centralised finance function from its various accounting systems. The Group’s finance function has the appropriate independence, expertise and qualifications to ensure the integrity of this information and is provided with the necessary training to keep up to date with regulatory changes. Financial information is externally audited by Deloitte LLP, the Company’s External Auditor, on an annual basis.

Other key information is prepared by the relevant business and internal functions, which are also subject to periodic reviews by the internal audit function and the Group`s 'process and controls team' who test controls regularly.

Principle Four - Opportunity and Risk

Opportunity

The Board considers the Company´s annual strategic plan, which includes a consideration of long-term strategic opportunities. Other, shorter-term opportunities to improve business performance and achieve operational efficiencies are considered by the Board on an ad hoc basis.

Risk

The Risk Committee assists the Board in fulfilling its responsibility for determining the Company´s risk appetite and for ensuring that sound risk management and internal control systems are maintained.

The Risk Committee met four times in 2021 and its membership during the period included two Independent Non- Executive Directors, Director of Risk and Governance and the former Chief Executive Officer. Executives and other Senior Managers attend the Risk Committee meetings during the year to report on significant risk issues and actions being taken to mitigate them, as required.

Principle Four - Opportunity and Risk (continued)

Risk (continued)

The Risk Committee keeps under review, amongst other things, the Company's top risks including its strategic risks, the risk management performance of key business areas and conduct risks, as well as oversight of the effectiveness of the Company's risk management framework and operational controls. It reports upon these to the Board regularly, or escalates significant risks to the Board on an ad hoc basis.

On an annual basis (or more frequently if required), following review by, and upon the recommendation of the Risk Committee, the Board approves the Company´s Threshold Condition 2.4 regulatory capital requirement, Risk Management Policy and risk appetite statement.

The Risk Function completed Phase 1 of the enhanced Risk and Controls Universe. This is a key component of the Enterprise Risk Management (ERM) Framework, seeking to clearly delineate the role of First Line risk and control ownership from that of Second Line oversight and review. Phase 2 of the programme - control ownership and control assessment methodology will be completed in the latter part of 2022.

Principle Five - Remuneration

Policies

In accordance with regulatory requirements, the Company has in place a formal documented Remuneration Policy, which is reviewed by the Remuneration Committee periodically.

The Remuneration Committee is chaired by an Independent Non-Executive Director, who is responsible for ensuring that the Remuneration Policy and compensation practices are consistent with, and promote, sound and effective risk management, are in line with business strategy, objectives, values, culture, and the long term interests of the Company, encourage fair treatment of clients, and include measures to avoid conflicts of interest. In carrying out its responsibilities, the Committee considers:

a) the success and appropriateness of the risk and reward mechanisms available to the business to align the success of individual colleagues with the success of the business in a risk adjusted context;
b) benchmarks, at a market level, against the stated employee value propositions referencing both remuneration and benefits strategies; and
c) the extent to which remuneration structures support the business and development plans and succession planning needs.

The remuneration packages of Jelf Insurance Brokers Limited executive directors and members of the Executive Team are based upon remuneration, (including base salary, bonuses, performance-related payments, discretionary payments, long-term incentive awards, share options and pension contributions) are reviewed and approved by the Remuneration Committee in order to ensure that executive performance is remunerated based on a balanced set of measures, including financial performance as well as customer and conduct measures.

As part the Company´s annual compensation process, the Committee reviews and challenges management on total remuneration and performance data for all colleagues with a view to ensuring that remuneration proposals for the workforce as a whole are balanced, proportionate and aligned with the Company´s commitment to building a diverse and inclusive workforce.

The Company produces a Gender Pay Gap Report on an annual basis, which is carefully scrutinised and discussed by the Board. The Company is committed to continue improving the Company´s Gender Pay Gap. For further details in this regard, please refer to the Company´s latest Gender Pay Gap Report which can be found at https://gender-pay-gap.service.gov.uk/Employer/QGsAsVS6

Principle Six - Stakeholder Relationships and Engagement

Shareholder

As a wholly owned subsidiary, the Board duly considers the views of its ultimate shareholder, Marsh & McLennan Companies, Inc., and the interests of the Group as a whole as part of any major decisions and transactions undertaken by the Company. Distributions to the Company´s shareholder are only considered after a full assessment of capital adequacy and the Company's ability to continue as a going concern into the foreseeable future to ensure investment in the future growth of the Company, balanced with stable and sustainable returns to the shareholder. Further information on dividends is set out in the Notes to the Financial Statements on page 48.

The Chairman of the Board and the Executive Directors provide the primary channel of communication between the Company, its shareholder and the wider Group.

Clients

The Company is committed to ensuring all customers are treated fairly and that client interest is considered as part of decision making at every level within the Company including decisions to launch any new product or service.

The Risk Committee monitors key conduct risk indicators, such as employee induction and training completed, error and omissions and complaints data and trends, actions and time taken to address areas of concern to ensure positive client outcomes. The Board also receives reporting on conduct risks and escalations from the Risk Committee on any areas of particular concern.

Employees

As a professional services firm, employees are at the heart of the Company’s business and, throughout 2021, the health, wellbeing and safety of employees has been a key priority for the Board.

The Directors recognise that the Covid-19 pandemic has had a significant impact, not only on employees’ work environment but also on a personal level. The Marsh Commercial Chief Executive Officer and his leadership team increased engagement with colleagues through regular virtual Townhall meetings and in ensuring the provision of mental health support.

Regular employee engagement surveys are conducted and results scrutinised by the Board to identify and implement actions for improvement. The Board monitors attrition rates engagement survey results, and absenteeism levels in an effort to identify emerging people risks and trends and to ensure appropriate action is taken to address these. Emerging people risks and trends are highlighted to the Board together with proposed action plans.

The Company is committed to reinforcing a wholly inclusive culture across a truly diverse workforce. One aspect of this is demonstrated through our commitment to the Women in Finance Charter to increase the number of females in senior grades to 25% by the end of 2023. We have seen an increase in our senior female representation during 2021, resulting in 23.3% of our senior management population now being female across Marsh UK businesses. This shows significant progress towards our 2023 target.

Our 2021 Women in Finance Charter is published annually and can be found at https://www.marsh.com/uk/about/about-marsh/women-in-finance.html.

We have established a number of Colleague Resource Groups to help the Company better understand and support a wide range of inclusive constituents of our workforce. These groups include, AccessABILITIES, Balance, Mental Health, Military, Multi-Cultural, Pride and Young Professionals groups.

Principle Six – Stakeholder Relationships and Engagement (continued)

Community

The Company, and the Group as a whole, recognises that in a world facing increasing risk and uncertainty, supporting our communities is more important than ever before. To this end, the Group has established a committee, comprised of representatives from across its businesses in the UK, including a representative of the Company, to focus on our Social Impact efforts in the UK. Given the Group´s expertise in risk, strategy and people, our social impact efforts are focused on 'building resilient communities through mentoring and disaster response & rebuilding.'

By aligning its Social Impact programmes with the business priorities and experience, the Group is able to demonstrate its commitment to its communities in the UK while supporting the business. The Group partners with select strategic global non-profit organisations, including; the Cherie Blair Foundation for Women, Junior Achievement, Missing Maps and the British Red Cross in the UK. The Group also encourages colleagues to volunteer with its non-profit partners supporting local causes that are important to them and their clients. Following a successful partnership with the British Red Cross, the new charity partner is Ambitious About Autism.

The Group has developed climate initiatives, which represent a tangible step towards building a more sustainable environment for colleagues, clients, shareholders and future generations. More information on the initiatives may be found in the Streamline Energy and Carbon Report on page 16 to 20.

Suppliers

Marsh Commercial's business with suppliers is managed through the MMC Group's Global Sourcing and Procurement department. The relationships with suppliers are governed either by a specific contractual agreement or a standard terms and conditions agreement with the supplier, both of which oblige all suppliers to uphold and comply with the MMC Group corporate code of conduct: 'The Greater Good'. This document outlines the key tenets of our anti-fraud, anti-slavery, bribery and corruption policy, diversity & inclusion practices, hiring practices, and more. Suppliers and supplier personnel are expected to comply with the relevant provisions of such as part of our contractual agreements.

The Group actively seeks to encourage and assist diverse suppliers interested in competing for opportunities to supply goods and services and encourages all of our suppliers to take similar action. We recognize that by partnering with diverse suppliers, we can create more value for our clients, and the communities we serve. As a commitment to delivering value and leadership through diversity, the MMC Group is doing the following:

- Utilizing purchasing strategies, processes, and behaviours consistent with diversity and inclusiveness
- Actively and routinely seeking out qualified, diverse suppliers that can provide competitive and high-quality goods and service
- Encouraging participation and support of supplier diversity by major suppliers to Marsh McLennan
- Collaborating with our clients and suppliers on innovative ways to promote supplier diversity
- Creating opportunities to assist in the development and recognition of diverse supplier groups through instruction, mentoring, and other outreach activities
- Monitoring progress on the effectiveness of our supplier diversity efforts

The Company is committed to ensuring that slavery and human trafficking is not taking place in any of the Company's supply chains or any part of its business and has in place a Modern Slavery Policy, which has been rolled out to all colleagues and incorporated into the Company's induction programme.

Principle Six – Stakeholder Relationships and Engagement (continued)

Suppliers (continued)

All suppliers are required to comply with modern slavery legislation under the standard terms and conditions of our contracting agreements and the Group's Global Sourcing and Procurement team issue an annual modern slavery supplier questionnaire to certain suppliers (selected on a risk based approach) to monitor compliance. The Board is updated on response rates and the outcome of questionnaires on an annual basis. The Company's Modern Slavery Statement is published annually and can be found at https://www.marsh.com/uk/modern-slavery-statement.html

The Company reports on its supplier payment practices on a bi-annual basis, and results are monitored by the Audit Committee at its quarterly meetings. The Directors consider the payment practice results bi-annually at the time of publication. The Company´s latest results can be found at https://check-payment-practices.service.gov.uk/report/54371

Environmental, Social and Governance

We remain committed to integrating Environmental, Social and Governance (ESG) considerations into our decisions and strategy, and building a more sustainable environment for everyone. As a Group, we delivered on our pledge to be carbon neutral in 2021 - through the reduction of greenhouse gas emissions in our own operations and the purchase of verifiable offsets. We also strengthened our commitment to a better, sustainable future for all by implementing enterprise-wide Client Engagement Principles that support sustainable development goals in vital areas such as affordable healthcare, gender equality and climate-change mitigation.

We have delivered on our strategy to demonstrate our commitment to change through our membership of ClimateWise, we become a signatory of the Race At Work charter and an ambassador for the Race: Action Through Change organisation. We have expanded our partnerships with social enterprises committed to delivering lasting change in the insurance industry including a multi-year relationship with the Insurance Cultural Awareness Network.

Our colleagues remain our priority and we have launched a new UK Colleague Guide which seeks to align and simplify language on all colleague related policies. These have been enhanced in a number of areas, further enabling colleague well-being and supporting a healthy balance between work and home life. Providing a sustainable platform for change into the future has been a particular focus and we have been successful in ensuring that our early careers joiners - graduates, apprentices and interns - are gender and ethnically and racially diverse.

Digital

During 2021 the Digital team in the UK and Ireland focussed on the enhancement of clients' digital experience, piloting a number of applications which enable clients to access and interact with their own data. In addition, there have been a number of product launches through the digital distribution channel and a roadmap has also been developed for the digital placement of risks.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's Risk Committee meets frequently throughout the year to monitor risks across the business. The Committee reviews and challenges risk management activity and reports to the Board of Directors.

The principal risks and uncertainties facing the company are those listed below:

Availability of IT systems risk

The Company has a number of Information Technology (IT) systems in order to carry out its day-to-day business and service its clients' requirements and meet regulatory obligations. There is a risk that any of these systems, as part of the overall IT infrastructure, could fail, individually or collectively, with an adverse effect on the Company's operations. The Company is part of the Marsh McLennan Companies, Inc.'s global IT structure and there are business continuity plans in place.

Competitive risks

The nature of the current market combined with aggressive strategies from competitors puts significant challenge on the Company to retain existing business and to win new business. The Company mitigates this risk by continuing to enhance its value proposition to its clients and other core stakeholders. The Company receives fees and commissions. It does not control premiums on which commissions are based; premiums are cyclical and variable.

Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The main areas where the Company is exposed to credit risk are amounts due from clients and insurers in respect of funded claims, funded premiums and brokerage not yet received, and cash deposits. Funding is strictly controlled and minimised.

The Company mitigates its credit risk for cash and investments by only depositing money with entities with a sufficiently high credit rating. The credit rating required is that demanded by the ultimate parent company. In addition, the Company has investment guidelines that restrict the amount of the investment portfolio that can be placed with a single counterparty.

Cyber risk

The Cyber control framework is managed by the MMC Group Information Security team who monitor and maintain the supporting IT infrastructure, tools and technologies to safeguard the organisation, and its clients, from the rapidly changing cyber threat environment. The Company proactively de-risks its operations through regular patching and security upgrades and supports this with colleague awareness and training campaigns. In the event of heightened Cyber threat, MMC has established incident management procedures which are invoked to mitigate any adverse impacts. Attendance at the Financial Conduct Authority ('FCA') hosted Cyber Co-ordination Group ensures the business has sight of Global threats and vulnerabilities.

Errors and omissions and other claims risk

The Company is subject to claims and litigation in the ordinary course of its business, principally in connection with the Company's insurance broking business. The Company mitigates this risk through regular review of company processes and, ultimately, securing appropriate insurance cover.

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Environmental, Social and Governance (‘ESG’) risk

The Company is responsible for managing its sustainability, ethical practices and corporate governance in line with its risk appetite, providing proportionate accountability and stakeholder transparency. The Company is subject to changing regulatory obligations, and external standards, carrying with it the associated reputational risk in the event that it fails to operate in line with emerging Environmental, Social and Governance stakeholder expectations.

The Company seeks to mitigate this risk through the development and delivery of the Marsh UK ESG Programme, and through alignment with the Marsh McLennan ESG strategy.

Health and Safety risk

The Company is responsible for the health, safety and welfare of its employees and contractors whilst working on behalf of the Company.

Where reasonably practicable, the Company pursues progressive improvements in health and safety performance and ensures that the business is compliant with all applicable legislation. Directors and individual managers accept responsibility for people and areas under their control and integrate health and safety into everyday activities. They are committed to ensuring the competence of all employees through selection, instruction, training and supervision.

Management of health and safety standards is ensured through effective audit and action resolution and is supported by bespoke software to allow monitoring. Incident reporting, investigation and trend analysis ensures identified workplace hazards are corrected to prevent reoccurrence. Colleague consultation plays a key role and is achieved through the Group´s UK Health and Safety Committee, comprised of representatives from across the businesses in the UK, including a representative of the Company. This committee reviews the Company´s arrangements in place on a regular basis and works towards continuous improvement of health and safety standards. See also Pandemic risk later.

Interest rate risk

The interest rate risk of the Company is managed by treasury staff, in line with guidelines issued by its ultimate parent company.

In managing interest rate risk the Company aims to reduce the impact of short-term fluctuations on the Company's earnings. Over the longer term, however, permanent changes in interest rates would have an impact on earnings.

Liquidity/cash flow risk

Liquidity and cash flow risk is the risk that cash may not be available to pay obligations when due. The Company maintains significant holdings in liquid funds to mitigate against this risk. The Company includes the use of forecasts and budgets to monitor and control its cash flows and working capital requirements.

Market Concentration risk

The Company is exposed to the financial and operational performance of the insurers with whom it places its clients’ business. This is mitigated by managing the spread of business across carriers and regular third party due diligence.

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Operational Resilience risk

The Company has established processes, controls and oversight mechanisms in place to prevent, adapt, respond to, recover from and learn from operational disruptions in order to mitigate any potential client detriment, regulatory intervention and/or adverse commercial impacts. The Company’s Operational Resilience Programme has been established to address the regulatory requirements arising from the Financial Conduct Authority's (FCA) guidance in this area.

Outsourcing risk

The Company outsources a number of its services to third party organisations, including intra group arrangements. The ability of the Company to perform efficiently is directly impacted by the services of such third party arrangements. Outsourcing contracts and providers are respectively reviewed against performance expectations and key performance indicators. See also Operational Resilience risk.

Pandemic risk

The Company continues to be exposed to pandemic risk resulting from the impacts of Covid-19 and its associated strains. The systemic nature of the pandemic requires operational changes to be successfully implemented to support both client and colleague servicing requirements, and to ensure the business operates in line with its client and regulatory expectations.

The Company has taken a considered approach to minimising and managing the impact of the pandemic and has well formulated contingency plans, which continues to evolve as changes to circumstances occur.

The Company has proactively sought to minimise Covid-19 impacts on the mental health and well-being of its employees through centrally established support programmes, coordinated communications and monitoring of sickness rates. The UK Crisis Management Team continues to adapt the Company's response to changing government policy and colleague requirements.

People risk

The willingness of competitors to offer key staff higher remuneration and benefits packages continues to be a risk to the Company's ability to attract and retain key people. Periodic benchmarking of salaries is carried out to ensure the Company remains competitive. Competitor risks around colleague and team ‘poaching' has heightened during 2021 with proportionate executive and local management governance established to minimise the threat. Where colleagues exit the Company, management, HR and Legal teams exercise covenants as appropriate.

The most proximate People risks remain the impacts of the Covid-19 pandemic on colleagues and increased colleague and team ‘poaching' by competitors. Both risks are noted in more detail above.

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Political risk

The Company is subject to local and international political risk and is susceptible to any significant instability in the political landscape. Factors such as new governments; government mandates (e.g. Brexit) and changes in government policy all have the potential to negatively impact on strategy and the Company's business model.

The Company proactively manages this risk through horizon scanning and monitoring of the political and economic environment as part of its ongoing forecasting and strategic planning processes. In the event of political change affecting the Company, this will be managed by multi discipline subject matter experts to ensure that any revised legal and/or regulatory requirements are addressed, to adapt business strategy as required, and to ensure that we continue to serve in the best interests of our clients and colleagues.

As at the date of this report, the escalating tensions in Eastern Europe continue to be assessed through regional, and MMC Group level dedicated incident management forums, aligning the Company`s responses to both local governmental and MMC Group corporate guidance. The Company has strong controls in place to monitor and respond to the changing sanctions environment and the key associated risks have been assessed to support executive decision making.

Regulatory risk

The risk of non-compliance with rules set out by the FCA and other relevant regulatory bodies could lead to financial penalties or the withdrawal of permissions. The risk of breaches is mitigated by dedicated colleague training programmes, continuing professional development and the employment of experienced and dedicated compliance resources who are tasked with enabling and monitoring compliance across all areas of the business. Senior management are keen to promote the established compliant culture. The Company maintains oversight of its third party arrangements through established governance mechanisms to de-risk any potential exposures.

This report was approved by the board and was signed on its behalf on 4 August 2022. .

A B Girling
Director

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.

PRINCIPAL ACTIVITY

The principal activities of the Company are set out in the Strategic Report on page 1. The information that fulfils the Companies Act requirements of the business review are included in the Strategic Report on pages 1 to 13. This includes a review of the development of the business of the Company during the year and of likely future developments in its business. Details of the financial risk management objectives and policies are included as part of principal risks and uncertainties disclosed in the Strategic Report.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £15 million *(2020 - loss £13 million)*.

The Company paid a dividend in the year of £251 million (2020 - £NIL million). The directors do not recommend the payment of a final dividend.

DIRECTORS

The directors who served during the year were:

D J Bruce
T Colraine (appointed 21 January 2021)
O Emembolu (resigned 1 March 2021)
A B Girling
A Gruppo (resigned 31 December 2021)
J R Hirst (resigned 28 February 2021)
C J Lay

GOING CONCERN

The directors acknowledge the latest guidance on going concern. The Company sold its trade and assets to a fellow group company in April 2022 and remains as a holding company for other investments. The Company continues to monitor the uncertainty in the current economic and business environment. The Company`s activities are under review by the Directors and a decision will be made in due course as to its future. The Company also has adequate financial resources for the foreseeable future. Accordingly the directors continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in note 2 to the financial statements.

FUTURE DEVELOPMENTS

In April 2022, the Company sold all of its trade and assets to a fellow group company with the exception of its investments in subsidiary entities which it has retained. A decision will be made in due course as to its future.

ENGAGEMENT WITH EMPLOYEES

During the year under review, the Company has employees working for the business. In April 2022 the trade and assets of the business were sold to a fellow group subsidiary. At the same time the employees of the Company were transferred under the Transfer of Undertakings (Protection of Employment) Regulations ('TUPE') to another fellow group subdiary.

During the year, employees were provided with information on a regular basis concerning the activities and performance of the companies within the group. This was achieved by the circulation of management bulletins, quarterly town halls and intranet news sheets. In addition, regular meetings of representatives of management and staff took place to seek the views of employees upon matters likely to affect their interests.

EMPLOYMENT POLICY

During the year the Company remained committed to equal opportunities for both existing employees and applicants seeking employment. Until the date the employees of the Company were transferred, it was the Company's policy to give appropriate consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. For the purpose of training, career development and promotion, disabled employees, including any who became disabled in the course of their employment, were treated on equal terms with other employees.

MODERN SLAVERY ACT

The Company has a longstanding commitment to conducting business in a responsible and ethical way, in accordance with its Code of Conduct, 'The Greater Good'. The Company is also committed to fulfilling its obligations under the Modern Slavery Act 2015. In support of this the Company has a communications programme to raise awareness amongst all UK Colleagues to ensure that they are mindful of the risks of modern day slavery.

Global Procurement has implemented specific vetting checks, in addition to existing processes, to support this initiative. The statement can be found on the Company website (www.marsh.com/uk/modern-slavery-statement.html). The statement is reviewed by the Directors annually.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The Company has put in place an indemnity in its Articles of Association to indemnify directors and officers of the Company against losses or liabilities sustained in the execution of their duties of office. The indemnity is a qualifying third party indemnity provision under s232 and s234 of the Companies Act 2006.

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENT ACTION

The Company, as part of the MMC Group, recognises its obligations to be good stewards of the environment and continues to look at ways to minimise its carbon footprint and impact on the environment.

The approach to the environment and environmental reporting is managed at a Group level and constantly under review. In 2021 the Group announced it was a CarbonNeutral © certified business. Across many parts of the business, including in the UK, there are initiatives underway that are focused on improving the efficiency of our operations as these relate to greenhouse gas emissions, energy consumption and the impact our business has on the environment. These initiatives include:

- Property optimisation - across a portfolio of approximately 700 locations, containing more than 12 million square feet globally the Group is identifying ways to quantify and reduce its carbon footprint through green leasing and unique space solutions;
- Technology - six world class data centres are maintained by the Group and are home to more than 17,000 physical and virtual servers that host thousands of applications and systems, with a focus on energy efficiency. In addition, an End of Life Electronic Recycling Program is utilised by the Group, allowing an expansion of the Group’s recycling footprint;
- Corporate travel – the Group is focusing on opportunities to strengthen relationships and the environmental offering of suppliers underlying the use of 400m air miles and 250,000 hotel nights annually; and
- Education – increasing awareness of environmentally friendly corporate travel options available.

CARBON TRUST UPDATE

All MMC Group UK operations have been part of an accredited carbon assessment scheme (operated by the Carbon Trust) since 2017. The recertification process is performed for the Trust’s reporting period 1 October to 30 September and in arrears of the Company’s financial reporting period. Additionally key performance indicators are for two year average periods to reduce spikes in results, mainly as a result of Covid-19 and political uncertainties.

The assessment for the Trust identified a 15.2% reduction in absolute emissions of UK operations for Marsh, Mercer and Guy Carpenter and placed the MMC UK operations in the 55th percentile within the sector and 20th percentile against all certifications. Performance change versus the previous certification reflects a combination of factors including the inclusion of estimated utility kWh consumption (natural gas and electricity) for landlord managed office space, the increased access to actual energy consumption information and the production of a more UK centred sustainability policy. Recertification covering 2021 is scheduled for 2023.

In 2020, Marsh’s Global Power & Energy Group launched the first integrated global renewable energy industry practice in insurance broking. Marsh is also helping clients measure and manage the risks to their assets and operations from hurricanes, floods and other natural perils in a changing climate.

The impact of the pandemic on business operations is still being felt, with reduced occupancy in our offices, and lower levels of international air travel especially, contributing to reduced consumption of energy and lower Greenhouse Gas ('GHG') emissions than would ordinarily be expected.

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENT ACTION (continued)

Streamlined Energy and Carbon Reporting

The Company is required to report on energy consumption and greenhouse gas emissions under the Streamlined Energy and Carbon Reporting regulations. The information below sets out the Company's emissions from gas, electricity and transport fuel, analysed by Scope 1, 2 and 3 emissions

Scope 1

Scope 1 emissions are direct emissions stemming from business operations, primarily emissions generated by on-site combustion and fleet vehicles. These emissions are related to activities owned or controlled by the Group which release emissions into the atmosphere, examples of Scope 1 emissions are combustion from owned or controlled boilers and company vehicles.

Natural Gas

Data reported in 2020's financial statements related only to the consumption for sites where gas is sourced by the Group rather than a third party landlord. This was due to the limited data available in respect of gas fired of electric heating for supplied sites. The Group's facilities team now have obtained additional data from third party landlords and are therefore able to provide a more complete view of gas usage across the UK portfolio; resulting in a higher level of gas consumption being reported relative to that reported in 2020. The data comprises actual metered consumption for sites where the Group sources the supply, and estimates of consumption for the landlord supplied sites using an intensity metric of Kwh/m2 taken from the metered sites.

Company Vehicles & Fleet.

The data for company vehicles captures the emissions from fuel consumed for business use in company cars, fleet and private cars where employees are reimbursed for business mileage.

	2021 (excluding offshore)	2020 (excluding offshore)	Variance (%)	Comment
Emissions from combustion of gas (Scope 1 - tonnes of CO_2e)	161.0	171.0	(6.0)	See A below
Emissions from combustion of fuel for transport purposes (Scope 1 - tonnes of CO_2e)	112.0	619.0	(82.0)	See B below

A - Decrease is mainly due to estate rationalisation and seasonal heating demands, which is offset by an increase in re-occupation of offices during 2021 due to lifting of Covid-19 restrictions.

B - Decrease is mainly due to Covid-19 travel restrictions and utilisation of information technologies, which has resulted in alternatives to business related travel.

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENT ACTION (continued)

Scope 2

Scope 2 emissions are indirect from electricity purchased by the Group and the Group's landlords for use in our offices. These are emissions released into the atmosphere associated with consumption of purchased electricity, heat and cooling and are indirect emissions that are a consequence of the Group's activities, but which occur at a source the Group does not own or control.

The Group has been focusing on Scope 2 emissions for a number of years and in 2012 set a Scope 2 emissions reduction goal to reduce electricity usage by 20% by 2017. This goal was achieved two years ahead of target in 2015.

Electricity.

The Group continues to rationalise its property portfolio and look for ways to make more effective use of its office space. The rollout of the 'agile' workplace program has continued throughout the year. As a result of the information collated from landlords about the source of electricity being supplied to our offices, our market based carbon emissions are lower than reported in the previous year.

The real-time consumption of electricity is metered in 13 of our UK buildings, with Day+1 data being used by the site operations teams to optimise the running of the building systems relative to occupancy. Building gas and electricity consumption data has been used to benchmark offices against a set of industry intensity measure and from this establish the offices that are less efficient. This is helping inform conversations about capital investments.

The Location based metrics presents the consumption of energy in Kwh into equivalent carbon emissions. Market based data follow the same conversion methodology but also accounts for the Company's use of renewable energy, resulting in a lower emissions value.

	2021	2020	Variance (%)	Comment
	Location Based	Location Based		
Emissions from electricity purchased for own use, including for the purpose of transport (Scope 2 - tonnes of CO2e)	926.0	1,250.0	(26.0)	See C below

	2021	2020	Variance (%)	
	Market Based	Market Based		
Emissions from electricity purchased for own use, including for the purpose of transport (Scope 2 - tonnes of CO2e)	216.0	302.0	(28.0)	See D below

C - Decrease is mainly due to increase linked to estate rationalisation and general improvements to efficiency controls, offset by increases in re-occupation of offices due to the lifting of Covid-19 restrictions.

D - Reduction due to an assessment of electricity procurement criteria (MMC and landlord controlled) which identified further Renewable Energy Guarantees of Origin (REGO) certified renewable electricity tariffs across the office estate.

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENT ACTION (continued)

Scope 3

Emissions include indirect emissions from sources not owned or controlled by the Company, but that we indirectly impact in our value chain. The Scope 3 emissions for the Company includes our colleagues' commercial air travel, rail travel and business travel in personal vehicles.

Transport.

Scope 3 emissions for the UK based businesses amounted to approximately 65% of total emissions in 2019 (pre Covid-19 restrictions). Given the reduction in international travel over the last 2 years the extent of the Company's travel related emissions also reduced significantly. As travel restrictions are lifted around the world there is some return to business travel; however the Group continues to invest in technology and tools to support remote working and the use of online meetings where practicable.

	2021	**2020**	**Variance (%)**	**Comment**
Emissions from business travel by air, rail and in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3 - tonnes of CO_2e)	157.0	965.0	(808.0)	See E below

E - Reduction due to the improvement of data access allowing for greater coverage of employee owned vehicles used for business purposes and the utilisation of communication information technology.

Total emissions - Scope summary

	2021 (Tonnes of CO_2e) Location Based	**2021 (Tonnes of CO_2e) Market Based**	2020 (Tonnes of CO_2e) Location Based	2020 (Tonnes of CO_2e) Market Based
Scope 1 – Direct	273.0	273.0	790.0	790.0
Scope 2 – Indirect	926.0	216.0	1,250.0	302.0
	1,199.0	**489.0**	**2,040.0**	**1,092.0**
Scope 3 - Indirect	157.0	157.0	965.0	965.0
Total	**1,356.0**	**646.0**	**3,005.0**	**2,057.0**

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENT ACTION (continued)

Total emissions - Scope summary (continued)

	2021	**2021**	2020	2020
	(Tonnes of CO2e) Location based	**(Tonnes of CO2e) Market based**	(Tonnes of CO2e) Location based	(Tonnes of CO2e) Market based
Total TCO2e on Scopes 1 & 2 above	**1,199.0**	**489.0**	**2,040.0**	**1,092.0**
	Electricity (Kwh)	**Gas (Kwh)**	Electricity (Kwh)	Gas (Kwh)
Energy consumption used to calculate emissions (Kwh)	4,358,933.0	877,538.0	5,404,400.0	936,984.0
	Total	**5,236,471.0**	**Total**	**6,341,384.0**
Intensity measurement (TCO2e per employee)	**0.62**	**0.25**	**0.93**	**0.50**
Headcount as at 31st December		1,937		2,189

Note
The Company’s UK facilities are largely operated on a shared basis with the other operating companies within the Group. The portfolio is predominantly leased and is managed centrally. The supply of gas and electricity for a property can either be sourced by the Company or the supply managed via a building landlord. In 2021 UK landlords were contacted to confirm whether supplies or electricity were from renewable or non-renewable sources. This additional data has allowed Location versus Market bases emissions data reported for 2020 to be updated. Additionally, some adjustments have been made to cater for meter readings received post reporting.

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.

POST BALANCE SHEET EVENTS

In April 2022, the Company sold all of its trade and assets to a fellow group company with the exception of its investments in subsidiary entities which it has retained. The Company will continue as a holding company managing subsidiary investments.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

AUDITOR

The auditor, Deloitte LLP, has indicated their willingness to continue in the office and will be deemed to be reappointed under Section 487 (2) of the Companies Act 2006.

This report was approved by the board and was signed on its behalf on 4 August 2022.

A B Girling
Director

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors are responsible for preparing 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), 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 the 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JELF INSURANCE BROKERS LIMITED

Report on the audit of the financial statements

Opinion
In our opinion the financial statements of Jelf Insurance Brokers Limited (the 'company'):

- 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, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 33.

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 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 Financial Reporting Council's (the 'FRC'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
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JELF INSURANCE BROKERS LIMITED (CONTINUED)

Other information
The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. The directors are responsible for the other information contained within the annual report. 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.

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.

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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC’s website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

Extent to which the audit was considered 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.

We considered the nature of the Company’s industry and its control environment, and reviewed the Company’s documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and internal audit about their own identification and assessment of the risks of irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JELF INSURANCE BROKERS LIMITED (CONTINUED)

We obtained an understanding of the legal and regulatory framework that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, tax legislation and the regulations of the Financial Conduct Authority ('FCA'); and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax, valuations, pensions, IT, forensic and industry specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

- Jelf Insurance Brokers Limited is exposed to the risk of errors and omissions ("E&O") in the ordinary course of its business as it may be subject to claims and litigation arising from alleged E&O in the placement and servicing of clients' insurance contracts and provision of consulting services. E&O liabilities are based primarily on the judgement of management, legal staff, and other specialists. E&O liabilities covered by insurance result in the requirement to evaluate the collectability of significant amounts recoverable from insurers and the necessity to monitor any possible exhaustion of insurance cover.

  We have performed procedures to evaluate the design and implementation and operating effectiveness of controls in relation to the valuations of the E&O liability. We have performed audit procedures on a sample basis relating to potential and known E&O cases as at 31st December 2021. We extended the extent of our testing to address the risk and analysed the E&O cases against Section 21 of FRS 102 to ensure the recognition and management has appropriately applied measurement criteria. We also selected a sample of new low value or nil value claims. Through a combination of inspection of supporting documents and emails and inquiry with relevant staff, we have assessed whether the value recorded is appropriate; and

- ISA240 states that when identifying and assessing the risks of material misstatement due to fraud, the auditor shall, based on a presumption that there are risks of fraud in revenue recognition; evaluate which types of revenue, revenue transactions or assertions give rise to such risks. For the purpose of this audit we identified a risk of fraud in revenue recognition, specific to revenue being recorded in the incorrect period, where management is incentivised to meet certain targets and therefore may inappropriately accrue revenue.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JELF INSURANCE BROKERS LIMITED (CONTINUED)

Report on other legal and regulatory requirements

Opinions 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report 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 any material misstatements in the strategic report or the directors' report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JELF INSURANCE BROKERS LIMITED (CONTINUED)

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

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.

Adam Knight, ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

Date: 4 August 2022

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £M	*2020 £M*
Turnover	4	**162.5**	*169.3*
Gross profit		**162.5**	*169.3*
Administrative expenses		**(167.2)**	*(181.9)*
Other operating income	6	**13.2**	*-*
Other operating charges	7	**(0.2)**	*-*
Operating profit/(loss)	7	**8.3**	*(12.6)*
Profit on sale of investments	12	**6.1**	*-*
Income from fixed assets investments	11	**6.3**	*28.8*
Amounts written off investments	17	**(0.4)**	*(24.0)*
Profit/(loss) before tax		**20.3**	*(7.8)*
Tax on profit/(loss)	13	**(5.0)**	*(4.8)*
Profit/(loss) for the financial year		**15.3**	*(12.6)*

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2021 (2020: £M NIL).

The notes on pages 32 to 61 form part of these financial statements.

All transactions derive from activities which were discontinued in 2022.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note		2021 £M		2020 £M
Fixed assets					
Intangible assets	15		**139.5**		*204.2*
Tangible assets	16		**0.7**		*2.0*
Investments	17		**5.6**		*27.1*
			145.8		*233.3*
Current assets					
Debtors: amounts falling due after more than one year	18	**2.7**		*2.0*	
Debtors: amounts falling due within one year	18	**32.2**		*56.3*	
Bank and cash balances	20	**151.2**		*233.8*	
		186.1		*292.1*	
Creditors: amounts falling due within one year	21	**(126.9)**		*(108.9)*	
Net current assets			**59.2**		*183.2*
Total assets less current liabilities			**205.0**		*416.5*
Provisions for liabilities					
Other provisions	24	**(2.5)**		*(5.6)*	
			(2.5)		*(5.6)*
Net assets			**202.5**		*410.9*
Capital and reserves					
Called up share capital	25		**0.3**		*0.3*
Share premium account	26		**27.0**		*-*
Profit and loss account	26		**175.2**		*410.6*
			202.5		*410.9*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4 August 2022.

A B Girling
Director

The notes on pages 32 to 61 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£M	£M	£M	£M
At 1 January 2021	**0.3**	**-**	**410.6**	**410.9**
Comprehensive (expense)/income for the year				
Profit for the year	**-**	**-**	**15.3**	**15.3**
Dividends paid	**-**	**-**	**(251.0)**	**(251.0)**
Shares issued during the year	**-**	**27.0**	**-**	**27.0**
Credit to equity for equity settled share based payments	**-**	**-**	**0.3**	**0.3**
At 31 December 2021	**0.3**	**27.0**	**175.2**	**202.5**

The notes on pages 32 to 61 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Profit and loss account	Total equity
	£M	£M	£M
At 1 January 2020	0.3	422.9	423.2
Comprehensive (expense)/income for the year			
Loss for the year	-	(12.6)	(12.6)
Credit to equity settled share based payments	-	0.3	0.3
At 31 December 2020	0.3	410.6	410.9

The notes on pages 32 to 61 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. GENERAL INFORMATION

Jelf Insurance Brokers Limited is a company incorporated in the United Kingdom under the Companies Act and registered in England and Wales. The address of the registered office is given on the Company information page. Jelf Insurance Brokers Limited is a private company limited by shares. The nature of the Company’s operations and its principal activities are set out in the Strategic Report on pages 1 to 13.

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 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).

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 11.42, 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 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

Where applicable, this information is included in the consolidated financial statements of Marsh & McLennan Companies, Inc. as at 31 December 2021 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

Shareholders have been notified in writing and do not object to the disclosure exemptions. Group consolidated financial statements of Marsh & McLennan Companies, Inc. can be obtained from the address listed in note 33.

2. ACCOUNTING POLICIES (CONTINUED)

2.3 GOING CONCERN

The directors acknowledge the latest guidance on going concern. The Company sold its trade and assets to a fellow group company in April 2022 and remains as a holding company for other investments. The Company continues to monitor the uncertainty in the current economic and business environment. The Company`s activities are under review by the Directors and a decision will be made in due course as to its future. The Company also has adequate financial resources for the foreseeable future. Accordingly the directors continue to adopt the going concern basis in preparing the financial statements.

2.4 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational 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 profit or loss 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 profit or loss within 'other operating income'.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 INVESTMENT INCOME

Investment income from fiduciary and corporate balances is recognised on an accruals basis using the effective interest rate method.

2.7 CONTRACTUAL OUTSOURCED ARRANGEMENTS

Where the outcome of a long term outsourcing contract can be estimated reliably, the costs are recognised by reference to the stage of completion. This is measured by the proportion that outsourcing contract costs incurred to date bear to the estimated total outsourcing contract costs. Outsourcing contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that the total outsourcing contract costs will exceed estimated total outsourcing contract costs, the expected overrun of costs is recognised immediately.

2.8 OPERATING LEASES: THE COMPANY AS LESSEE

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2020 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.9 INTEREST INCOME

Interest income is recognised in profit or loss using the effective interest method.

2. ACCOUNTING POLICIES (CONTINUED)

2.10 FINANCE COSTS

Finance costs are charged to profit or loss 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.

2.11 PENSIONS

Defined contribution pension plan

Until 30 September 2021 the Company operated a defined contribution plan. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations. On 1 October 2021 the participants transferred to the MMC UK Pension fund.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.12 SHARE-BASED PAYMENTS

The Company's ultimate parent company, Marsh & McLennan Companies Inc. ("MMC"), maintains multiple equity settled share-based payment arrangements in the UK, under which employees are awarded grants of Stock Options and Save As You Earn (SAYE) awards, Stock Awards and Share Purchase Plans.

Share-based payments are measured at the fair value at grant, expensed over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Stock Options vest at 25% per annum beginning one year from the date of grant, and have a maximum contractual term of 10 years.

Fair value is measured using either the Black-Scholes pricing model (no market-based triggering event) or the Binomial valuation model (market based triggering event). The expected life used in the models is estimated using the contractual term of the option and the effects of employees' expected exercise and post-vesting employment termination behaviour.

SAYE awards vest over a period of either three or five years. Options must be exercised within six months of vesting.

Stock Awards vest over a period of up to five years, after taking into account the estimated effect of forfeitures. Members are entitled to receive dividend payments during the vesting period.

The Company also provides employees with the ability to purchase Marsh & McLennan Companies, Inc ordinary shares at 95% of the current market value. The Company records an expense, based on the 5% discount, on the date the shares are purchased.

2. ACCOUNTING POLICIES (CONTINUED)

2.13 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2. ACCOUNTING POLICIES (CONTINUED)

2.14 INTANGIBLE ASSETS

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets – software development

Software development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- The technical feasibility of completing the software so that it will be available for use or sale.
- The intention to complete the software or to sell it.
- The ability to use the software or to sell it.
- How the software will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the software.
- The ability to measure reliably the expenditure attributable to the software during its development.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	Periods between 3-10 years
Computer software	-	Periods between 2-3 years

2. ACCOUNTING POLICIES (CONTINUED)

2.15 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:

Freehold property	- 40 years
Short-term leasehold property	- over the remaining life of the lease, limited to a period not exceeding 10 years
Motor vehicles	- 4 years
Fixtures and fittings	- 7 years
Office equipment	- 3 to 10 years

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 profit or loss.

2.16 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.17 IMPAIRMENT

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income as described below.

(i). Financial assets
For the Company's assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For the Company's assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

2. ACCOUNTING POLICIES (CONTINUED)

2.17 IMPAIRMENT (CONTINUED)

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

(ii) Non-financial assets
At each statement of financial position date, the Company reviews the carrying amounts of its tangible and intangible assets acquired separately 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 to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and the value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. 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 (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Comprehensive Income, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset (or 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 determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in Statement of Comprehensive Income, unless the relevant asset is carried at a re-valued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Internally generated intangible assets arising from the Company’s internal system development projects are considered for impairment on a regular basis and those projects that no longer have a useful purpose either by the result of obsolescence or the Company’s decision to migrate to other products, will be recognised in the Statement of Comprehensive Income in the quarter the asset is no longer in a condition useable by the Company in any capacity.

2.18 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.

2.19 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2. ACCOUNTING POLICIES (CONTINUED)

2.20 CREDITORS

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.

2.21 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are made, they are charged to the provision carried in the Statement of Financial Position.

2.22 ONEROUS LEASES

Where the unavoidable costs of a lease exceed the economic benefit expected to be received from it, a provision is made for the present value of the obligations under the lease.

2.23 FINANCIAL INSTRUMENTS

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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.

2. ACCOUNTING POLICIES (CONTINUED)

2.23 FINANCIAL INSTRUMENTS (continued)

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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The Company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.24 DIVIDEND POLICY

Dividends are the way that the Company makes distributions from the Company's profits to its shareholder. The dividend is determined in sterling, the economic currency of the Company. The Directors may choose to declare dividends in any currency provided that a sterling equivalent is announced.

The Board decides the level of dividend in consultation or with consideration of various stakeholders, including the management of the Company's ultimate parent company, Marsh & McLennan Companies, Inc.. The amount and timing of a dividend is influenced by factors such as:

- the Company's working capital requirements to sustain its business plans;
- the Company's Regulatory Capital requirements;
- the Company's future capital investment needs; and
- the Company's excess financial resources.

Equity dividends are recognised when they become legally payable.

2. ACCOUNTING POLICIES (CONTINUED)

2.25 INSURANCE BROKING ASSETS AND LIABILITIES

Insurance brokers usually act as agents in placing the insurable risks of their clients with insurers and, as such, generally are not liable as principals for amounts arising from such transactions.

In recognition of this relationship, debtors from insurance broking transactions are not included as an asset of the Company. Other than the receivable for brokerage not yet received for fees and commissions earned on a transaction; no recognition of the insurance transaction occurs.

In certain circumstances, the Company advances premiums, refunds or claims to insurance underwriters or clients prior to collection. These advances are reflected in the statement of financial position as part of trade receivables.

Acting as agent, Jelf Insurance Brokers Limited does not meet the definition of a financial institution under FRS 102 and accordingly has taken relief from providing additional disclosure in accordance with FRS 102.34.17-33.

2.26 POST PLACEMENT SERVICE PROVISIONS

An estimate is made of the future liabilities that arise in the current year and previous years from the placement of insurance policies. The provision is determined considering the time taken to provide the post placement services, the number of claims that are to be processed and the costs of processing claims.

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The directors do not consider any critical judgements, other than those involving estimations which are dealt with separately below, have been made in the process of applying the Company's accounting policies which have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Goodwill

The Company establishes a reliable estimate of the useful life of goodwill arising on trade and business acquisitions. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected usual life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

Impairment review of fixed asset investments

Impairment and impairment reversals are measured by comparing the carrying value of the asset with its future discounted cash flow. Any impairment that has subsequently been reversed is capped to its historical acquisition cost.

Errors and omissions

The Company is subject to claims and litigation in the ordinary course of its business, principally in connection with the Company’s insurance broking business. Provisions have been made only in respect of claims attributable to events which have occurred, and been notified to the Company, by the reporting date. The provision for errors and omissions claims is based on a current estimate of the total claims as advised by the Company’s legal team.

4. TURNOVER

An analysis of turnover by class of business is as follows:

	2021 £M	2020 £M
Sales - Domestic	**162.4**	*169.0*
Bank interest receivable	**0.1**	*0.3*
	162.5	*169.3*

All turnover arose within the United Kingdom.

5. AMOUNTS WRITTEN OFF INVESTMENTS

	2021 £M	2020 £M
Impairment of investment in subsidiary undertakings	**0.4**	*24.0*
	0.4	*24.0*

The Company's investments were impaired following a review of the carrying value.

6. OTHER OPERATING INCOME

	2021 £M	2020 £M
Other operating income	**13.2**	*-*
	13.2	*-*

During the year the Company sold books of business to two fellow group companies resulting in a profit on disposal of £13.2 million.

7. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging:

	2021 **£M**	*2020* *£M*
Intangible fixed assets - amortisation	**34.9**	*43.2*
Depreciation	**0.2**	*0.3*
Share based payment	**0.5**	*0.4*
Exchange differences	**0.2**	*-*

8. AUDITOR'S REMUNERATION

	2021 **£M**	*2020* *£M*
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	**0.4**	*0.3*

In addition to the statutory audit, the auditor also provided an assurance report on the Company's client assets; the fee for the Company is £0.1 million (2020 - £0.1 million). The audit fees are borne by the Company on behalf of fellow subsidiaries.

9. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	2021 **£M**	*2020* *£M*
Wages and salaries	**81.2**	*89.7*
Social security costs	**9.8**	*9.6*
Cost of defined contribution scheme	**5.5**	*5.7*
	96.5	*105.0*

The average monthly number of employees, including the directors, during the year was as follows:

	2021 **No.**	*2020* *No.*
Insurance broking, reinsurance broking and risk management	**1,707**	*1,911*
Technical support, management and administration	**230**	*278*
	1,937	*2,189*

10. DIRECTORS' REMUNERATION

	2021 £M	*2020 £M*
Directors' emoluments	**0.4**	*0.5*
	0.4	*0.5*

The highest paid director received remuneration of £0.3 *(2020 - £0.3 million)*.

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL *(2020 - £NIL)*.

Certain directors of the Company are also directors of a fellow group undertaking, Marsh Limited. The costs for these directors are disclosed in the financial statements of Marsh Limited, as the directors believe it is impractical to split the amounts for these directors between their services as directors of the Company and their services as directors or employees of other Marsh & McLennan Companies, Inc. Group companies.

For the other directors, the emoluments shown above reflect the total emoluments received by them for services relating to the Company and other companies in the Marsh & McLennan Companies, Inc., Group (the “Group”) during the year under review. The directors’ emoluments disclosed above are not allocated to a Group company in receipt of an individual’s specific service. Emoluments are paid by the directors’ employing company within the Group and subsequently recharged to the Company.

Marsh Services Limited operates a pension scheme (the “Fund”) in the United Kingdom with defined benefit and defined contributions sections. The Marsh defined benefit section was closed to new employees of Marsh Services Limited with effect from 1 July 2004. Following consultation, Marsh Services Limited determined in January 2014 to close the existing sections of the Fund to all future benefit accrual with effect from 1 August 2014.

11. INCOME FROM INVESTMENTS

	2021 £M	*2020 £M*
Dividends received	**6.3**	*28.8*
	6.3	*28.8*

The Company received dividends in 2020 and 2021 from a number of its direct subsidiaries as part of a legal entity rationalisation and elimination project.

12. PROFIT ON SALE OF INVESTMENTS

	2021 £M	2020 £M
Profit on sale of investments	6.1	-
	6.1	-

During the year the Company sold part of its investments resulting in a profit on disposal of £6.1 million.

13. TAXATION

	2021 £M	2020 £M
Corporation tax		
Current tax on profits/ (loss) for the year	5.7	5.6
Adjustments in respect of previous periods	-	(0.5)
Total current tax	5.7	5.1
Deferred tax		
Origination and reversal of timing differences	-	0.1
Changes to tax rates	(0.7)	(0.2)
Adjustments in respect of previous periods	-	(0.2)
Total deferred tax	(0.7)	(0.3)
Taxation on profit/ (loss)	5.0	4.8

13. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than *(2020 - higher than)* the standard rate of corporation tax in the UK of 19.0% *(2020 - 19.0%)*. The differences are explained below:

	2021 £M	*2020 £M*
Profit/(loss) before tax	**20.3**	*(7.8)*
Profit/(loss) multiplied by standard rate of corporation tax in the UK of 19.0% (2020 - 19.0%)	**3.9**	*(1.5)*
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	**7.1**	*4.6*
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**0.2**	*3.9*
Adjustments to tax charge in respect of prior periods	**-**	*(0.7)*
Other timing differences leading to an increase (decrease) in taxation	**-**	*3.9*
Changes to tax rates	**(0.7)**	*(0.2)*
Non-taxable income	**(3.8)**	*-*
Dividends from UK companies	**(1.7)**	*(5.4)*
Other differences leading to an increase (decrease) in the tax charge	**-**	*0.2*
Total tax charge for the year	**5.0**	*4.8*

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Following enactment of the Finance Bill 2021 on 10 June 2021, the UK Corporation Tax rate (from 1 April 2023) has been increased to 25%.

14. DIVIDENDS

	2021 £M	*2020 £M*
Interim dividend for the year ended 31 December	**251.0**	*-*
	251.0	*-*

15. INTANGIBLE FIXED ASSETS

	Goodwill £M	Computer software £M	Total £M
Cost			
At 1 January 2021	**328.4**	**4.7**	**333.1**
Disposals	**(54.6)**	**(1.9)**	**(56.5)**
At 31 December 2021	**273.8**	**2.8**	**276.6**
Amortisation			
At 1 January 2021	**124.2**	**4.7**	**128.9**
Charge for the year on owned assets	**34.9**	**-**	**34.9**
On disposals	**(24.8)**	**(1.9)**	**(26.7)**
At 31 December 2021	**134.3**	**2.8**	**137.1**
Net book value			
At 31 December 2021	**139.5**	**-**	**139.5**
At 31 December 2020	*204.2*	*-*	*204.2*

16. TANGIBLE FIXED ASSETS

	Freehold property £M	Short-term leasehold property £M	Fixtures and fittings £M	Motor vehicles £M	Office equipment £M	Total £M
Cost or valuation						
At 1 January 2021	**0.8**	**2.3**	**0.6**	**0.1**	**5.6**	**9.4**
Transfers intra group	**-**	**(1.3)**	**(0.4)**	**-**	**(0.6)**	**(2.3)**
Disposals	**(0.1)**	**(1.0)**	**(0.2)**	**(0.1)**	**(3.2)**	**(4.6)**
At 31 December 2021	**0.7**	**-**	**-**	**-**	**1.8**	**2.5**
Depreciation						
At 1 January 2021	**0.2**	**1.6**	**0.4**	**0.1**	**5.1**	**7.4**
Charge for the year on owned assets	**-**	**0.1**	**-**	**-**	**0.1**	**0.2**
Transfers intra group	**-**	**(1.0)**	**(0.2)**	**-**	**(0.3)**	**(1.5)**
Disposals	**(0.1)**	**(0.7)**	**(0.2)**	**(0.1)**	**(3.2)**	**(4.3)**
At 31 December 2021	**0.1**	**-**	**-**	**-**	**1.7**	**1.8**
Net book value						
At 31 December 2021	**0.6**	**-**	**-**	**-**	**0.1**	**0.7**
At 31 December 2020	*0.6*	*0.7*	*0.2*	*-*	*0.5*	*2.0*

The net book value of land and buildings may be further analysed as freehold £0.6 million (2020 - £0.6 million) and short leasehold £nil (2020 - £0.7 million).

17. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £M
Cost or valuation	
At 1 January 2021	**475.4**
Additions	**32.2**
Disposals	**(50.6)**
Amounts written off	**(80.5)**
At 31 December 2021	**376.5**
Impairment	
At 1 January 2021	**448.3**
Charge for the period	**3.1**
Amounts written off	**(80.5)**
At 31 December 2021	**370.9**
Net book value	
At 31 December 2021	**5.6**
At 31 December 2020	*27.1*

Further impairments of £3.1 million have been recognised during the year in relation to the business transfer that occurred during the current year as part of the group rationalisation project. The above impairment has been offset against non cash dividends received from relevant companies, resulting in overall £0.4 million impairment charge to statement of comprehensive income.

Additions during the year related to recapitalising an investment in subsidiary as part of a planned disposal transaction to an external purchaser.

BBPS Limited and The Purple Partnership Limited were sold to an external company in May 2021.

Jelf Wellbeing Limited was dissolved on 20 January 2021, Beaumonts Insurance Services Limited and Cronin & Co Insurance Services Limited were dissolved on 12 October 2021.

In the opinion of the directors the aggregate value of investments in the Company's subsidiaries are not less than the amounts at which they are included in the Statement of Financial Position.

17. FIXED ASSET INVESTMENTS (CONTINUED)

The Company's subsidiary undertakings at 31 December 2021 were:

Name	Country of Incorporation	Description of Shares	% of Issued shares held by the Company	Registered Office Address
Bluefin Insurance Services Limited*	England	Ordinary shares of £1 each	100	1 Tower Place West, Tower Place, London, EC3R 5BU
Central Insurance Services Limited*	England	Ordinary shares of £1 each	100	Crown House, Prospect Road, Arnhall Business Park, Aberdeenshire, AB32 6FE
Clark Thomson Insurance Brokers Limited	England	Ordinary shares of £1 each	100	Ground Floor North, Leven House, 10 Lochside Place, Edinburgh, United Kingdom, EH12 9DF
Hamilton Bond Limited*	England	Ordinary shares of £1 each	100	1 Tower Place West, Tower Place, London, EC3R 5BU
Jelf Commercial Finance Limited*	England	Ordinary shares of £1 each	100	1 Tower Place West, Tower Place, London, EC3R 5BU
Jelf Risk Management Limited*	England	Ordinary shares of £1 each	100	1 Tower Place West, Tower Place, London, EC3R 5BU

17. FIXED ASSET INVESTMENTS (CONTINUED)

Name	Country of incorporation	Description of shares	% of Issued shares held by the Company	Registered Office Address
Mountlodge Limited*	England	Ordinary shares of £1 each	100	Ground Floor North, Leven House, 10 Lochside Place, Edinburgh, United Kingdom, EH12 9DF
SME Insurance Services Limited*	England	Ordinary shares of £1 each	100	1 Tower Place West, Tower Place, London, EC3R 5BU

* Subsidiary is directly owned by the Company

18. DEBTORS

	2021 £M	*2020 £M*
Due after more than one year		
Deferred tax asset	**2.7**	*2.0*
	2.7	*2.0*

	2021 £M	*2020 £M*
Due within one year		
Trade debtors	**22.7**	*27.5*
Amounts owed by group undertakings	**4.8**	*22.4*
Amounts recoverable from group undertakings in respect of taxation	**-**	*2.0*
Other debtors	**1.2**	*1.7*
Prepayments and accrued income	**3.3**	*2.5*
Deferred tax	**0.2**	*0.2*
	32.2	*56.3*

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

Included within amounts owed by group undertakings are amounts recoverable from a captive insurer in respect of errors and omissions claims reserved totalling £1.7 million (2020 - £13.6 million).

19. INSURANCE DEBTORS

	2021 £M	*2020 £M*
Amounts falling due within one year		
Third party trade debtors	**69.2**	*71.8*
	69.2	*71.8*

Third party insurance debtors of £69.2 million and third party insurance creditors of £138.6 million are presented in the balance sheet at 31 December 2021 as a net payable of £69.4 million included within trade creditors (Note 21).

20. CASH AND CASH EQUIVALENTS

	2021 £M	2020 £M
Fiduciary cash	**69.9**	*67.0*
Corporate cash - unrestricted funds	**70.2**	*155.7*
Corporate cash - restricted funds	**11.1**	*11.1*
	151.2	*233.8*

Within the corporate cash restricted funds balance, there is an amount held of £11.1 million which represents funds required to be held outside of the corporate cash pooling arrangements, as agreed with the Financial Conduct Authority.

Therefore, this amount is not subject to the potential exposure explained in note 28 with regard to the Company's corporate cash pooling arrangements.

21. CREDITORS: Amounts falling due within one year

	2021 £M	2020 £M
Trade creditors	**69.4**	*67.9*
Amounts owed to group undertakings	**29.4**	*15.2*
Amounts owed to group undertakings for tax	**5.8**	*6.0*
Corporation tax	**5.7**	*-*
Other creditors	**0.5**	*1.7*
Accruals and deferred income	**16.1**	*18.0*
Deferred consideration	**-**	*0.1*
	126.9	*108.9*

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

22. INSURANCE CREDITORS

	2021 **£M**	*2020* *£M*
Third party trade creditors	**138.6**	*138.8*
	138.6	*138.8*

Third party insurance debtors of £69.2 million and third party insurance creditors of £138.6 million are presented in the balance sheet at 31 December 2021 as a net payable of £69.4 million included within trade creditors.

23. DEFERRED TAXATION

	2021 **£M**	*2020* *£M*
At the beginning of the year	**2.2**	*1.7*
Credited to profit or loss	**0.7**	*0.3*
Deferred tax asset transferred in	**-**	*0.2*
At end of year	**2.9**	*2.2*

The deferred tax asset is made up as follows:

	2021 **£M**	*2020* *£M*
Accelerated capital allowances	**2.8**	*1.9*
Short term timing differences	**0.1**	*0.3*
	2.9	*2.2*

Following enactment of the Finance Bill 2021 on 10 June 2021, the UK Corporation Tax rate (from 1 April 2023) has been increased to 25%.

Deferred tax timing differences have been provided for at the enacted tax rate at the balance sheet date.

There are no unrecognised deferred tax balances.

24. PROVISIONS

	Errors & omissions and complaints £M	Deferred consideration £M	Property £M	Payroll tax provision £M	Total £M
At 1 January 2021	**3.0**	**1.2**	**1.4**	**-**	**5.6**
Charged to profit or loss	**1.6**	**-**	**-**	**0.2**	**1.8**
Transfers intra group	**-**	**-**	**(1.1)**	**-**	**(1.1)**
Utilised in year	**(2.5)**	**(1.2)**	**(0.1)**	**-**	**(3.8)**
At 31 December 2021	**2.1**	**-**	**0.2**	**0.2**	**2.5**

Errors and omissions and complaints

The Company is subject to claims and litigation in the ordinary course of its business, principally in connection with the Company's insurance broking business. Provisions have been made only in respect of claims attributable to events which have occurred, and been notified to the Company, by the reporting date.

The provision is shown gross of any monies recoverable under the group's insurance policies which are included within debtors.

Deferred consideration

The provision for deferred consideration represents expected future purchase consideration in respect of recent acquisitions.

Property

The property provision contains a provision for dilapidations costs and a provision for abandoned properties costs. The provision for dilapidations represents the cost that the Company has estimated that it is likely to incur on vacating its leased properties where there is a contractual obligation to remove leasehold improvements on expiration of the lease. The costs of abandoned properties relates to obligations under onerous historical leases where the properties have been vacated.

Payroll tax provision

The payroll tax provision relates to National Insurance Contributions (NIC) which will become payable on the exercise of employee share-based remuneration. The amount payable is dependent on Marsh & McLennan Companies, Inc.'s share price at the date of vesting. The provision has been calculated based on the number of shares expected to vest and the share price at the balance sheet date of $175.0 (2020: $116.5).

25. SHARE CAPITAL

	2021 £M	*2020 £M*
Allotted, called up and fully paid		
257,000 *(2020 - 256,000)* Ordinary Shares of £1.00 each	**0.3**	*0.3*

The share capital of the Company consists of fully paid ordinary shares with a par value of £1 per share. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at shareholders' meetings of the Company.

26. RESERVES

Share premium account

During the year, the Company issued 1,000 shares at a premium of £27.0 million in exchange of a business transfer from a fellow group company.

Profit and loss account

Profit and loss account includes all current and prior period retained profits and losses.

27. GROUP FINANCIAL STATEMENTS

Group financial statements have not been prepared as the Company has taken an exemption in accordance with Section 401 of the Companies Act 2006, from the requirement to prepare group financial statements.

The Company is itself a wholly-owned subsidiary and is included in the consolidated financial statements of Marsh & McLennan Companies, Inc., its ultimate parent company. Accordingly, these financial statements present information about the Company as an individual undertaking and not about its Group.

28. SHARE BASED PAYMENTS

The Company's ultimate parent company, Marsh & McLennan Companies, Inc., maintains multiple equity-settled share-based payment arrangements in the UK, under which employees are awarded grants of stock options and Save As You Earn (SAYE) awards, Shares Awards and Share Purchase arrangements (Share Purchase Plan and Share Incentive Plan).

As no benefit is granted by the Company under the Share Incentive Plan, this plan does not fall under the scope of FRS 102.

29. CONTINGENT LIABILITIES

The Company participates in cash pooling agreements with banks. Each member of the pool indemnifies against all losses incurred as a result of the failure of any other pool member, limited to any net cash balance held in the pool. As at 31 December 2021 the Company had a total balance of £70.1 million (2020 - £155.5 million) in the pool. The other members of the pooling arrangements are companies fully owned by Marsh & McLennan Companies, Inc.

30. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 **£M**	*2020* *£M*
Not later than 1 year	-	*1.0*
Later than 1 year and not later than 5 years	-	*2.5*
Later than 5 years	-	*0.5*
	-	*4.0*

During the year, as part of a broader Marsh & McLennan Companies, Inc. Group legal entity optimisation project, the Company transferred majority of its leases to a fellow group company. The remaining leases expired.

Leases of land and buildings are typically subject to rent reviews at specified intervals and provide for the lessee to pay all insurance, maintenance and repair costs.

Operating lease payments represent rentals and service contracts payable by the Company for certain of its office properties. Generally leases are negotiated for an average number of 10 years and rentals are fixed for an average of five years with an option to extend for a further five years at the prevailing market rate. There are exceptions to this where market conditions differ.

31. RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption under FRS 102 Section 33.1A not to disclose transactions between entities within the Marsh & McLennan Companies, Inc. Group (the ‘Group’), where no less than 100% of voting rights are controlled within the Group, whose consolidated financial statements are publicly available. There are no other transactions requiring disclosure.

32. POST BALANCE SHEET EVENT

In April 2022, the Company sold all of its trade and assets to a fellow group company with the exception of its investments in subsidiary entities which it has retained. The Company will continue as a holding company managing subsidiary investments.

33. CONTROLLING PARTY

The Company's immediate parent company is Marsh Limited, registered in England and Wales. The Company's ultimate parent company and controlling entity is Marsh & McLennan Companies, Inc, incorporated in the state of Delaware, USA.

The smallest and largest group in which the results of Jelf Insurance Brokers Limited are consolidated is that headed by Marsh & McLennan Companies, Inc. The consolidated financial statements of Marsh & McLennan Companies, Inc. are available to the public and may be obtained from:

Companies House
Crown Way
Cardiff
CF14 3UZ

and also from:

The Company Secretary
MMC Treasury Holdings (UK) Limited
1 Tower Place West
Tower Place
London
United Kingdom
EC3R 5BU