Registered number: 03281255

JLT INSURANCE GROUP HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

COMPANY INFORMATION

Directors	M D Jones (appointed 27 March 2020) S Miah (appointed 27 March 2020) C L Rayner (resigned 31 March 2020)
Company secretary	Marsh Secretarial Services Limited
Registered number	03281255
Registered office	The St Botolph Building 138 Houndsditch London EC3A 7AW

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their strategic report for JLT Insurance Group Holdings Limited (the 'Company') for the year ended 31 December 2020.

Principal activities

On 1 April 2019 Marsh and McLennan Companies, Inc (the 'Group', the 'MMC Group') completed the acquisition of JLT Group Holdings Limited (formerly 'Jardine Lloyd Thompson Group plc') ('the JLT Group'), the Company’s previous ultimate parent company. The Company acts as an intermediary holding company, it did not trade during the year and is not expected to do so in the foreseeable future.

Business review

The profit for the year, before taxation, amounted to £1,134.228m *(2019 - £1.920m)*.

The increase in profit before taxation mainly relates to dividends received of £1,509.640m (see note 8) offset against an impairment of £375.061m of JLT Reinsurance Brokers Limited and JLT Specialty Limited (see note 13).

On 1 January 2020, the business of the Company's subsidiary JLT Reinsurance Brokers Limited was sold to Marsh Limited, the Company’s immediate parent undertaking. The business of JLT Specialty Limited, another of the Company’s subsidiaries was sold to Marsh Limited on 1 May 2020. This is part of the continuing Group restructure to combine the JLT and MMC businesses. Both JLT Reinsurance Brokers Limited and JLT Specialty Limited have been impaired accordingly.

Also, as part of the Group restructure, on 21 January 2020 the Company cancelled and extinguished 162,611,749 ordinary shares at £1 each. The amount released as a result of the cancellation and reduction was credited to retained earnings of the Company. The Company also reduced its £32,774,594 share premium account to nil, the reduction being credited to retained earnings.

During the year, the Company received full regulatory approval for the sale of ACE Insurance Agents Limited, ACE Insurance and Reinsurance Brokers Limited and ACE Insurance Consultants Limited. These companies were classified as unlisted investments as at 31 December 2016 and on 3 July 2017 the Company agreed to dispose of their interests in these investments for USD 1 million subject to regulatory approval.

The results of the Company for the year ended 31 December 2020 are set out in the financial statements on pages 12 - 28.

Financial key performance indicators

Given the straightforward nature of the business, the Company's directors believe that analysis using KPIs for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties and financial risks of the Company are integrated with that of the Group and are not managed separately. Accordingly the principal risks and uncertainties and financial risks of the Group, which include those of the Company, are set out in the Group’s Annual Report which does not form part of this report.

Financial risk management

The Company has limited exposure to financial risks as a non-trading holding company in the MMC Group. The Company regularly reviews the carrying value of its investments and other assets and liabilities to ensure they are appropriate.

Covid-19
On March 11, 2020, the World Health Organization declared the Coronavirus (Covid-19) a pandemic. Covid-19 continues to spread through contagion, continuing its disruptive impact on the global and UK economy. The impact of the virus continues to be closely monitored by the Company across a number of key financial and operational areas, recognising the occurrence of spikes in infection rates, the emergence of strain mutations and the development and roll out of vaccines.

As governments try to manage the social and economic impact of the virus through controlling the movement of people through lockdowns and restrictions, the Company continues to take a considered approach to minimising the impact through its well formulated contingency plans. Company plans and actions have performed as expected to date and will continue to evolve as changes to circumstances occur.

Political risk

Brexit
The directors have considered the key risks and impact to its business and operations following the departure of the United Kingdom from the European Union on 31 January 2020 and entered a transition phase that ended on 31 December 2020. As the Company does not trade and is an intermediate holding company it is not considered to have any significant risks incurred as a result of Brexit.

Section 172 (1) of the Companies Act 2006 (the 'Act') Statement

The below paragraphs provide an explanation as to how the Company’s directors have had regard to the matters set out in section 172(1)(a) to (f) of the Act when performing their duties. This includes how the directors have engaged with and considered the interests of various stakeholders including its shareholder, employees, clients, suppliers, the community and those in a principal business relationship with the Company.

Duty to Promote the Success of the Company
The Directors of the Company are committed to lead and direct the affairs of the Company in order to promote the long-term sustainable success of the Company, generating value for its shareholder and ensuring sound and prudent management of the firm, with consideration for the interests of other stakeholders.

The Company forms part of the Marsh & McLennan Companies, Inc. Group of Companies (the MMC Group), a global professional services provider, specialising in the areas of risk, strategy and people. It acts as an intermediate holding company and its activities are aligned to the strategy and risk management and control frameworks of the MMC Group

The Board meets on an ad hoc basis throughout the year to consider matters within its remit. The Board met 2 times in 2020 and considered a number of matters relating to transactions relating to the restructuring of ownership of subsidiaries within the wider MMC Group.

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 Marsh McLennan Group, as part of any major decisions and transactions undertaken by the Company. The directors provide the primary channel of communication between the Company, its ultimate shareholder and the wider Group.

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 on page 25 under the Notes to the Financial Statements.

The Greater Good, which is the Marsh McLennan Group´s Code of Conduct, applies to all directors and employees of the Company and it embodies the Group´s commitment to maintaining a reputation for the highest standards of business and ethical conduct. These non-negotiable standards are outlined in the Greater Good, which emphasises the importance of building trust with colleagues, clients and the wider community.

Clients
The Company is an intermediate holding company within the Marsh McLennan Group of companies and does not have external clients.

Employees
The Company does not have any employees. Members of the Board are employed by other Marsh McLennan Group companies, the principal of which is Marsh Services Limited.

Suppliers
The Marsh McLennan Group is committed to ensuring that slavery and human trafficking is not taking place in any of the Group'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 Group´s induction programme. All suppliers are required to comply with modern slavery legislation under the standard terms and conditions of contracting agreements and the Group´s Global Sourcing and Procurement team (“GSP”) issue an annual modern slavery supplier questionnaire to certain suppliers (selected on a risk based approach) to monitor compliance.

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 (formerly CSR) efforts in the UK. Given the Group´s expertise in risk, strategy and people, our social impact efforts are focused on ‘Engaging our Colleagues to Build Resilient Communities.’

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 Ambitious About Autism in the UK and encourages colleagues to volunteer with its non-profit partners, for local causes that are important to them and their clients. Alongside this the company also supports a number of grassroots charities addressing a range of cause areas including; food/hunger, older people, mental health and social mobility. In 2020, COVID-19 significantly impacted fundraising, with in-person events suspended. To mitigate this, virtual fundraising campaigns and events were held.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

The Group has developed climate initiatives which represent a tangible step towards building a more sustainable environment for colleagues, clients, shareholders and future generations. The Group have also made the commitment of being carbon neutral by the end of 2021, and to reduce its carbon emissions by 15% below 2019 levels by 2025.

This report was approved by the board on 22 September 2021 and signed on its behalf.

....
M D Jones
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

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

Results and dividends

The profit for the year, after taxation, amounted to £1,134.306m *(2019 - £1.765m)*.

As part of a wider Group restructure, to combine the JLT and MMC businesses, the directors recommended an interim dividend payment of £1,356.344m in respect of the financial year ended 31 December 2020 to the parent company Marsh Limited *(2019 - £10.001m)*.

Directors

The directors who served during the year were:

M D Jones (appointed 27 March 2020)
S Miah (appointed 27 March 2020)
C L Rayner (resigned 31 March 2020)

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.

Going concern

The directors have no plans for a change in the principal activities of the Company or any intention to liquidate the Company in the foreseeable future. These financial statements are therefore presented on a going concern basis.

The Company continues to monitor the uncertainty in the current economic and business environment including the impact of the Covid-19 pandemic. As the Company acts as an intermediate holding company in the MMC Group, the Covid-19 pandemic is not considered to have a material impact on the directors' assessment of the going concern basis.

Future developments

The Company acts as an intermediary holding company. The directors do not plan to change the activities of the Company in the foreseeable future.

Modern day slavery

The Company, as part of the MMC Group, has a 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 colleagues to ensure that they are mindful of the risks of modern day slavery.

Employees

There were no employees during the year ended 31 December 2020 (2019: Nil).

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Financial risk management

The financial risk management of the Company has been disclosed as part of the Principal risks and uncertainties note within the Strategic Report of this document.

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

The subsidiary, Lloyd and Partners Limited, was dissolved on 5 January 2021. The subsidiary is already fully impaired and therefore holds no value for the Company.

Auditor

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

This report was approved by the board on 22 September 2021 and signed on its behalf.

....

M D Jones
Director

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 “Reduced Disclosure Framework”. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 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 JLT INSURANCE GROUP HOLDINGS LIMITED

Report on the audit of the financial statements

Opinion
In our opinion the financial statements of JLT Insurance Group Holdings Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 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 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet
- the statement of changes in equity; and
- the related notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (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 JLT INSURANCE GROUP HOLDINGS 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 JLT INSURANCE GROUP HOLDINGS LIMITED (CONTINUED)

Extent to which the audit was considered capable of detecting irregularities, including fraud (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 and tax legislations; 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 regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

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.

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 have 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 JLT INSURANCE GROUP HOLDINGS 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 FCA (Senior statutory auditor)

for and on behalf of Deloitte LLP

Statutory auditor
London, United Kingdom

Date: 23 September 2021

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £000	*2019* *£000*
Administrative expenses		**(10)**	*(4)*
Operating loss	4	**(10)**	*(4)*
Gain on disposal of subsidiaries	9	**65**	*-*
Income from other fixed asset investments	8	**1,509,640**	*6,000*
Impairment of investments	13	**(375,061)**	*-*
Interest payable and similar expenses	10	**(406)**	*(4,076)*
Profit before tax		**1,134,228**	*1,920*
Tax on profit	11	**78**	*(155)*
Profit for the financial year		**1,134,306**	*1,765*

The notes on pages 17 to 28 form part of these financial statements.

The above results were derived from continuing operations.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £000	2019 £000
Profit for the financial year		**1,134,306**	*1,765*
Total comprehensive income for the year		**1,134,306**	*1,765*

The notes on pages 17 to 28 form part of these financial statements.

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note		2020 £000		*2019 £000*
Fixed assets					
Investments	13		**76,863**		*452,635*
			76,863		*452,635*
Current assets					
Debtors: amounts falling due within one year	14	**16,350**		*9,534*	
		16,350		*9,534*	
Creditors: amounts falling due within one year	15	**-**		*(146,918)*	
Net current assets/(liabilities)			**16,350**		*(137,384)*
Total assets less current liabilities			**93,213**		*315,251*
Net assets			**93,213**		*315,251*
Capital and reserves					
Called up share capital	17		**1**		*162,613*
Share premium account			**-**		*32,774*
Other reserves			**62,863**		*62,863*
Profit and loss account			**30,349**		*57,001*
			93,213		*315,251*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 September 2021.

....
M D Jones
Director

The notes on pages 17 to 28 form part of these financial statements.

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

	Called up share capital	Share premium account	Non distributable reserves	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 January 2020	**162,613**	**32,774**	**62,863**	**57,001**	**315,251**
Comprehensive income for the year					
Profit for the year	**-**	**-**	**-**	**1,134,306**	**1,134,306**
Total comprehensive income for the year	**-**	**-**	**-**	**1,134,306**	**1,134,306**
Dividends: Equity capital	**-**	**-**	**-**	**(1,356,344)**	**(1,356,344)**
Share capital reduction	**(162,612)**	**(32,774)**	**-**	**195,386**	**-**
Total transactions with owners	**(162,612)**	**(32,774)**	**-**	**(1,160,958)**	**(1,356,344)**
At 31 December 2020	**1**	**-**	**62,863**	**30,349**	**93,213**

The notes on pages 17 to 28 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital	Share premium account	Non distributable reserves	Profit and loss account	Total equity
	£000	**£000**	**£000**	**£000**	**£000**
At 1 January 2019	**162,613**	**32,774**	**62,863**	**65,237**	**323,487**
Comprehensive income for the year					
Profit for the year	**-**	**-**	**-**	**1,765**	**1,765**
Total comprehensive income for the year	**-**	**-**	**-**	**1,765**	**1,765**
Dividends: Equity capital	**-**	**-**	**-**	**(10,001)**	**(10,001)**
Total transactions with owners	**-**	**-**	**-**	**(10,001)**	**(10,001)**
At 31 December 2019	**162,613**	**32,774**	**62,863**	**57,001**	**315,251**

The notes on pages 17 to 28 form part of these financial statements.

1. General information

The company is a private company limited by share capital, incorporated in the United Kingdom under the Companies Act and registered in England and Wales.

The address of its registered office is:
The St Botolph Building
138 Houndsditch
London
EC3A 7AW
United Kingdom

2. Accounting policies

2.1 Basis of preparation of financial statements

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

2.2 Going concern

These financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006, except for the following:

• the available-for-sale financial assets, financial assets and liabilities (including derivative financial instruments) are measured at fair value.

The Company meets its day-to-day working capital requirements from corporate cash balances. The current economic conditions create uncertainty particularly over (a) the level of demand for the Company's services; (b) the exchange rate between sterling and foreign currencies; and (c) the Company's cost base. The Company continues to monitor the uncertainty in the current economic and business environment including the impact of the Covid 19 pandemic, and the directors are satisfied that the Company's services will continue to be attractive to clients. The Directors considered it was appropriate for the Company to perform additional procedures and analysis, specific to Covid-19, to consider whether these events and uncertainties cast significant doubt upon the Company's ability to continue as a going concern. This monitoring and analysis considered our business resilience and continuity plans and stress testing of liquidity and financial resources. The analysis modelled the financial impact assuming an increasing severity of impact in relation to revenue and certain costs, for a 12 month period so that the potential impact on profitability and liquidity could be assessed.

2. Accounting policies (continued)

Having assessed the responses to their enquiries, including those related to Covid-19, the Directors have no reason to believe that a material uncertainty exists that may cast significant doubt upon the ability of the Company to continue as a going concern. The directors acknowledge the latest guidance on going concern.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of twelve months from the date of approval of the financial statements and, therefore, they continue to adopt the going concern basis in preparing the annual financial statements.

2.3 New standards, amendments and IFRIC interpretations

There are no new accounting standards, amendments to accounting standards or IFRIC interpretations that are effective for the year ended 31 December 2020 which have a material impact on the Company's financial statements.

2.4 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

2.5 Exemption from preparing consolidated financial statements

The Company is a wholly owned subsidiary of Marsh Limited and of its ultimate parent, Marsh & McLennan Companies, Inc (see note 17). It is included in the consolidated financial statements of Marsh & McLennan Companies, Inc which are publicly available. Therefore the Company is exempt by virtue of section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

2. Accounting policies (continued)

2.6 Dividend income

Dividend income is recognised when the right to receive payment is established.

2.7 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 Profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.8 Interest income

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

2.9 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. Accounting policies (continued)

2.10 Taxation

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 balance sheet 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 Balance sheet 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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 balance sheet date.

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.12 Valuation of associates

Investments in associates are measured at cost less accumulated impairment.

2.13 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.

2.14 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.16 Impairment of assets

Investments in subsidiaries and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value-inuse. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

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

Estimates and judgments used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and judgments that have a significant effect on the carrying amounts of assets and liabilities are discussed below.

Key sources of estimation uncertainty

Fair value estimation
The fair value of financial instruments traded in active markets (such as available-for-sale) is based upon quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Company is the current bid price.

The carrying value less impairment provision of trade receivables and payables is assumed to approximate their fair values. The fair values of financial liabilities are estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

The fair value of acquired intangible assets is estimated based upon the present value of modelled related expected future cash flows. Judgment may be applied in the determination of the growth rates, discount rates and the expected cash flows.

Critical judgments in applying the Company's accounting policies

Impairment of assets
Investments in subsidiaries and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are not subject to amortisation are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, management judgement is used to evaluate which events or changes in circumstances may trigger an impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount of an asset or a cash generating unit is determined based on value-in-use calculations prepared on the basis of management's assumptions and estimates. This determination requires significant judgement. In making this judgement, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and near-term business outlook for the investment, including factors such as industry and sector performance, changes in regional economies and operational and financing cash flow.

4. Operating profit/(loss)

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

	2020 £000	*2019* *£000*
Exchange differences	**(8)**	-

5. Employees

There were no employees during the year ended 31 December 2020 (2019: Nil).

6. Directors' remuneration

No directors received any remuneration in respect of their services to the Company during the year ended 31 December 2020 (2019: Nil).

7. Auditor's remuneration

Auditor's remuneration for the statutory audit of the financial statements of the Company for the year ended 31 December 2020 is £11,154 (2019: £10,000).

The auditor's remuneration is paid, on behalf of the Company, by a fellow subsidiary, Marsh Corporate Services Limited.

8. Income from other fixed asset investments

	2020 £000	*2019 £000*
Dividends received from unlisted investments	**1,509,640**	*6,000*
	1,509,640	*6,000*

The dividends received during 2020 were from the following investment companies: JLT Specialty Limited £1,127.808m and JLT Reinsurance Brokers Limited £381.832m.

The dividends received during 2019 were from Hayward Aviation Limited.

9. Gain on disposal of subsidiaries

On 28th December 2020, following receipt of regulatory approval and notarization of the relevant articles of association, the Company completed the disposal of its unlisted investments; ACE Insurance Agents Limited; ACE Insurance and Reinsurance Brokers Limited and ACE Insurance Consultants Limited.

	2020 £000
Consideration received	**776**
Carrying value of investment prior to disposal	**(711)**
Gain on disposal	**65**

10. Interest payable and similar expenses

	2020 £000	*2019 £000*
Interest payable on intra-group balances	**406**	*4,076*
	406	*4,076*

11. Taxation

	2020 £000	*2019 £000*
Corporation tax		
Current tax on profits for the year	**(79)**	*(775)*
Adjustments in respect of previous periods	**1**	*930*
Tax on profit	**(78)**	*155*

Factors affecting tax (credit)/charge for the year

The tax assessed for the year is lower than *(2019 - lower than)* the standard rate of corporation tax in the UK of 19% *(2019 - 19%)*. The differences are explained below:

	2020 £000	*2019 £000*
Profit before tax	**1,134,228**	*1,920*
Profit multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	**215,503**	*365*
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	**71,262**	*-*
Adjustments to tax charge in respect of prior periods	**1**	*930*
Non-taxable income	**(12)**	*-*
Dividends from UK companies	**(286,832)**	*(1,140)*
Total tax (credit)/charge for the year	**(78)**	*155*

Following the Budget announcement on 3 March 2021 the UK Corporation Tax rate will be increased to 25% from 1 April 2023.

12. Dividends

	2020 £000	*2019 £000*
Interim dividend paid to Marsh Limited	**1,356,344**	*-*
In-specie dividend paid in relation to the distribution of the Company's interests in GCube Underwriting Limited and Renewable Energy Loss Adjusters Limited.	**-**	*10,001*
	1,356,344	*10,001*

Dividends totaling £1,356,344,125 (£1,356,344.125 per share) were declared and paid during the year as part of a wider Group restructure to combine the JLT and MMC businesses following the acquisition of the JLT Group by MMC on 1 April 2019.

13. Fixed asset investments

	Investments in subsidiary companies £000	Investments in associates £000	Other fixed asset investments £000	Total £000
Cost or valuation				
At 1 January 2020	**691,911**	**2,042**	**711**	**694,664**
Disposals	**-**	**-**	**(711)**	**(711)**
At 31 December 2020	**691,911**	**2,042**	**-**	**693,953**
Impairment				
At 1 January 2020	**242,029**	**-**	**-**	**242,029**
Charge for the period	**373,019**	**2,042**	**-**	**375,061**
At 31 December 2020	**615,048**	**2,042**	**-**	**617,090**
Net book value				
At 31 December 2020	**76,863**	**-**	**-**	**76,863**
At 31 December 2019	*449,882*	*2,042*	*711*	*452,635*

13. Fixed asset investments (continued)

On 1 January 2020, the business of the Company's subsidiary JLT Reinsurance Brokers Limited was sold to Marsh Limited, the Company's immediate parent undertaking. The business of JLT Specialty Limited, another of the Company's subsidiaries was sold to Marsh Limited on 1 May 2020. This is part of the continuing Group restructure to combine the JLT and MMC businesses. Both JLT Reinsurance Brokers Limited and JLT Specialty Limited have been impaired accordingly.

On 3 July 2017, the Company agreed to dispose of ACE Insurance Agents Limited, ACE Insurance and Reinsurance Brokers Limited and ACE Insurance Consultants Limited for USD 1 million subject to regulatory approval. During 2020, the Company received the necessary regulatory approval to complete the disposal.

On 18 September 2020, the Company transferred it's shareholding in MMC Capital Solutions UK Limited to MMC Capital Solutions US LLP. The subsidiary held no value for the Company.

An impairment charge has been recorded during the year to align the carrying value of the associate investment with an external valuation of the company.

Subsidiary undertakings

Details of the subsidiary undertakings of the Company as at 31 December 2020 were as follows:

Name	Registered office	Holding
JLT Specialty Limited	The St Botolph Building, 138 Houndsditch, London, EC3A 7AW, United Kingdom	100%
Lloyd & Partners Limited	The St Botolph Building, 138 Houndsditch, London, EC3A 7AW, United Kingdom	100%
JLT Reinsurance Brokers Limited	The St Botolph Building, 138 Houndsditch, London, EC3A 7AW, United Kingdom	100%
Hayward Aviation Limited	The St Botolph Building, 138 Houndsditch, London, EC3A 7AW, United Kingdom	100%
JLT Advisory Limited	The St Botolph Building, 138 Houndsditch, London, EC3A 7AW, United Kingdom	100%
JLT Re Limited	The St Botolph Building, 138 Houndsditch, London, EC3A 7AW, United Kingdom	100%
JLT Re France SARL	94 Rue de la Victoire, 75009, Paris, France	100%

All shares are Ordinary shares unless otherwise stated.

14. Debtors: amounts falling due within one year

	2020	*2019*
	£000	*£000*
Amounts owed by group undertakings	**15,497**	*8,758*
Amounts owed by group undertakings in respect of tax	**853**	*-*
Other tax	**-**	*776*
	16,350	*9,534*

To align with MMC, group relief previously held as Other tax is now being held within Amounts owed by group undertakings in respect of tax.

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

15. Creditors: Amounts falling due within one year

	2020	*2019*
	£000	*£000*
Amounts owed to group undertakings	**-**	*146,918*
	-	*146,918*

During 2019, Amounts owed to group undertakings included an agreed term loan facility with JIB Group Limited of £146.891m. The loan was settled during the year. Interest was accrued on the principal amount at LIBOR plus 2%.

16. 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 2020 the Company had a total balance of £7.9m *(2019: £0)* in the pool. The other members of the pooling arrangements are companies fully owned by Marsh & McLennan Companies, Inc.

17. Called up share capital

	2020	*2019*
	£	*£*
Allotted, called up and fully paid		
1,000 *(2019 - 162,612,749)* Ordinary shares of £1.00 each	**1,000**	*162,612,749*

17. Called up share capital (continued)

On 21 January 2020 the Company cancelled and extinguished 162,611,749 ordinary shares at £1 each. The amount released as a result of the cancellation and reduction was credited to retained earnings of the Company. The Company also reduced its £32,774,594 share premium account to nil, the reduction being credited to retained earnings.

All shares rank pari passu in all respects.

18. Controlling party

The Company's immediate parent is Marsh Limited.

On 1 April 2019 the Company's ultimate parent company, JLT Group Holdings Limited (formerly Jardine Lloyd Thompson Group plc), was acquired by Marsh & McLennan Companies, Inc which became the Company's ultimate parent undertaking at that date.

For the period ended 31 December 2020 the smallest and largest group in which the results of the Company are consolidated is 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
EC3R 5BU.

19. Post balance sheet events

The subsidiary, Lloyd and Partners Limited, was dissolved on 5 January 2021. The subsidiary is already fully impaired and therefore holds no value for the Company.