Registered number: 01787359

JLT MANAGEMENT SERVICES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

COMPANY INFORMATION

Directors	M P Methley A J Croft
Company secretary	Marsh Secretarial Services Limited
Registered number	01787359
Registered office	The St Botolph Building 138 Houndsditch London EC3A 7AW

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their strategic report for JLT Management Services Limited ('the Company') for the year ended 31 December 2021.

Principal activities

The Company is a non-trading company in the Marsh & McLennan Companies, Inc. Group ('MMC' or 'the Group'). It expects to continue in this role during the next financial year.

As part of the integration of the JLT entities into the MMC Group, on 1 January 2020, all the Company´s employees were transferred under the Transfer of Undertakings (Protection of Employment Regulations) (‘TUPE’) to Marsh Services Limited, a fellow Group company. On the same day the Company’s pension scheme assets and liabilities were transferred to Marsh Services Limited, another Group company.

The Company ceased to provided certain centralised management services to UK and Overseas Group subsidiary companies at the end of 2019 as these functions were undertaken by the MMC Group following the acquisition relevant cost synergies.

On 1 May 2020, the trade, assets and liabilities of the Company, with the exception of its legal interest in lease contracts, were transferred to Marsh Corporate Services Limited, the Company’s immediate parent. The Company’s legal interest in lease contracts are being reassigned to other Group companies. Until the reassignment of these leases is complete, the Company will continue to act as a service company for the Group and administer the leases on behalf of other Group entities.

During previous years, the Company held certain fixed assets on behalf of other Group companies in the UK. The Company’s income derived from management fees charged to the UK for use of these assets. As mentioned above the trade, assets and liabilities of the Company, with the exception of its legal interest in lease contracts, were transferred to Marsh Corporate Services Limited.

Business review

The loss for the year, before taxation, amounted to £0.128m *(2020 restated - £19.532m)*.

The results of the Company for the year ended 31 December 2021 are set out in the financial statements on pages 12 to 31.

Principal risks and uncertainties

The Company maintained a register of key risks that were regularly reviewed and updated by management. The principal risks identified were as follows:

Strategic and Operational Risks

Business Interruption
There are risks of business interruption arising from a major external event that could impact the Company's ability to fulfill its remaining lease commitments. These risks are mitigated by having dedicated business continuity management functions and detailed business continuity policies and procedures. The business continuity plans are regularly tested.

Principal risks and uncertainties (continued)

Loss of IT Environment
There are risks arising from non-performance of an IT supplier, malicious act, cyber crime and staff not following IT policies and procedures. These risks are mitigated by ensuring detailed IT policy and procedures are in place, strong governance procedures over IT outsourcing and service level agreements are in place and monitoring compliance with the Group IT security policy and service level agreements.

Information Security
There is a risk of loss of records, breach of confidentiality or inadequate security measures which could impact the Company's remaining lease commitments. These risks are mitigated by the Company having limits of authority in place. Additionally, risk-based monitoring and reviews are performed by Group Information Security Officer and Group Internal Audit.

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

Pandemic risk
The Group 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 clients, and colleagues, and to ensure their businesses operate in line with client and regulatory expectations.

As a non-trading entity with no employees, the Company itself is not directly impacted by pandemic risk.

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 Group 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 Group, 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 responses to both local governmental and MMC Group corporate guidance. The Group 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.

As a non-trading entity, the impact of political risk on the Company is expected to be minimal.

Financial key performance indicators

The directors of the Group manage the group's operations on a divisional basis. For this reason, 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.

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, 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.

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.

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.

Section 172 (1) of the Companies Act 2006 (the 'Act') Statement (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 (formerly CSR) 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 also 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.

This report was approved by the board and was signed on its behalf on 6 October 2022.

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A J Croft
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.

Results and dividends

The loss for the year, after taxation, amounted to £0.128m *(2020 restated - £13.566m)*.

The directors recommend a final dividend payment of £Nil *(2020 - £Nil)* to be made in respect of the financial year ended 31 December 2021 to its immediate parent company, Marsh Corporate Services Limited.

Directors

The directors who served during the year were:

M P Methley
A J Croft

There being no provision in the Company's Articles of Association for the retirement of directors by rotation, the present directors will continue in office.

Qualifying third party indemnity provision

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

All pensions, trade, assets and liabilities were transferred during the previous year with the exception of the Company's legal interests in lease contracts. The legal interest in the lease contracts are being reassigned to other Group companies. For this reason the Company is expected to continue to be a going concern for the next twelve months. Until the reassignment of these leases is complete, the Company will continue to act as a service company for the Group and administer the leases on behalf of other Group entities.

The directors acknowledge the Company’s net liability position of £13.570m *(2020 restated: £13.442m)* and have evaluated funding options available to the Company. Following this evaluation they are satisfied that any obligations can be met. Therefore these financial statements are presented on a going concern basis.

Prior year restatement

The Company has restated its prior year profit and loss account and closing balance sheet amounts for the financial year to 31 December 2020.

This restatement reflects property related recharges not made during 2020, prior to the sale of the trade, assets and liabilities of the Company and the transfer of rental income from the parent company from Administrative expenses to Other income. Further details can be found in note 23 to the financial statements.

Future developments

The Company will continue to reassign its legal interest in the remaining lease contracts to other Group companies.

The Company is now in run off and the directors do not plan to change the activities of the Company in the next twelve months.

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 Annual Report.

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

There have been no significant events affecting the Company since the year end.

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 and was signed on its behalf on 6 October 2022.

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A J Croft
Director

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

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 MANAGEMENT SERVICES LIMITED

Report on the audit of the financial statements

Opinion
In our opinion the financial statements of JLT Management Services 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 loss 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 23.

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 MANAGEMENT SERVICES 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 MANAGEMENT SERVICES 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. These included the company's environmental regulations.

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 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 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 JLT MANAGEMENT SERVICES 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.

Malav Bhagdev

Malav Bhagdev, FCA (senior statutory auditor)

for and on behalf of Deloitte LLP
Statutory auditor
London, United Kingdom

Date: 7 October 2022

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £000	*2020 £000 Restated*
Turnover	4	**-**	*10,288*
Administrative expenses		**(9,616)**	*(34,824)*
Other operating income	5	**16,163**	*12,153*
Operating profit/(loss)	6	**6,547**	*(12,383)*
Interest receivable and similar income	11	**-**	*3*
Interest payable and similar expenses	12	**(6,675)**	*(7,152)*
Loss before tax		**(128)**	*(19,532)*
Tax on loss	13	**-**	*5,966*
Loss for the financial year		**(128)**	*(13,566)*

The notes on pages 17 to 31 form part of these financial statements.

The above results were derived from discontinued operations.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	**2021** **£000**	*2020* *£000* *Restated*
Loss for the financial year		**(128)**	*(13,566)*
Total comprehensive expense for the year		**(128)**	*(13,566)*

The notes on pages 17 to 31 form part of these financial statements.

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £000	2021 £000	2020 £000 Restated	2020 £000 Restated
Fixed assets					
Tangible assets	14		**150,058**		*162,602*
			150,058		*162,602*
Current assets					
Debtors: amounts falling due within one year	15	**23,695**		*23,477*	
		23,695		*23,477*	
Creditors: amounts falling due within one year	16	**(10,172)**		*(11,469)*	
Net current assets			**13,523**		*12,008*
Total assets less current liabilities			**163,581**		*174,610*
Creditors: amounts falling due after more than one year	17		**(177,151)**		*(188,052)*
			(13,570)		*(13,442)*
Net liabilities			**(13,570)**		*(13,442)*
Capital and reserves					
Called up share capital	20		**1**		*1*
Other reserves			**1,940**		*1,940*
Profit and loss account			**(15,511)**		*(15,383)*
			(13,570)		*(13,442)*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6 October 2022.

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A J Croft
Director

The notes on pages 17 to 31 form part of these financial statements.

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

	Called up share capital	Capital contribution	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2021 (restated)	1	1,940	(15,383)	(13,442)
Comprehensive expense for the year				
Loss for the year	-	-	(128)	(128)
Total comprehensive expense for the year	-	-	(128)	(128)
At 31 December 2021	1	1,940	(15,511)	(13,570)

The notes on pages 17 to 31 form part of these financial statements.

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

	Called up share capital	Hedging reserves	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2020	2,000	-	(3,816)	(1,816)
Comprehensive expense for the year				
Loss for the year (restated)	-	-	(13,566)	(13,566)
Total comprehensive expense for the year (restated)	-	-	(13,566)	(13,566)
Capital contribution	-	1,940	-	1,940
Share capital reduction	(1,999)	-	1,999	-
Total transactions with owners	(1,999)	1,940	1,999	1,940
At 31 December 2020 (restated)	1	1,940	(15,383)	(13,442)

The notes on pages 17 to 31 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 nature of the Company's operations and its principal activities are set out in the Strategic Report on pages 1 to 4.

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

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

The Company meets its day-to-day working capital requirements from corporate cash balances. The current economic conditions create uncertainty particularly over the exchange rate between sterling and foreign currencies.

The Company continues to monitor the uncertainty in the current economic and business environment including the impact of the Covid-19 pandemic. This monitoring and analysis considered our business resilience and continuity plans of the Company’s investments and stress testing of liquidity and financial resources.

Having assessed the responses to their enquiries, including those related to Covid-19, and considered the available funding options for the Company’s net liability position of £13.570m *(2020 restated: £13.442m)* 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 the 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 2021 which have a material impact on the Company’s financial statements.

2. Accounting policies (continued)

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 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

2.5 Turnover recognition

The recharges, as defined in the service level agreements, were recognised in the profit and loss account over the period in which they were earned.

2.6 Other operating income

Other operating income represented rental and other recharges to the subsidiaries of JLT Group for property expenses paid on their behalf by JLT Management Services Limited.

2.7 Interest income

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

When a loan and receivable was impaired, the Company reduced the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continued unwinding the discount as interest income. Interest income on impaired loan and receivables was recognised using the original effective interest rate.

2. Accounting policies (continued)

2.8 Foreign currency transactions and balances

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Sterling, which is the Company's functional and presentational currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges. Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in other comprehensive income.

2.9 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 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; 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 balance sheet date.

2.10 Tangible fixed assets

Tangible fixed assets comprise right-of-use assets which are initially recognised as detailed in Note 2.14

2. Accounting policies (continued)

2.10 Tangible fixed assets (continued)

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:

Leasehold improvements	- between 10% and 20% per annum or over the life of the lease
Fixtures and office equipment	- between 10% and 20% per annum

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.

Credit loss allowances on financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Credit loss allowances relating to trade and other receivables, are presented separately in the profit and loss account. Impairment losses on financial assets other than trade and other receivables are presented as 'finance costs’. The Company writes off financial assets measured at amortised cost when the view is that the amount is non recoverable and that all reasonable efforts have been made to collect the outstanding amounts.

2.11 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.

2.12 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.

2.13 Dividend distribution

Dividends proposed or declared after the balance sheet dates are not recognised as a liability at the balance sheet date. Dividend distributions to the Company’s shareholders are recognised as a liability in the Company’s financial statements in the period in which the dividends are approved by the Company’s shareholders.

2. Accounting policies (continued)

2.14 Leases

Definition

A lease is a contract, or a part of a contract, that conveys the right to use an asset or a physically distinct part of an asset ("the underlying asset") for a period of time in exchange for consideration. Further, the contract must convey the right to the Company to control the asset or a physically distinct portion thereof. A contract is deemed to convey the right to control the underlying asset if, throughout the period of use, the Company has the right to:

- obtain substantially all the economic benefits from the use of the underlying asset, and;
- direct the use of the underlying asset (eg direct how and for what purpose the asset is used)

Initial recognition and measurement

The Company initially recognises a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term. The lease liability is measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments, purchase options at exercise price (where payment is reasonably certain), expected amount of residual value guarantees, termination option penalties (where payment is considered reasonably certain) and variable lease payments that depend on an index or rate.

The right-of-use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments, lease incentives received, the Company's initial direct costs (e.g., commissions) and an estimate of restoration, removal and dismantling costs.

Subsequent measurement

After the commencement date, the Company measures the lease liability by:
a) increasing the carrying amount to reflect interest on the lease liability;
b) reducing the carrying amount to reflect the lease payments made; and
c) re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in substance fixed lease payments or on the occurrence of other specific events.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. Interest charges are included in finance cost in the profit and loss account, unless the costs are included in the carrying amount of another asset applying other applicable standards. Variable lease payments not included in the measurement of the lease liability, are included in operating expenses in the period in which the event or condition that triggers them arises.

The related right-of-use asset is accounted for using the Cost model in IAS 16 and depreciated and charged in accordance with the depreciation requirements of IAS 16 Property, Plant and Equipment as disclosed in the accounting policy for Property, Plant and Equipment. Adjustments are made to the carrying value of the right of use asset where the lease liability is re-measured in accordance with the above. Right of use assets are tested for impairment in accordance with IAS 36 Impairment of assets as disclosed in the accounting policy in impairment.

2. Accounting policies (continued)

Lease modifications
If a lease is modified, the modified contract is evaluated to determine whether it is or contains a lease.

If a lease continues to exist, the lease modification will result in either a separate lease or a change in the accounting for the existing lease.

The modification is accounted for as a separate lease if both:
a) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
b) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

If both of these conditions are met, the lease modification results in two separate leases, the unmodified original lease and a separate lease. The Company then accounts for these in line with the accounting policy for new leases. If either of the conditions are not met, the modified lease is not accounted for as a separate lease and the consideration is allocated to the contract and the lease liability is re-measured using the lease term of the modified lease and the discount rate as determined at the effective date of the modification.

For a modification that fully or partially decreases the scope of the lease (e.g., reduces the square footage of leased space), IFRS 16 requires a lessee to decrease the carrying amount of the right-of-use asset to reflect partial or full termination of the lease. Any difference between those adjustments is recognised in profit or loss at the effective date of the modification.

For all other lease modifications which are not accounted for as a separate lease, IFRS 16 requires the lessee to recognise the amount of the re-measurement of the lease liability as an adjustment to the corresponding right-of-use asset without affecting profit or loss.

Short term and low value leases
The Company has made an accounting policy election, by class of underlying asset, not to recognise lease assets and lease liabilities for leases with a lease term of 12 months or less (i.e., short-term leases). The Company has made an accounting policy election on a lease-by-lease basis, not to recognise lease assets on leases for which the underlying asset is of low value.

Lease payments on short term and low value leases are accounted for on a straight line basis over the term of the lease or other systematic basis if considered more appropriate. Short term and low value lease payments are included in operating expenses in the profit and loss account.

Sub leases
If an underlying asset is re-leased by the Company to a third party and the Company retains the primary obligation under the original lease, the transaction is deemed to be a sublease. The Company continues to account for the original lease (the head lease) as a lessee and accounts for the sublease as a lessor (intermediate lessor). When the head lease is a short term lease, the sublease is classified as an operating lease. Otherwise, the sublease is classified using the classification criteria applicable to Lessor Accounting in IFRS 16 by reference to the right-of-use asset in the head lease (and not the underlying asset of the head lease). After classification lessor accounting is applied to the sublease.

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

Estimates and judgements 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 judgements that have a significant effect on the carrying amounts of assets and liabilities are discussed below.

Key sources of estimation uncertainty

Management have considered key sources of estimation uncertainty. There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Critical judgements in applying the Company's accounting policies

The directors have reviewed the critical judgements (apart from those involving estimations) in applying the Company's accounting policies and consider that there are no critical accounting judgements.

4. Turnover

Analysis of turnover by country of destination:

	2021 **£000**	*2020* *£000* *Restated*
Europe	**-**	*11,720*
Rest of the world	**-**	*(1,432)*
	-	*10,288*

The above results were derived from discontinued operations.

Europe turnover reported in 2020 has been restated, see note 23 for details.

5. Other operating income

	2021 **£000**	*2020* *£000* *Restated*
Other operating income	**16,163**	*12,153*
	16,163	*12,153*

Other operating income consists of property and non property related rental income.

6. Operating profit/(loss)

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

	2021 £000	*2020 £000*
Depreciation and amortisation expense (excluding right-of-use assets)	**-**	*9,449*
Depreciation expense – right-of-use assets – land and buildings	**9,452**	*10,630*
Depreciation expense – right-of-use assets – equipment	**163**	*349*
Depreciation expense – right-of-use assets – computer hardware	**-**	*698*
Amortisation expense – right-of-use assets – computer software	**-**	*51*
Foreign exchange losses/(gains)	**-**	*13*

7. Disposal of business

Disposal of JLT Management Services Limited business to Marsh Services Limited in 2020
On 1 January 2020, the Company transferred its pension scheme assets and liabilities to Marsh Services Limited, a fellow Group entity.

Disposal of JLT Management Services Limited business to Marsh Corporate Services Limited in 2020
On 1 May 2020, the Company transferred its trade, assets and liabilities to Marsh Corporate Services Limited, a fellow Group entity. This sale excluded lease contracts. The goodwill balances held by the Company related to the trade transferred and was written off.

8. Employees

Staff costs were as follows:

	2021 £000	*2020 £000*
Wages and salaries	**-**	*2,159*
Social security costs	**-**	*329*
Cost of defined contribution scheme	**-**	*77*
	-	*2,565*

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

	2021 No.	*2020 No.*
Administration and support	**-**	*310*

9. Auditor's remuneration

Auditor's remuneration for the statutory audit of the financial statements of the Company for the year ended 31 December 2021 is £18,383 *(2020: £18,383)*.

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

10. Directors' remuneration

The directors received no emoluments in respect of their services to JLT Management Services Limited during the year ended 31 December 2021 *(2020: £Nil)*.

The contracts of employment are with, and the remuneration of employee and directors is paid by other companies in the MMC Group.

11. Interest receivable and other similar income

	2021 **£000**	*2020* *£000*
Interest receivable from group companies	**-**	*3*
	-	*3*

12. Interest payable and similar expenses

	2021 **£000**	*2020* *£000*
Interest on other loans	**-**	*60*
Group interest and similar charges payable	**-**	*6*
Finance leases	**-**	*8*
Interest expense on lease liabilities	**6,675**	*7,078*
	6,675	*7,152*

13. Taxation

	2021 **£000**	*2020* *£000*
Corporation tax		
Current tax on profits for the year	**-**	*(4,348)*
Adjustments in respect of previous periods	**-**	*(366)*
Total current tax	**-**	*(4,714)*
Deferred tax		
Origination and reversal of timing differences	**-**	*(1,218)*
Adjustments in respect of previous periods	**-**	*(34)*
Total deferred tax	**-**	*(1,252)*
Tax on profit/(loss)	**-**	*(5,966)*

Factors affecting tax charge/(credit) for the year

The tax assessed for the year is higher than *(2020 - lower than)* the standard rate of corporation tax in the UK of 19% *(2020 - 19%)*. The differences are explained below:

	2021 **£000**	*2020* *£000* *Restated*
Loss before tax	**(128)**	*(19,532)*
Loss before tax multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	**(24)**	*(3,711)*
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**-**	*128*
Adjustments to tax charge in respect of prior periods	**-**	*(400)*
Other differences leading to an increase in the tax charge	**-**	*143*
Group relief for consideration other than at the standard rate of corporation tax in the UK	**24**	*(2,126)*
Total tax credit for the year	**-**	*(5,966)*

13. Taxation (continued)

Factors that may affect future tax charges

The Finance Bill 2021, enacted on 10 June 2021, included provisions for an increase in the UK Corporation Tax rate from 19% to 25% with effect from 01 April 2023. However, it was announced on 23 September 2022 that this increase will now be reversed, though this has not yet been legislated.

14. Tangible assets

	Right of use assets - land & building £000	Right of use assets - equipment £000	Total £000
Cost or valuation			
At 1 January 2021	**183,073**	**917**	**183,990**
Leases reassigned to fellow group subsidiary	**(6,034)**	**-**	**(6,034)**
At 31 December 2021	**177,039**	**917**	**177,956**
Depreciation			
At 1 January 2021	**20,667**	**721**	**21,388**
Charge for the year	**9,452**	**163**	**9,615**
Leases reassigned to fellow group subsidiary	**(3,105)**	**-**	**(3,105)**
At 31 December 2021	**27,014**	**884**	**27,898**
Net book value			
At 31 December 2021	**150,025**	**33**	**150,058**
At 31 December 2020	*162,406*	*196*	*162,602*

15. Debtors: Amounts falling due within one year

	2021 £000	*2020 £000 Restated*
Amounts owed by group undertakings	**23,695**	*23,477*
	23,695	*23,477*

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

Balances in relation to closing 2020 Amounts owed by group undertakings have been restated, see note 23 for details.

16. Creditors: Amounts falling due within one year

	2021 £000	*2020 £000*
Amounts owed to group undertakings	**1,605**	*1,605*
Lease liabilities	**8,567**	*9,864*
	10,172	*11,469*

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

17. Creditors: Amounts falling due after more than one year

	2021 £000	*2020 £000*
Lease liabilities	**177,151**	*188,052*
	177,151	*188,052*

18. Leases

Company as a lessee

The Company recognises lease liabilities in respect of property and equipment leases.

The maturity analysis of the future cash flows associated with lease liabilities is as follows:

	2021 £000	*2020 £000*
Not later than one year	**15,464**	*15,605*
Between one year and five years	**59,884**	*60,472*
Later than five years	**176,753**	*191,628*
	252,101	*267,705*

19. Deferred taxation

	2021 £000	*2020 £000*
At beginning of year	**-**	*27,407*
Charged to profit or loss	**-**	*1,252*
Arising on business combinations	**-**	*(28,659)*
At end of year	**-**	*-*

The Finance Bill 2021, enacted on 10 June 2021, included provisions for an increase in the UK Corporation Tax rate from 19% to 25% with effect from 01 April 2023. However, it was announced on 23 September 2022 that this increase will now be reversed, though this has not yet been legislated.

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.

20. Called up share capital

	2021	*2020*
	£	*£*
Allotted, called up and fully paid		
1,000 *(2020 - 1,000)* Ordinary shares of £1.00 each	**1,000**	*1,000*

21. Controlling party

The Company's immediate parent undertaking is Marsh Corporate Services Limited, registered in England and Wales, and the ultimate holding company is Marsh & McLennan Companies, Inc. incorporated in the state of Delaware, United States of America.

For the year ended 31 December 2021 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

22. Post balance sheet events

There have been no significant events affecting the Company since the year end.

23. Prior year restatement

The Company has restated its 2020 comparative numbers for the omission of a group property recharge and the transfer of rental income from Administrative expenses to Other operating income.

The impact on each primary statement is shown below:

	2020 as previously stated £000	Prior year restatement £000	Restated 2020 £000
Profit and loss account			
Turnover	(901)	11,189	10,288
Administrative expenses	(22,671)	(12,153)	(34,824)
Other operating income	-	12,153	12,153
Operating loss	(23,572)	11,189	(12,383)
Loss before tax	(30,721)	11,189	(19,532)
Tax on loss	5,966	-	5,966
Loss for the financial year	(24,755)	11,189	(13,566)
Balance sheet			
Debtors: amounts falling due within one year	12,288	11,189	23,477
Net liabilities	(24,631)	11,189	(13,442)
Profit and loss account	(26,572)	11,189	(15,383)

Opening profit and loss account reserves as at 1 January 2020 have been increased by £11.189m, recognising property recharges reported by the immediate parent company, Marsh Corporate Services Ltd in 2020. A corresponding increases in intercompany debtors of £11.189m has also been reported.

Results for the financial year to 31 December 2020 have been restated for Turnover of £11.189m. There has been no impact on tax in the prior year.