Registered number: 01787359

JLT MANAGEMENT SERVICES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

JLT MANAGEMENT SERVICES LIMITED

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 2020

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

Principal activities

Until 1 April 2019, the Company formed part of the Managed Services Division of JLT Group Holdings Limited (formerly Jardine Lloyd Thompson Group plc) (‘the JLT Group’). On 1 April 2019, the JLT Group was acquired by Marsh & McLennan Companies, Inc (‘MMC’ or ‘the Group’).

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 also transferred to Marsh Services Limited.

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 but there are a number of these and the process is expected to be lengthy.

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.

On 1 May 2020, the Company reduced its share capital by cancelling and extinguishing 1,999,000 issued ordinary shares of £1.00 each.

Business review

The loss for the year, before taxation, amounted to £30.721m *(2019 - profit of £4.239m)*.

Turnover has reduced following the transfers to Marsh Services Limited and Marsh Corporate Services Limited.

The results of the Company for the year ended 31 December 2020 are set out in the financial statements on pages 12 to 44.

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.

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 investments and other assets and liabilities to ensure they are appropriate.

Emerging risk

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 Group 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 Group continues to take a considered approach to minimising the impact through its well formulated contingency plans. Group 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.

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 (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 six 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.

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 as they transferred under TUPE to Marsh Services Limited on 1 January 2020. 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.

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

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 '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.

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

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 23 September 2021 and signed on its behalf.

....
A J Croft
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 loss for the year, after taxation, amounted to £24.755m *(2019 - loss of £6.225m)*.

The directors recommend a final dividend payment of £Nil *(2019 - £Nil)* to be made in respect of the financial year ended 31 December 2020.

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 have been transferred during the 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, but there are a number of these and the process is expected to be lengthy. For this reason the Company is expected to continue to be a going concern for the next twelve months.

The directors acknowledge the Company’s net liability position of £24.631m (2019: £1.816m) 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.

As the Company does not trade and acts as an intermediate holding company in the MMC Group, the directors do not consider that the ongoing Covid-19 pandemic has a material impact on their assessment of the Company as a going concern.

Future developments

The Company will continue to reassign its legal interest in the remaining lease contracts to other group companies but there are a number of these and the process is expected to be lengthy.

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.

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

Charitable donations

During the year the Company made charitable donations of £Nil *(2019 - £43,000)*.

Creditor payment policy

Prior to the acquisition of the JLT Group by MMC, the Company agreed payment terms with suppliers when it entered into contracts for the purchase of goods or services and, where possible, abided by those terms when it was satisfied that the supplier had provided the goods or services in accordance with the agreed terms and conditions.

Since the acquisition, payment of suppliers has been centralised for all UK operating companies of the Group, and is carried out by Marsh Corporate Services Limited and then recharged onto the Company by means of an inter-company recharge.

The Company took an average 27 days to pay its suppliers *(2019 - 27 days)*.

Recognition of the Defined Benefit Section

On 1 January 2020, the pension scheme assets and liabilities of the Company were transferred to Marsh Services Limited, a fellow Group subsidiary. Therefore a net liability of £Nil has been reported for 2020 *(2019 - £163,181,000)*.

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 on 23 September 2021 and signed on its behalf.

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A J Croft
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 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 2020 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 26.

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.

We discussed among the audit engagement team including relevant internal specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

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 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.

Adam Knight BA, FCA (Senior statutory auditor)

for and on behalf of Deloitte LLP

Statutory auditor
London, United Kingdom

Date: 24 September 2021

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £000	*2019 £000*
Turnover	4	**(901)**	*160,798*
Administrative expenses		**(22,671)**	*(162,965)*
Other operating income	5	**-**	*18,173*
Operating (loss)/profit	6	**(23,572)**	*16,006*
Interest receivable and similar income	11	**3**	*-*
Interest payable and similar expenses	12	**(7,152)**	*(11,767)*
(Loss)/profit before tax		**(30,721)**	*4,239*
Tax on (loss)/profit	13	**5,966**	*(10,464)*
Loss for the financial year		**(24,755)**	*(6,225)*

The notes on pages 18 to 44 form part of these financial statements.

The above results were derived from discontinued operations.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £000	*2019 £000*
Loss for the financial year		**(24,755)**	*(6,225)*
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurements of post-employment benefit obligations (net)	25	**-**	*(35,997)*
Deferred tax		**-**	*6,125*
		-	*(29,872)*
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation losses		**-**	*(175)*
Total comprehensive expense for the year		**(24,755)**	*(36,272)*

The notes on pages 18 to 44 form part of these financial statements.

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note		2020 £000		2019 £000
Fixed assets					
Intangible assets	14		-		*10,107*
Tangible assets	15		**162,602**		*209,757*
			162,602		*219,864*
Current assets					
Debtors: amounts falling due after more than one year	16	-		*1,095*	
Debtors: amounts falling due within one year	16	**12,288**		*239,440*	
Cash at bank and in hand	17	-		*2,448*	
		12,288		*242,983*	
Creditors: amounts falling due within one year	18	**(11,469)**		*(97,384)*	
Net current assets			**819**		*145,599*
Total assets less current liabilities			**163,421**		*365,463*
Creditors: amounts falling due after more than one year	19		**(188,052)**		*(203,401)*
			(24,631)		*162,062*
Provisions for liabilities					
Other provisions	22	-		*(697)*	
			-		*(697)*
Net assets excluding pension liability/asset			**(24,631)**		*161,365*
Pension asset/liability	25		-		*(163,181)*
Net liabilities			**(24,631)**		*(1,816)*
Capital and reserves					
Called up share capital	23		**1**		*2,000*
Capital contribution			**1,940**		-
Profit and loss account			**(26,572)**		*(3,816)*
			(24,631)		*(1,816)*

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 September 2021.

....
A J Croft
Director

The notes on pages 18 to 44 form part of these financial statements.

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

	Called up share capital	Capital contribution	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	**-**	**-**	**(24,755)**	**(24,755)**
Total comprehensive expense for the year	**-**	**-**	**(24,755)**	**(24,755)**
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	**1**	**1,940**	**(26,572)**	**(24,631)**

The notes on pages 18 to 44 form part of these financial statements.

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

	Called up share capital	Hedging reserves	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2019	2,000	175	30,696	32,871
Comprehensive expense for the year				
Loss for the year	-	-	(6,225)	(6,225)
Other comprehensive expense	-	(175)	(29,872)	(30,047)
Total comprehensive expense for the year	-	(175)	(36,097)	(36,272)
Share based payments	-	-	1,585	1,585
Total transactions with owners	-	-	1,585	1,585
At 31 December 2019	2,000	-	(3,816)	(1,816)

The notes on pages 18 to 44 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

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.

The Company meets its day to-day working capital requirements from corporate cash balances. 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.

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 £24.631m (2019: £1.816m) 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. Accounting policies (continued)

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 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 Exemption from preparing consolidated financial statements

The Company is a wholly owned subsidiary of Marsh Corporate Services Limited and of its ultimate parent, Marsh & McLennan Companies, Inc. 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.

2.6 Turnover recognition

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

2.7 Other operating income

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

2. Accounting policies (continued)

2.8 Interest income

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

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

2.9 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.

2.10 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. Accounting policies (continued)

2.11 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Freehold land and buildings	- *between 0% and 2% per annum*
Leasehold improvements	- *between 10% and 20% per annum or over the life of the lease*
Computer hardware	- *between 20% and 100% per annum*
Motor vehicles	- *between 25% and 33 1/3% per annum*
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.

2.12 Intangible assets and amortisation

Computer software
Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire them and bring them to use. These costs are amortised over their estimated useful lives. Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

Development costs that are directly associated with the production of identifiable and unique software products controlled by the Company, and that will generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads. Capitalised development costs are amortised over their estimated useful lives from the point when the asset is ready to use.

The rates of amortisation are between 14% and 100% per annum.

2. Accounting policies (continued)

2.13 Impairment of assets

Goodwill and other 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-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2.14 Impairment of financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company measures credit loss allowances on financial assets measured at amortised cost on either of the following bases:

• Lifetime expected credit losses (ECLs): ECLs that result from all possible default events over the expected life of a financial instrument; and
• 12-month ECLs: The portion of lifetime ECLs that result from possible default events within the 12 months after the reporting date.

The Company measures credit loss allowances on financial assets at an amount equal to lifetime ECLs.

When assessing whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company considers a financial asset to be in default (i.e. loss incurred) when:
• there is evidence that the amount is unlikely to be paid in full, without recourse by the Company to actions such as realising collaterals (if any is held); or
• the financial asset is connected to a business with whom we no longer have a relationship and is longer than 3 months past due.

The actual credit loss experience is adjusted, if considered significant, by scalar factors by an increase or decrease in the impairment provision percentage applied to various ageing brackets to reflect the expected losses that the Company expects to incur.

2. Accounting policies (continued)

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.

2.15 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.

2.16 Cash and cash equivalents

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

2.17 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.

2.18 Provisions for liabilities

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

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

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.19 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)

2.20 Share based compensation

The Company's previous ultimate parent company, JLT Group Holdings Limited (formerly Jardine Lloyd Thompson Group plc), operated a number of equity-settled share-based payment schemes under which the Company received services from employees as consideration for equity instruments (options) of the ultimate parent company. The fair value of the employee services received in exchange for the grant of the options was recognised as an expense.

The total amount to be expensed over the vesting period was determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions were included in the assumptions about the number of options that were expected to become exercisable. At each balance sheet date, the entity revised its estimates of the number of options that were expected to become exercisable. It recognised the impact of the revision of original estimates, if any, in the profit and loss account, and a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs were credited, in the ultimate parent company, to share capital (at nominal value) and share premium (excess over nominal value) when the options were exercised.

2.21 Defined benefit pension obligation

The Company was a member of the Jardine Lloyd Thompson UK Pension Scheme ("the scheme"). The scheme had two sections: one providing defined benefits; and the other providing benefits on a defined contribution basis. The assets of the scheme were held in a trustee administered fund separate from the Company. With effect from 1 December 2006, the defined benefit section of the scheme was amended to cease future benefits accruals. Under the scheme, as amended, a participant's normal retirement benefit will be determined based on their service and compensation prior to 1 December 2006.

The latest finalised triennial actuarial funding valuation of the scheme was at 31 March 2017. This valuation was updated to 31 December 2015 by a qualified actuary employed by a fellow JLT Group subsidiary; JLT Benefit Solutions Limited. For the purposes of these annual updates, scheme assets are included at market value and scheme liabilities were measured on an actuarial basis using the projected unit credit method; these liabilities were discounted at the current rate of return of an AA corporate bond of equivalent currency and term. The defined benefit surplus or deficit was calculated as the present value of defined benefit obligations less the fair value of the plan assets and was included on the Company's balance sheet. Surpluses were included only to the extent that they were recoverable through reduced contributions in the future or through refunds from the scheme. The net interest on the defined benefit liability (asset) was included within finance costs. Actuarial gains and losses, including differences between the expected and actual return on scheme assets, were recognised through the statement of comprehensive income.

As part of the integration of the JLT entities into the MMC Group, on 1 January 2020, the pension scheme assets and liabilities of the Company were transferred to Marsh Services Limited, a fellow Group company.

2. Accounting policies (continued)

2.22 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. Judgments 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

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.

Judgement 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 had an indefinite useful life are not subject to amortisation and were tested annually for impairment. Assets that were not subject to amortisation were also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, management judgement was used to evaluate which events or changes in circumstances may trigger an impairment. An impairment loss was recognised for the amount by which the asset’s carrying amount exceeded its recoverable amount.

The recoverable amount of an asset or a cash generating unit was 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 was 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.

Income taxes
The Company is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Pension obligations
The present value of the pension obligations depended on a number of factors that were determined on an actuarial basis using a number of judgements.

3. Judgments in applying accounting policies (continued)

The judgement used in determining the net cost or income for pension obligations was a discount rate based upon high quality corporate bonds.

Any changes in the judgements may impact the carrying amount of pension obligations, the charge in the profit and loss account, or statement of comprehensive income.

The Company determined the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations.

In determining the appropriate discount rate, the Company considered the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability. Other key assumptions for pension obligations were based in part on current market conditions. As well as the discount rate, the inflation rates and life expectancy were also key assumptions.

To set the price inflation judgements the Company considered market expectations of inflation at the appropriate durations. Adjustments were made to these rates where necessary to reflect an inflation risk premium.

In determining the life expectancy judgements the Company considered the mortality assumptions used by the Trustees of the pension schemes in their latest actuarial valuations and also mortality guidance laid out by legislation. This enabled the Company to determine a best estimate of life expectancy that was appropriate for accounting purposes.

4. Turnover

Analysis of turnover by country of destination:

	2020 **£000**	*2019* *£000*
Europe	**531**	*151,908*
North America	**-**	*5,242*
Rest of the world	**(1,432)**	*3,648*
	(901)	*160,798*

NOTES TO THE FINANCIAL STATEMENTS
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5. Other operating income

	2020 £000	2019 £000
Rental income	-	*15,340*
Sundry income	-	*2,833*
	-	*18,173*

6. Operating (loss)/profit

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

	2020 £000	2019 £000
Depreciation and amortisation expense (excluding right-of-use assets)	**9,449**	*9,289*
Depreciation expense – right-of-use assets – land and buildings	**10,630**	*10,921*
Depreciation expense – right-of-use assets – equipment	**349**	*372*
Depreciation expense – right-of-use assets – computer hardware	**698**	*2,239*
Amortisation expense – right-of-use assets – computer software	**51**	*154*
Impairment expenses – right-of-use assets	-	*1,829*
Foreign exchange losses/(gains)	**13**	*(244)*

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 have been written off.

8. Employees

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

	2020 £000	*2019 £000*
Wages and salaries	**2,159**	*41,157*
Social security costs	**329**	*5,514*
Pension costs, defined benefit scheme	**-**	*370*
Pension costs, defined contribution scheme	**77**	*2,339*
	2,565	*49,380*

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

	2020 No.	*2019 No.*
Administration and support	**310**	*420*

9. Auditor's remuneration

10. Directors' remuneration

	2020 £000	*2019 £000*
Remuneration	**-**	*2,084*
Company contributions to money purchase pension schemes	**-**	*21*
	-	*2,105*

The highest paid director received remuneration of £Nil *(2019 - £1.891m)*.

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil *(2019 - £0.021m)*.

The highest paid director exercised no share options during the year. The highest paid director received no restricted stock unit share awards during the year.

11. Interest receivable and other similar income

	2020 £000	2019 £000
Interest receivable from group companies	3	-
	3	-

12. Interest payable and similar expenses

	2020 £000	2019 £000
Interest on other loans	60	162
Group interest and similar charges payable	6	21
Finance leases	8	41
Interest expense on lease liabilities	7,078	7,890
Pensions scheme finance costs	-	3,653
	7,152	11,767

13. Taxation

	2020 £000	2019 £000
Corporation tax		
Current tax on profits for the year	(4,348)	6,628
Adjustments in respect of previous years	(366)	642
Total current tax	(4,714)	7,270
Deferred tax		
Origination and reversal of timing differences	(1,218)	1,945
Reduction in tax rate	-	289
Adjustments in respect of prior years	(34)	960
Total deferred tax	(1,252)	3,194
Tax on (loss)/profit	(5,966)	10,464

13. Taxation (continued)

Factors affecting tax (credit)/ charge for the year

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

	2020 **£000**	*2019* *£000*
(Loss)/profit before tax	**(30,721)**	*4,239*
(Loss)/profit multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	**(5,837)**	*805*
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**128**	*7,925*
Withholding tax	**-**	*72*
Adjustments to tax charge in respect of prior years	**(400)**	*1,602*
Other differences leading to an increase (decrease) in the tax charge	**143**	*(229)*
Effect of reduction in UK tax rate	**-**	*289*
Total tax (credit)/ charge for the year	**(5,966)**	*10,464*

Factors that may affect future tax charges

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

14. Intangible assets

	Right of use assets - software £000	Computer software £000	Total £000
Cost or valuation			
At 1 January 2020	**475**	**60,545**	**61,020**
Transfer to Marsh Corporate Services Limited	**(475)**	**(60,545)**	**(61,020)**
At 31 December 2020	**-**	**-**	**-**
Amortisation			
At 1 January 2020	**247**	**50,666**	**50,913**
Charge for the year	**51**	**1,306**	**1,357**
Transfer to Marsh Corporate Services Limited	**(298)**	**(51,972)**	**(52,270)**
At 31 December 2020	**-**	**-**	**-**
Net book value			
At 31 December 2020	**-**	**-**	**-**
At 31 December 2019	*228*	*9,879*	*10,107*

15. Tangible assets

	Leasehold WIP £000	Right of use assets - computer hardware £000	Leasehold improvements £000	Right of use assets - equipment £000	Motor vehicles £000
Cost or valuation					
At 1 January 2020	**1,424**	**8,053**	**34,278**	**917**	**34**
Additions	**-**	**-**	**444**	**-**	**-**
Transfer to Marsh Corporate Services Limited	**(1,424)**	**(8,053)**	**(34,722)**	**-**	**(34)**
Disposals	**-**	**-**	**-**	**-**	**-**
Transfers between classes	**-**	**-**	**-**	**-**	**-**
At 31 December 2020	**-**	**-**	**-**	**917**	**-**
Depreciation					
At 1 January 2020	**-**	**3,601**	**9,783**	**372**	**34**
Charge for the year	**-**	**698**	**7,228**	**349**	**-**
Transfer to Marsh Corporate Services Limited	**-**	**(4,299)**	**(17,011)**	**-**	**(34)**
Disposals	**-**	**-**	**-**	**-**	**-**
At 31 December 2020	**-**	**-**	**-**	**721**	**-**
Net book value					
At 31 December 2020	**-**	**-**	**-**	**196**	**-**
At 31 December 2019	*1,424*	*4,452*	*24,495*	*545*	*-*

15. Tangible assets (continued)

	Furniture, fittings & equipment £000	Computer hardware £000	Right of use assets - land & building £000	Total £000
Cost or valuation				
At 1 January 2020	**6,047**	**6,696**	**185,997**	**243,446**
Additions	**124**	**42**	**-**	**610**
Transfer to Marsh Corporate Services Limited	**(6,211)**	**(6,698)**	**(2,352)**	**(59,494)**
Disposals	**-**	**-**	**(572)**	**(572)**
Transfers between classes	**40**	**(40)**	**-**	**-**
At 31 December 2020	**-**	**-**	**183,073**	**183,990**
Depreciation				
At 1 January 2020	**4,307**	**4,445**	**11,147**	**33,689**
Charge for the year	**532**	**383**	**10,630**	**19,820**
Transfer to Marsh Corporate Services Limited	**(4,839)**	**(4,828)**	**(538)**	**(31,549)**
Disposals	**-**	**-**	**(572)**	**(572)**
At 31 December 2020	**-**	**-**	**20,667**	**21,388**
Net book value				
At 31 December 2020	**-**	**-**	**162,406**	**162,602**
At 31 December 2019	*1,740*	*2,251*	*174,850*	*209,757*

16. Debtors

Amounts falling due after more than one year		
Deferred tax asset	**-**	*1,095*
	-	*1,095*

	2020 £000	2019 £000
Amounts falling due within one year		
Amounts owed by group undertakings	**12,288**	*197,067*
Other debtors	**-**	*1,080*
Prepayments	**-**	*4,174*
Other tax	**-**	*10,807*
Deferred tax	**-**	*26,312*
	12,288	*239,440*

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

17. Cash and cash equivalents

	2020 £000	2019 £000
Cash at bank and in hand	**-**	*2,448*
	-	*2,448*

18. Creditors: Amounts falling due within one year

	2020 £000	*2019 £000*
Social security and other taxes	**-**	*2,037*
Amounts owed to group undertakings	**1,605**	*59,064*
Lease liabilities	**9,864**	*11,762*
Other creditors	**-**	*14,834*
Accrued expenses	**-**	*9,687*
	11,469	*97,384*

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

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

	2020 £000	*2019 £000*
Lease liabilities	**188,052**	*203,401*
	188,052	*203,401*

20. 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:

	2020 £000	*2019 £000*
Not later than one year	**15,605**	*18,995*
Between one year and five years	**60,472**	*68,951*
Later than five years	**191,628**	*200,630*
	267,705	*288,576*

21. Deferred taxation

	2020 £000	2019 £000
At beginning of year	**27,407**	*29,506*
Charged to profit or loss	**1,252**	*(3,194)*
Charged to other comprehensive income	**-**	*1,095*
Arising on business combinations	**(28,659)**	*-*
At end of year	**-**	*27,407*

The deferred tax asset is made up as follows:

	2020 £000	2019 £000
Short term timing difference	**-**	*27,954*
Accelerated capital allowances	**-**	*(547)*
	-	*27,407*

Following enactment of the Finance Bill 2020 on 22 July 2020, the UK Corporation Tax rate (from 1 April 2020) has been maintained at 19% and has not reduced to 17% as previously legislated. Deferred tax timing differences have been provided for at the enacted tax rate at the balance sheet date.

The Budget announcement on 3 March 2021 included an increase in the UK Corporation Tax rate to 25% from 1 April 2023.

There are no unrecognised deferred tax balances.

22. Provisions for liabilities

	Onerous contracts £000
At 1 January 2020	**697**
Additional provisions	**11**
Provisions utilised during the year	**(196)**
Transferred to Marsh Corporate Services Limited	**(512)**
At 31 December 2020	**-**

Onerous contracts principally related to property lease commitments.

23. Called up share capital

	2020 £	*2019 £*
Allotted, called up and fully paid		
1,000 (2019 - 2,000,000) Ordinary shares of £1.00 each	**1,000**	*2,000,000*

On 1 May 2020, the Company reduced its share capital by cancelling and extinguishing 1,999,000 issued ordinary shares of £1.00 each.

24. Equity-settled share based payments

As part of the integration of the JLT entities into the MMC Group, all the Company´s employees were transferred to Marsh Services Limited on 1 January 2020 under the Transfer of Undertakings (Protection of Employment Regulations) (‘TUPE’). As a result, the Company does not have any employees that are involved in any share-based payment schemes in the year ended 31 December 2020.

During 2019, the Company had employees involved in the JLT Group's equity-settled share-based payments comprised the JLT Long Term Incentive Plan (2004/2013), Senior Executive Share Scheme and the Sharesave Schemes.

Due to the acquisition of the JLT Group by MMC on 1 April 2019, the schemes became fully vested.

The schemes which the Company participated in were as follows:

JLT Long Term Incentive Plan (2013)
The JLT Group operated the Long Term Incentive Plan (LTIP) for Executive Directors and persons discharging managerial responsibility (PDMRs). The scheme was renewed in 2013. Awards under the scheme were granted in the form of nil-priced options and were satisfied using market-purchased shares. The awards vested in full or in part depending on satisfaction of the performance conditions. The awards had a 3 year performance period and had a 10 year life from the date of grant. Options attracted discretionary dividend equivalents (DDEs) that were rolled up and paid, in cash, on vesting. DDEs were paid to option holders only on the options that had vested. Forfeited or lapsed options were not eligible to DDEs and the DDEs that had accrued on the balance sheet were released to equity at the date of forfeiture.

For post-2013 LTIP awards, the performance conditions were based on the JLT Group's basic EPS growth (excluding exceptional items and impairment charges) over three years. For the LTIP awarded from 2014 to 2016, the JLT Group's Remuneration Committee decided that the EPS should be adjusted for the impact from the net cost of the US investment on a discretionary basis. For the 2017 and 2018 awards, the JLT Group's Remuneration Committee reviewed the approach of excluding the impact of US investment costs when calculating the EPS performance and concluded it was appropriate to cease making further adjustments.

Senior Executive Share Scheme
The JLT Group operated a Senior Executive Share Scheme for senior management and employees.
Awards under the scheme were granted in the form of nil-priced options and are satisfied using market purchased shares. The majority of awards had no specific performance criteria attached, other than the requirement that employees remain in employment with the JLT Group. Certain awards were granted with specific performance targets defined for the individual executives. In general these required targets for revenue and profit growth to be met over the vesting period. The awards had a 10 year life from the date of grant. Options granted prior to 1 January 2014 attracted unconditional DDEs throughout the vesting

Equity-settled share based payments (continued)

period, this means that DDEs were paid to the option holders as and when dividends were paid to ordinary shareholders there was no clawback on the dividends in the event of a forfeiture of the options. The options granted post 1 January 2014 attracted DDEs that were rolled up and paid in cash, on vesting. The JLT Group amended the plan rules on the 8 June 2016. From that date, all vested options were no longer eligible to DDEs.

All options granted under the share option schemes were conditional upon the employees remaining in the JLT Group's employment during the vesting period of the option, the actual period varied according to the scheme in which the employee participated. In calculating the cost of options granted, anticipated lapse rates for the JLT Long Term Incentive Plan (2004/2013) and the Senior Executive Share Scheme were nil as both were issued with no cost to the employee.

All the outstanding share awards vested on the completion of the Marsh & McLennan companies' acquisition of the JLT Group and this revision to the expected vesting date was reflected in the amortisation charge in the profit and loss account for 2018.

The following table illustrates the number and weighted average exercise prices (WAEP) of share options exercised during the year, the outstanding options and the remaining contractual life:

	Exercised	*Weighted average exercise (sale)*	*Options outstanding at 31 December*	*Remaining contractual life*
	Number	*Price (p)*	*Number*	*Years*
JLT Long Term Incentive Plan (2013)	*(405,299)*	*1,915*	*-*	*-*
Senior Executive Share Scheme	*(269,533)*	*1,915*	*-*	*-*
Total	***(674,832)***	***1,915***	***-***	***-***

25. Pension asset/liability

The analysis of the fair value of the scheme assets is as follows:

	2020 £000	*2019 £000*
Equities	-	*88,444*
Equity-linked LDI	-	*77,576*
Diversified Growth funds	-	*70,871*
Buy - in asset	-	*168,375*
Cash	-	*6,856*
Total plan assets	-	*412,122*

	2020 £000	*2019 £000*
Fair value of plan assets	-	*412,122*
Present value of funded obligations	-	*(575,303)*
Net liability recognised in the balance sheet	-	*(163,181)*

The cumulative amount of actuarial gains and losses recognised in the Statement of comprehensive income was £Nil (*2019 - £35,997k*).

The Company expects to contribute £Nil to its Defined benefit pension scheme in 2021.

25. Pension asset/liability (continued)

The amounts recognised in profit or loss are as follows:

	2020 £000	2019 £000
Expenses	-	(371)
Expected return on assets	-	9,973
Interest cost	-	(13,625)
Total	-	(4,023)

Reconciliation of return on assets

	2020 £000	2019 £000
Expected return on scheme assets	-	9,973
Actuarial gains	-	47,428
Actual return on assets	-	57,401

Reconciliation of fair value of plan liabilities were as follows:

	2020 £000	2019 £000
Opening defined benefit obligation	(575,303)	(494,865)
Losses on defined benefit obligation	-	(83,425)
Interest cost	-	(13,625)
Liabilities transferred	575,303	-
Actual benefit payments	-	16,612
Closing defined benefit obligation	-	(575,303)

25. Pension asset/liability (continued)

Reconciliation of fair value of plan assets were as follows:

	2020 £000	2019 £000
Opening fair value of scheme assets	412,122	357,609
Actuarial gains	-	47,428
Liabilities transferred	(412,122)	-
Employer contributions	-	14,095
Expected return on assets	-	9,973
Expenses	-	(371)
Actual benefit payments	-	(16,612)
	-	412,122

26. Controlling party

At the beginning of the year the Company's immediate parent undertaking was MMC UK Group Limited, however on 1 May 2020 it changed to Marsh Corporate Services 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 year 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