Registered number: 00439526

MARSH CORPORATE SERVICES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

MARSH CORPORATE SERVICES LIMITED

COMPANY INFORMATION

DIRECTORS	D J Bruce R M Cocks (appointed 23 March 2020) A J Croft A J Henderson (appointed 23 March 2020) T O'Dwyer (appointed 23 March 2020) S R Woodhouse (appointed 23 March 2020)
COMPANY SECRETARY	E A Nicholls (appointed 23 March 2020)
REGISTERED NUMBER	00439526
REGISTERED OFFICE	1 Tower Place West Tower Place London EC3R 5BU

MARSH CORPORATE SERVICES LIMITED

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

INTRODUCTION

The directors present their annual report and the audited financial statements of Marsh Corporate Services Limited ("the Company") for the year ended 31 December 2019. The Company's registration number is 00439526.

PRINCIPAL ACTIVITES AND BUSINESS REVIEW

Marsh Corporate Services Limited is a service company; it generally does not make large profits or losses but seeks to recharge its expenses to group companies and recognise a mark-up on internally generated costs for an inter-company service charge. The Company's revenue is made up of service charges and rents received from group companies.

The Company pays the majority of non-payroll expenses on behalf of Marsh Limited and other group companies. In addition, the Company is the owner/named lessee for property, plant and equipment utilised by the group in the UK and it also acts as managing agent for properties owned by other group companies.

The Company's activities are mainly reliant on its major customer, Marsh Limited. The directors are satisfied that the services of the Company will continue to be required for the future.

The Company operates in the UK. Part of its transaction processing and accounting support functions were provided by a third party supplier in India.

FINANCIAL KEY PERFORMANCE INDICATORS

The Company's key financial performance indicators during the year were as follows:

	2019 **£M**	*2018* *£M*	Movement £M	Movement %
Turnover	**255**	*235*	20	9
Administration expenses	**(251)**	*(231)*	(20)	(9)
Profit after tax	**3**	*3*	-	-
Shareholders' funds	**66**	*88*	(22)	(25)

Turnover for the year increased by £20 million. The increase is a direct result of the Company recharging costs incurred in the year to its major customer, Marsh Limited.

Administrative expenses increased by £20 million on the prior year (9%) to £251 million. This is partly driven by increases in central service costs (principally computer and communication related costs, outsourced costs, and other costs) that have arisen following the acquisition and integration of JLT services during the period since acquisition.

Shareholders' funds have decreased by £22 million. The Company made a profit after tax of £3 million and paid a dividend of £25.0 million.

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

The paragraphs below provide an explanation for how Directors have had regard for the matters set out in section 172(1)(a) to (f) of the Act when performing their duties, including how Directors have engaged with and considered the interests of stakeholders including UK employees, suppliers, customers and those in a principal business relationship with the Company.

The Company forms part of the Marsh & McLennan Inc. Group of Companies (the Group) and further information in respect of the Group's compliance can be found in the Corporate Governance Disclosure section of the Report and Accounts of its sister company, Marsh Ltd, for the year ended 31 December 2019.

As part of the Marsh & McLennan Inc. Group of companies, the Board is conscious of the Group's purpose, namely, to generate value for its shareholder and to ensure the sound and prudent management of the firm, with due regard for the interests of the Company´s other stakeholders, including clients, employees, suppliers and the wider community.

Shareholder

As a wholly owned subsidiary, the Board duly considers the views of its ultimate shareholder, Marsh & McLennan Companies Inc., and the interests of the Group as a whole as part of any major decisions and transactions undertaken by the Company.

Distributions to the Company´s shareholder are only considered after a full assessment of capital adequacy and the Company's ability to continue as a going concern into the foreseeable future and to ensure investment in the future growth of the Company, balanced with stable and sustainable returns to the shareholder. Further information on dividends is set out on page 30 in the Notes to the Financial Statements.

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

Clients

The Company is a service company. This includes paying the majority of non-payroll expenses on behalf of other group companies in the UK and being the named owner/lessee for property.

Employees

The Board recognises that employees are key to the Group's strength and success. The Board and the Boards of its sister companies including Marsh Ltd, Guy Carpenter and Company Ltd (GC) and Marsh Services Ltd (MSL) and the Executive teams are committed to ensuring high levels of employee engagement. The Chief Executive Officer, Head of International, GC, and the Executive teams understand the importance of leadership visibility and, in addition to regular Townhalls with colleagues; they frequently undertake visits to offices across the UK. Regular employee engagement surveys are conducted and results are carefully scrutinised to identify and implement actions for improvement. Attrition rates and feedback from exit interviews, and absenteeism levels are monitored in an effort to identify emerging people risks and trends and to ensure appropriate action is taken to address these. Emerging people risks and trends are highlighted together with proposed action plans.

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

Employees (continued)

Throughout 2019, and during preceding years, the Marsh group of companies has had in place an Employee Consultative Forum (the Colleague Information and Consultation Committee (CICC)) which represented employees from all offices and lines of business in discussions of a more formal nature with executive management. This was instrumental in supporting colleagues through contractual and structural changes and acting as a sounding board for the Marsh Executive Team. Additionally in 2019, the CICC assisted with the appropriate consultation with employees who joined Marsh through the acquisition of JLT. A separate committee made up of elected members of the JLT Specialties population consulted with employees, specifically on the TUPE Transfer. Early in 2020, the CICC was expanded to include members of the legacy JLT population. The CICC comprises elected representatives from across all offices and lines of business and includes legacy JLT employees. The Chairman is elected from the employee representatives. The CICC meets at least quarterly and is engaged to; for example, provide feedback to executive management on policy amendments, proposals for changes to benefits and to support colleagues when structure changes are proposed.

Going forward, it is intended that representatives of the various employee forums will be invited to attend a meeting of the MSL Board to update the MSL Directors on activities and any areas of concern. In addition, summaries of the MSL Board meetings will be shared with the Boards of its sister companies, Marsh Ltd and GC.

In 2019, work to develop a definition of the culture for the Group was a key priority for the Marsh and GC Boards and the Executive teams. A programme has been developed with an external provider called MindGym. This comprises three elements, an all colleague survey to establish a base point for our current culture, the creation of a narrative statement to define our desired culture and a development/monitoring plan to achieve this.

The Group is committed to reinforcing a wholly inclusive culture across a truly diverse workforce. The Diversity and Inclusion goals and plan was presented to the Marsh Ltd Board in 2019, when Marsh Ltd signed up to the Women in Finance Charter. This included a commitment to achieve 25% of women being in our most senior roles by 2023. Activity and progress toward this goal is regularly reported to the Marsh Ltd Board. It is intended that the other businesses will also look to make this commitment going forward.

It is the Group policy to give full consideration to suitable applications for employment from disabled persons. Every effort is made, where employees of the Group become disabled, to retain them in their existing employment.

The Company and Group are committed to ensuring a safe & healthy workplace and working environment for employees, contractors and visitors by providing adequate welfare facilities and maintaining suitable plant and safe systems of work. A further statement on Health, Safety and Environment is set out on page 6 of the Strategic Report.

The Company's sister company, MSL participates in two UK pension schemes. Both schemes are governed by an independent Trustee Board and another Group Company, Marsh & McLennan Companies UK Limited (MMCUKL), the principal employer for both schemes. The Trustee Board is made up of both MMCUKL appointed and member nominated Trustee Directors. The Trustee Board is responsible for communicating and engaging with pension scheme members and does this on a regular basis, including through an annual newsletter. Members can also ask questions and provide feedback via the administration teams who support the pension schemes. MMCUKL engages with the Trustee Board as part of the Trustee Board's quarterly meeting schedule and through a Joint Working Group which is made up of representatives of both the MMCUKL and Trustee Boards.

Community

The Company and 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 from Marsh, 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 and rebuilding.

By aligning its Social Impact programmes with the business priorities and experience, the Group is able to demonstrate its commitment to its communities in the UK while supporting the business. The Group partners with select strategic global non-profit organisations, including; the Cherie Blair Foundation for Women, Junior Achievement, Missing Maps and the British Red Cross in the UK and encourages colleagues to volunteer with its non-profit partners, for local causes that are important to them, during Global Volunteer Month and with their clients.

Suppliers

The Company monitors its relationship with its suppliers on a regular basis. It is intended that, going forward, representatives of key suppliers will be invited to attend a Board meeting to update the Directors on activities and discuss any areas of concern. In addition, summaries of the Board meeting minutes will be shared with, amongst others, the Marsh Ltd, and GC Boards to aid communication.

The Company is committed to ensuring that slavery and human trafficking is not taking place in any of its supply chains or any part of its business and reviews this on a regular basis. Further detail on actions taken by the Company in compliance with the Modern Slavery Act 2015 is set out on page 9 of the Directors' Report.

The Company reports on its supplier payment practices on a bi-annual basis, and results are monitored by the Marsh Audit Committee at quarterly meetings. The Marsh Ltd Board consider the payment practice results bi-annually at the time of publication. The Company´s latest results can be found at: https://check-payment-practices.service.gov.uk/report/27713.

The Board acknowledges that efforts to improve the payment practices are required and with this in mind, an improvement plan has been rolled out, with progress monitored by the Marsh Audit Committee. The Company is committed to improving performance.

PRINCIPAL RISKS AND UNCERTAINTIES

Asset Risks

The Company is the custodian of the majority of property, plant and equipment used by other Marsh & McLennan Companies, Inc. Group companies in the UK. Any loss of or damage to those assets would threaten the ability of the Company to provide its services. The Company mitigates this risk through use of insurance and business continuity planning. The Company is also subject to impairment risk in relation to those fixed assets. The Company continually reviews its depreciation rates to ensure assets are depreciated over the correct periods. In addition, the Company also reviews its tangible assets to ensure that they are not impaired. The Company holds intangible assets relating to projects currently under development, which are subject to annual impairment tests.

Availability of IT systems

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

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The Company has a credit risk policy in place and the exposure to credit risk is monitored on an ongoing basis by management who perform monthly balance reviews. The majority of the Company's receivables are from Group companies. Management does not expect any counterparty to fail to meet its obligations. When considering whether balances are impaired the Company considers any known financial difficulty of the customers and previous settlement history. The Company provides for bad debts if it considers there is a risk of impairment.

Currency risk

The Company is exposed to currency risk in respect of its assets and liabilities denominated in currencies other than pounds sterling. The most significant currencies to which the Company is exposed are Euros and US Dollars. The Company seeks to mitigate the risk as far as possible by matching the estimated foreign currency denominated liabilities with assets denominated in the same currency.

Emerging risk

Coronavirus: On March 11, 2020, the World Health Organization declared the Coronavirus (Covid-19) a pandemic. As this continues to spread through contagion, it is likely to further intensify the disruptive impact on the global and UK economy and could adversely impact the Company across a number of key financial and operational areas. The Company has taken a considered approach to minimising and managing the impact of the pandemic and has well formulated contingency plans, which continue to evolve as changes to circumstances occur.

Interest rate risk

The Company has both cash deposits and overdrafts. The interest rate risk of the Company is managed by treasury staff, in line with guidelines issued by its ultimate parent company. In managing interest rate and currency risks, the Company aims to reduce the impact of short-term fluctuations on the Company's earnings. Over the longer term, however, permanent changes in interest rates would have an impact on earnings.

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Liquidity/cash flow risk

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

Outsourcing risk

The Company outsources a number of its services to third party organisations. The ability of the Company to perform efficiently is directly impacted by the services of the third party providers. Outsourcing contracts and providers are respectively reviewed against performance expectations and key performance indicators.

People risks

The willingness of competitors to offer key staff higher remuneration and benefits packages will always be a risk to the Company's ability to attract and retain key people. Periodic benchmarking of salaries is carried out to ensure the Company remains competitive.

Political risk

The Company is subject to local and international economic and political instability. The Company manages this risk through monitoring of the economic environment as part of its ongoing forecasting process.

Management has noted that the United Kingdom (UK) formally left the European Union ('EU') on 31 January 2020 and entered a "transition phase" which is expected to end on 31 December 2020. During this period, trade negotiations between the UK and EU are expected to take place but the final outcome of these negotiations is not yet known. As a result, the final impact of leaving the EU on the economy, regulation and political stability is highly uncertain.

The Company has considered the key risks and impact to its business and operations following the end of the transition period and the content of any potential trade agreement and, based on a balance of worst case versus likely scenario assumptions, is taking steps to mitigate these. A Brexit Operations Group has been established to collate activities within and across individual lines of business and across all functional areas to ensure that the Company is Brexit ready and responsive to client needs in the UK to risks and uncertainty around standards of data protection and the storing and transfer of data between the UK and EU after Brexit on employees who are EU citizens, and the potential impact on the Companies suppliers.

ENVIRONMENT

The Company is responsible for the health, safety and welfare of its contractors whilst working on behalf of the Company and for ensuring that its operations do not unnecessarily harm the environment. The Company is also required to seek assistance of competent persons and provide the resources necessary to meet its obligations. The Safety, Health and Environment ("SHE") Unit fulfils this need as part of the Facilities Management structure within Marsh & McLennan Global Security Services and provides support for all employees. The SHE unit works closely with Facilities Management, Human Resources and the Company's Occupational Health providers to accomplish this role.

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

Ann Jo Henderson.

A J Henderson
Director

Date: 15 October 2020

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

PRINCIPAL ACTIVITY

The principal activities of the Company are set out in the Strategic Report on page 1. The information that fulfils the Companies Act requirements of the business review is included in the Strategic Report on pages 1 to 6. This includes details of the Company's principal risks and uncertainties.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £3 million *(2018 - £3 million)*.

The Company paid a dividend in year of £25 million. (2018: £nil). The directors do not recommend the payment of a final dividend.

DIRECTORS

The directors who served during the year were:

D J Bruce
A J Croft

Additional directors were appointed in 2020. Details can be found on the Company Information page.

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, continue to adopt the going concern basis in preparing the annual report and financial statements.

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 required by the main customer, Marsh Limited.

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

ENVIRONMENTAL MATTERS

The Company will seek to minimise adverse impacts on the environment from its activities whilst continuing to address health, safety and economic issues. The Company has complied with all applicable legislation and regulations.

FUTURE DEVELOPMENTS

The activities of the Company are expected to continue along similar lines for the foreseeable future.

EMPLOYEES

All contracts of employment are with, and the remuneration of employees and directors is paid by, a fellow group company, Marsh Services Limited. The Company is charged and bears the cost for the remuneration and other associated benefits paid on its behalf.

MODERN SLAVERY ACT

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

Global Procurement has implemented specific vetting checks, in addition to existing processes, to support this initiative. Processes to monitor and vet supplier practices are still evolving. The statement can be found on the company website (www.marsh.com/uk/modern-slavery-statement.html). The statement is reviewed annually.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

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

MATTERS COVERED IN THE STRATEGIC REPORT

The information that fulfils the Companies Act requirements of the business review is included in the Strategic Report on pages 1 to 6. This includes a review of the development of the business of the Company during the year and of likely future developments in its business. Details of the principal risks and uncertainties are included in the Strategic 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

Covid-19

On March 11, 2020, the World Health Organization declared the Coronavirus (Covid-19) a pandemic. Developments in the first half of 2020 have created significant uncertainty about the impact on the global economy and has resulted in significant impacts to the financial markets and asset values around the world. The Company considers the emergence and spread of Covid-19 to be a non-adjusting post balance sheet event (i.e. an event that is indicative of a condition that arose after the end of the reporting period). Based on the most recent interim management information, there has not been a significant impact of Covid 19 on the net assets of the Company, however, due to the evolving nature of this situation, the Company continues to monitor the impact of Covid 19 on results. It has been able to produce estimates through stress testing of different scenarios that provide a reasonable expectation that the Company has adequate resources to continue in operational existence.

Corporate acquisition and restructure

Following Marsh & McLennan Companies Inc. acquisition of Jardine Lloyd Thompson Group Limited on 1 April 2019, the Company participated in a legal entity restructure, after the year end, to simplify and integrate the legacy JLT structure. On 1st May 2020, the Company issued 1,000 ordinary £1 shares to its parent company MMC UK Group Limited (at a premium) for total consideration of £100,000, in exchange for 100% of the share capital of JLT Management Services Limited (JLTMS).

JLTMS is a service company, similar to the Company, held fixed assets, and had certain supplier contracts and leases to provide centralised management services to other group companies. All its activities were derived from other group companies and it recovered its costs through management recharges.

JLTMS then sold its trade and assets, with the exception of the pension scheme liabilities, to the Company for a fair market value of £100,000, rationalising the duplication of activities. The employees of JLTMS transferred under a TUPE arrangement to Marsh Services Limited on 1st May 2020, along with the Pension Scheme liabilities.

AUDITOR

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

This report was approved by the board on 15 October 2020 and signed on its behalf.

A J Henderson
Director

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARSH CORPORATE SERVICES LIMITED

Report on the audit of the financial statements

Opinion
In our opinion the financial statements of Marsh Corporate Services Limited (the ‘company’):

- give a true and fair view of the state of the company’s affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 23.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council’s (the ‘FRC’s’) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
We are required by ISAs (UK) to report in respect of the following matters where:

- the directors’ use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARSH CORPORATE SERVICES LIMITED (CONTINUED)

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

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

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.

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 MARSH CORPORATE 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, ACA (Senior statutory auditor)

for and on behalf of

Deloitte LLP

Statutory Auditor

London
United Kingdom
Date: 15th October 2020

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £M	2018 £M
Turnover	4	**255**	*235*
Gross profit		**255**	*235*
Administrative expenses		**(251)**	*(231)*
Operating profit	5	**4**	*4*
Tax on profit	9	**(1)**	*(1)*
Profit for the financial year		**3**	*3*

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2019 (2018:£M NIL).

The notes on pages 19 to 42 form part of these financial statements.

All transactions derive from continuing activities.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note		2019 £M		2018 £M
Fixed assets					
Intangible fixed assets	11		**26**		*26*
Tangible assets	12		**48**		*45*
			74		*71*
Current assets					
Debtors: amounts falling due after more than one year	13	**13**		*15*	
Debtors: amounts falling due within one year	13	**267**		*71*	
Bank and cash balances		**-**		*35*	
		280		*121*	
Creditors: amounts falling due within one year	15	**(278)**		*(95)*	
Net current assets			**2**		*26*
Total assets less current liabilities			**76**		*97*
Provisions for liabilities					
Deferred tax	16	**(1)**		*(1)*	
Other provisions	17	**(9)**		*(8)*	
			(10)		*(9)*
Net assets			**66**		*88*
Capital and reserves					
Called up share capital	18		**-**		*52*
Revaluation reserve	19		**9**		*9*
Profit and loss account	19		**57**		*27*
			66		*88*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
15 October 2020

Ana Jo Henderson

A J Henderson
Director

The notes on pages 19 to 42 form part of these financial statements.

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

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£M	£M	£M	£M
At 1 January 2019	52	9	27	88
Comprehensive income for the year				
Profit for the year	-	-	3	3
Total comprehensive income for the year	-	-	3	3
Dividends: Equity capital	-	-	(25)	(25)
Share capital reduction	(52)	-	52	-
Total transactions with owners	(52)	-	27	(25)
At 31 December 2019	-	9	57	66

The notes on pages 19 to 42 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£M	£M	£M	£M
At 1 January 2018	**52**	**9**	**24**	**85**
Comprehensive income for the year				
Profit for the year	**-**	**-**	**3**	**3**
Total comprehensive income for the year	**-**	**-**	**3**	**3**
Total transactions with owners	**-**	**-**	**-**	**-**
At 31 December 2018	**52**	**9**	**27**	**88**

The notes on pages 19 to 42 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. GENERAL INFORMATION

Marsh Corporate Services Limited is a company incorporated in the United Kingdom under the Companies Act and is registered in England and Wales. The address of the registered office is given on the Company information page. Marsh Corporate Services Limited is a private company limited by shares. The nature of the Company's operations and its principal activities are set out in the strategic report on pages 1 to 7.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

2.2 FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Marsh & McLennan Companies, Inc. as at 31 December 2019 and these financial statements may be obtained from the address listed in note 23.

Shareholders have been notified in writing and do not object to the disclosure exemptions.

2. ACCOUNTING POLICIES (CONTINUED)

2.3 GOING CONCERN

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the business review, which forms part of the Strategic Report. The Strategic Report also describes the financial position of the Company; its cash flows and liquidity risk; the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposure to credit risk and liquidity risk.

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

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

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

2. ACCOUNTING POLICIES (CONTINUED)

2.4 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

2.5 REVENUE

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

Rendering of services

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

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

2. ACCOUNTING POLICIES (CONTINUED)

2.6 OPERATING LEASES: THE COMPANY AS LESSOR

Rentals income from operating leases is credited to the Statement of Comprehensive Income on a straight line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2018 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.7 OPERATING LEASES: THE COMPANY AS LESSEE

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

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

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2018 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.8 RESEARCH AND DEVELOPMENT

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.9 FINANCE COSTS

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2. ACCOUNTING POLICIES (CONTINUED)

2.10 BORROWING COSTS

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.11 CURRENT AND DEFERRED TAXATION

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

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

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

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

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

2. ACCOUNTING POLICIES (CONTINUED)

2.12 INTANGIBLE ASSETS

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

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

The estimated useful lives range as follows:

Computer Software Development -	14% - 33.33% per annum

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

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

Management review intangibles and estimate the useful lives based on estimates of the future cash flows.

2.13 TANGIBLE FIXED ASSETS

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

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

Depreciation is provided on the following basis:

Freehold property	- 2% per annum
Short-term leasehold property	- 3.33% - 10% per annum
Office equipment	- 20% - 33.33% 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 the Statement of Comprehensive Income.

2. ACCOUNTING POLICIES (CONTINUED)

2.14 REVALUATION OF TANGIBLE FIXED ASSETS

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of Comprehensive Income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

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

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.18 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 the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

2.19 ONEROUS LEASES

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

2. ACCOUNTING POLICIES (CONTINUED)

2.20 FINANCIAL INSTRUMENTS

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

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

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

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

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

2. ACCOUNTING POLICIES (CONTINUED)

2.21 DIVIDENDS

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

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

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

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

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

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

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

Critical judgements in applying the Company's accounting policies

There are no critical judgements that the directors have made in the process of applying the Company's accounting policies.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Property, plant and equipment

The Company tests annually whether its property, plant and equipment has experienced any event or changes that indicate that the carrying value of the asset has suffered any impairment.

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

Recoverability of intangible assets

Intangible assets have been reviewed this year and the directors believe that no impairment charge is required. The situation will be closely monitored, and adjustments made in future periods if future market activity indicates that such adjustments are appropriate.

Impairment of trade and other receivables

The impairment of trade and other receivables is considered by the Company’s management on a regular basis. The majority of the Company's receivables are from Group companies. Provision is made on the basis of an assessment of the credit risk associated with the counterparty, including consideration of their trading status, aged analysis of the recoverable amounts involved, previous recovery performance and assessment of the extent to which the Company would suffer an actual loss in the event of non-payment.

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)

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.

Property provisions

During the ordinary course of business the Company can be subject to obligations in respect of its property activities and commitments.

A provision is established in respect of dilapidations and property abandonment when it is probable that the liability has been incurred and the amount of the liability can be reasonably estimated.

The Company analyses its property exposures based on available information, including legal and professional consultation, where appropriate, to assess its potential liability.

The outcome of the currently pending and future property provision requirements cannot be predicted with certainty. Therefore, an adverse decision in a current or future negotiation could result in additional costs that are in excess of the presently established provisions. It is possible that the financial position, current operations or cash-flow could be materially affected by the outcome of unfavourable negotiations.

4. TURNOVER

The whole of the turnover compromises services rendered to other group companies.

	2019	*2018*
	£M	*£M*
United Kingdom	**255**	*235*
	255	*235*

5. OPERATING PROFIT

The operating profit is stated after charging:

	2019	*2018*
	£M	*£M*
Research & development charged as an expense	**11**	*12*
Other operating lease rentals	**10**	*12*
Tangible fixed assets - depreciation	**12**	*11*
Intangible fixed assets - amortisation	**5**	*5*

6. AUDITOR'S REMUNERATION

	2019 £M	2018 £M
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements and its fellow subsidiaries.	**1**	*2*

The Company has not engaged its auditor for any non audit services.

The audit fees are borne by the Company on behalf of fellow subsidiaries and subsequently recharged.

The audit fee attributable to the Marsh Corporate Services Limited is £0.1 million (2018: £0.1 million).

7. EMPLOYEES

Staff costs were as follows:

	2019 £M	2018 £M
Wages and salaries	**57**	*57*
Social security costs	**7**	*7*
Cost of defined contribution scheme	**4**	*4*
	68	*68*

The majority of contracts of employment are with, and the remuneration of employees and directors is paid by, a fellow Group company, Marsh Services Limited. The Company is charged and bears the cost for the remuneration and other associated benefits paid on its behalf, with the exception of the share-based payments charge.

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

The Company, through its management fee with Marsh Services Limited, contributes to the Marsh section of the MMC UK Pension Fund. The FRS 102 Section 28 disclosures for the defined benefit section have been made within the financial statements of Marsh Services Limited. At 31 December 2019, Marsh Services Limited disclosed in its financial statements that the pension scheme was using an FRS 102 valuation basis. Further detail, of the surplus for the employer, if any, can be found in the financial statements of Marsh Services Limited.

8. DIRECTORS' REMUNERATION

The majority of the directors are executives of other Group Companies. In such circumstances, it is not practicable to allocate their remuneration between services as executives of other Group Companies and their services as directors of the Company in the current year. Accordingly, we have not disclosed the remuneration of directors who work predominantly for other group companies during the current year.

Where the Company’s directors are in receipt of share-based payments and awards as part of their overall remuneration, these are disclosed in the financial statements of Marsh Services Limited, the group’s principal employing company.

9. TAX ON PROFIT

	2019 £M	*2018* *£M*
CORPORATION TAX		
Current tax on profits for the year	**(1)**	*(2)*
Adjustments in respect of previous periods	**-**	*(1)*
	(1)	*(3)*
TOTAL CURRENT TAX	**(1)**	*(3)*
DEFERRED TAX		
Origination and reversal of timing differences	**2**	*4*
TOTAL DEFERRED TAX	**2**	*4*
TAXATION ON PROFIT	**1**	*1*

9. TAX ON PROFIT (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is the same as *(2018: - the same as)* the standard rate of corporation tax in the UK of 19.0% *(2018: - 19.0%)* as set out below:

	2019 £M	*2018 £M*
Profit before tax	**4**	*4*
Profit multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	**1**	*1*
TOTAL TAX CHARGE FOR THE YEAR	**1**	*1*

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Following the Budget announcement on 11 March 2020 the UK Corporation Tax rate (from 1 April 2020) will be maintained at 19% and no longer reduced to 17% as previously legislated.

10. DIVIDENDS

	2019 £M	*2018 £M*
Dividends paid - interim	**25**	-
	25	-

11. INTANGIBLE ASSETS

	Development costs; pre - completion £M	Development costs; completed £M	Total £M
COST			
At 1 January 2019	**7**	**41**	**48**
Additions	**5**	**-**	**5**
Additions - internal	**(1)**	**1**	**-**
At 31 December 2019	**11**	**42**	**53**
AMORTISATION			
At 1 January 2019	**-**	**22**	**22**
Charge for the year	**-**	**5**	**5**
At 31 December 2019	**-**	**27**	**27**
NET BOOK VALUE			
At 31 December 2019	**11**	**15**	**26**
At 31 December 2018	*7*	*19*	*26*

Pre-completion intangible assets relate to computer software development costs of the Company's projects under the course of construction. These projects are under development and therefore are not amortised until they are complete.

Development costs have been capitalised in accordance with FRS 102 Section 18 Intangible Assets other than Goodwill and are therefore not treated, for dividend purposes, as a realised loss.

During the year £1 million project costs were transferred from pre-completion to completed development costs.

As at 31 December 2019 there were no amounts payable in relation to contracted commitments for the acquisition of intangible assets.

Amortisation is charged to the statement of comprehensive income and resides within administrative expenses.

12. TANGIBLE FIXED ASSETS

	Freehold property £M	Short-term leasehold property £M	Office equipment £M	Total £M
COST OR VALUATION				
At 1 January 2019	**11**	**18**	**199**	**228**
Additions	**-**	**4**	**11**	**15**
Disposals	**-**	**-**	**(1)**	**(1)**
At 31 December 2019	**11**	**22**	**209**	**242**
DEPRECIATION				
At 1 January 2019	**5**	**11**	**167**	**183**
Charge for the year on owned assets	**-**	**1**	**11**	**12**
Disposals	**-**	**-**	**(1)**	**(1)**
At 31 December 2019	**5**	**12**	**177**	**194**
NET BOOK VALUE				
At 31 December 2019	**6**	**10**	**32**	**48**
At 31 December 2018	*6*	*7*	*32*	*45*

If the Freehold land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2019 £M	*2018 £M*
Cost	**5**	*5*
Accumulated depreciation	**(3)**	*(3)*
NET BOOK VALUE	**2**	*2*

12. TANGIBLE FIXED ASSETS (CONTINUED)

If the Leasehold land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2019 £M	*2018 £M*
Cost	21	*17*
Accumulated depreciation	(11)	*(10)*
NET BOOK VALUE	10	*7*

Freehold and Leasehold property was revalued in 2001 on the basis of an open market valuation by an independent valuer.

13. DEBTORS

	2019 £M	*2018 £M*
DUE AFTER MORE THAN ONE YEAR		
Deferred tax asset	13	*15*
	13	*15*

	2019 £M	*2018 £M*
DUE WITHIN ONE YEAR		
Amounts owed by group undertakings	178	*34*
Other debtors	8	*6*
Prepayments and accrued income	11	*11*
Tax recoverable	63	*-*
Amounts recoverable from group undertakings in respect of tax	7	*20*
	267	*71*

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

14. CASH AND CASH EQUIVALENTS

	2019 £M	*2018* *£M*
Cash at bank and in hand	-	*35*
Less: bank overdrafts	(151)	*-*
	(151)	*35*

15. CREDITORS: Amounts falling due within one year

	2019 £M	*2018* *£M*
Bank overdrafts	151	*-*
Amounts owed to group undertakings	59	*54*
Amounts owed to group undertakings for tax	21	*-*
Accruals and deferred income	47	*41*
	278	*95*

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

16. DEFERRED TAX

	2019 £M	*2018* *£M*
At beginning of year	14	*17*
(Charged) / Credited to profit or loss	(2)	*(3)*
AT END OF YEAR	12	*14*

16. DEFERRED TAX (CONTINUED)

The deferred tax balance is made up as follows:

	2019 £M	*2018 £M*
Accelerated capital allowances	**13**	*15*
Property revaluation	**(1)**	*(1)*
	12	*14*
COMPRISING:		
Asset - due after one year	**13**	*15*
Liability	**(1)**	*(1)*
	12	*14*

Deferred tax assets and liabilities may be offset where the Company has a legally enforceable right to do so.

A deferred tax asset amounting to £13 million (2018: £15m) relating to accelerated tax depreciation, property provisions and development costs has been recognised because these timing differences are expected to reverse in the foreseeable future.

Deferred tax timing differences have been provided for at the tax rates substantively enacted at the balance sheet date, which will apply when the timing differences are expected to reverse. Following the Budget announcement on 11 March 2020 the UK Corporation Tax rate (from 1 April 2020) will be maintained at 19% and no longer reduced to 17% as previously legislated. Since this change occurred after the balance sheet date, deferred tax balances at 31 December 2019 have been recognised at 17%.

17. PROVISIONS

	Abandoned property provision £M	Property dilapidation provision £M	Total £M
At 1 January 2019	**1**	**7**	**8**
Charged to profit or loss	**-**	**1**	**1**
AT 31 DECEMBER 2019	**1**	**8**	**9**

The property provision includes:

Costs of abandoned properties relating to obligations under onerous historical leases where the properties have been vacated; and

Dilapidation costs relating to the legal obligation to restore lease provisions to their original condition at lease expiry.

18. SHARE CAPITAL

	2019 £M	*2018 £M*
Allotted, called up and fully paid		
1 *(2018: - 52,135,135)* Ordinary share of £1.0	**-**	*52.1*

The Company has one class of ordinary shares which carry no right to fixed income.

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

On November 11, 2019, the shares of Marsh Corporate Services were transferred as a dividend in specie by Sedgwick Group Limited to MMC UK Group Limited at book value.

On November 15, 2019, the company disposed of 52,135,134 shares by way of capital reduction. The share capital released was credited to the Company's distributable retained profit and loss.

19. RESERVES

Share premium account

Share premium represents the premium received above the par value on ordinary share capital transactions.

On November 15, 2019, the share premium was cancelled by way of share capital reduction. The share premium released was credited to the Company's distributable retained profit and loss.

Revaluation reserve

The revaluation reserve arose on an historic revaluation of land and buildings that occurred in the past, whilst the Company was reporting under UK GAAP. There have been no subsequent revaluations reflected in these financial statements.

Profit and loss account

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

On November 15, 2019, £52 million was credited to retained profit and loss account as a result of a capital reduction.

20. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2019, the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £M	2018 £M
Land and buildings		
Not later than 1 year	5	5
Later than 1 year and not later than 5 years	15	15
Later than 5 years	17	19
	37	39

	2019 £M	2018 £M
Other		
Not later than 1 year	14	12
Later than 1 year and not later than 5 years	2	7
	16	19

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

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

The Company as a lessor

At the statement of financial position date the Company had contracted with tenants for the following future minimum lease payments:

	2019 £M	2018 £M
Land and buildings		
Not later than 1 year	1	1
Later than 1 year and not later than 5 years	2	3
Later than 5 years	2	2
	5	6

21. RELATED PARTY TRANSACTIONS

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

22. POST BALANCE SHEET EVENTS

Covid-19

On March 11, 2020, the World Health Organization declared the Coronavirus (Covid-19) a pandemic. Developments in the first half of 2020 have created significant uncertainty about the impact on the global economy and has resulted in significant impacts to the financial markets and asset values around the world. The Company considers the emergence and spread of Covid-19 to be a non-adjusting post balance sheet event (i.e. an event that is indicative of a condition that arose after the end of the reporting period). Based on the most recent interim management information, there has not been a significant impact of Covid 19 on the net assets of the Company, however, due to the evolving nature of this situation, the Company continues to monitor the impact of Covid 19 on results. It has been able to produce estimates through stress testing of different scenarios that provide a reasonable expectation that the Company has adequate resources to continue in operational existence.

Corporate acquisition and restructure

Following Marsh & McLennan Companies Inc. acquisition of Jardine Lloyd Thompson Group Limited on 1 April 2019, the Company participated in a legal entity restructure, after the year end, to simplify and integrate the legacy JLT structure. On 1st May 2020, the company issued 1,000 ordinary £1 shares to its parent company MMC UK Group Limited (at a premium) for total consideration of £100,000, in exchange for 100% of the share capital of JLT Management Services Limited (JLTMS).

JLTMS is a service company, similar to the Company, held fixed assets, and had certain supplier contracts and leases to provide centralised management services to other group companies. All its activities were derived from other group companies and it recovered its costs through management recharges.

JLTMS then sold its trade and assets, with the exception of the pension scheme liabilities, to the Company for a fair market value of £100,000, rationalising the duplication of activities. The employees of JLTMS transferred under a TUPE arrangement to Marsh Services Limited on 1st May 2020, along with the pension scheme liabilities.

23. CONTROLLING PARTY

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

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

Companies House
Crown Way
Cardiff
CF14 3UZ

and also from:

The Company Secretary
Marsh & McLennan Companies UK Limited
1 Tower Place West
Tower Place
London
EC3R 5BU