

**JLT EB Holdings Limited**

**(formerly Jardine Lloyd Thompson UK Holdings Limited)**

**Annual report and financial statements  
for the year ended 31 December 2010**



**Company Number: 115332**

## **Directors' Report for the year ended 31 December 2010**

The directors present their annual report and the audited financial statements of the Company for the year ended 31 December 2010

### **Principal activities**

The Company acts as holding company for various United Kingdom based subsidiary companies

### **Change of name**

On 4 January 2011 the Company was renamed JLT EB Holdings Limited from Jardine Lloyd Thompson UK Holdings Limited with the sole intention that the Company becomes the holding company for the UK Employee Benefits (EB) business of Jardine Lloyd Thompson Group plc ("JLT Group" or "the Group") for the foreseeable future

### **Business review**

Profit for the year before taxation and interest amounts to £12.7 million (2009 £33.7 million), and is derived from dividends received from shares in group undertakings plus write off of amounts due to fellow group undertakings less impairment charges. Full details are shown in note 4 to these accounts

In 25 January 2010, the Company acquired 100% of the share capital of iimia (Holdings) Limited and JLT Wealth Management (Falmouth) Limited (formerly John K Miln and Company Limited), both companies being the wealth and investment management business of Midas and Milton Funds plc (MAM) for consideration of £7.25 million

On 30 June the Company acquired 100% of the share capital of JLT Wealth Management Limited (formerly iimia Financial Planning Limited) from iimia Holdings Limited for consideration of £4.6 million. It is considered that these acquisitions would strengthen the position of the UK EB business

The results of the Company for the year ended 31 December 2010 are set out in the financial statements on pages 6 to 7

### **Principal risks and uncertainties**

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of JLT Group and are not managed separately. As the ultimate parent of the Company the principal risks and uncertainties of JLT Group are discussed on pages 26 - 29 of JLT Group's annual report which does not form part of this report

### **Financial risk management**

The nature of the Company's operations as a holding company for other UK based group entities does not expose it to direct financial risk, but the Company's results may be affected by such risks on its subsidiaries

Each of the Company's subsidiaries has in place specific financial risk management programmes, but each abide by those policies and programmes set out by JLT Group that seek to limit adverse impact upon the Group and its subsidiaries by the use of financial instruments, including debt, to fix currency and interest rates

The JLT Group treasury policies are approved by the Company's board and are implemented through the Group's central treasury function alongside the subsidiaries' finance departments

**Directors' Report for the year ended 31 December 2010 (*continued*)**

**Financial risk management (*continued*)**

These bodies operate within a framework of policies and procedures that establish guidelines to manage currency risk, liquidity risk and interest rate risk and use of counter-parties and financial instruments to manage these risks. The JLT Group treasury department and the individual finance departments are subject to regular internal and external review.

**Key performance indicators (KPIs)**

The directors of JLT 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. The development, performance and position of JLT Group, which includes the Company, is discussed on page 12 of the Group's annual report which does not form part of this report.

**Future outlook**

It is the Company's policy, where strategic benefit for JLT Group would be felt, to acquire further businesses, and it is the intention of the directors to continue these activities in the future.

**Dividends**

Final dividends of £5 million were recommended by the directors and paid during the year (2009: £39.3 million).

**Directors**

The directors who held office during the year and up to the date of signing these financial statements are given below:

I D Coughlan	(resigned 27 January 2010)
T A Clutterbuck	(appointed 3 June 2010)
P E Goodings	(resigned 3 June 2010)
D C Howorth	
P M Redhead	(resigned 28 November 2010)
I M Robinson	
G M Wood	(appointed 4th January 2011)

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

## **Directors' Report for the year ended 31 December 2010 (*continued*)**

### **Statement of directors' responsibilities**

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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

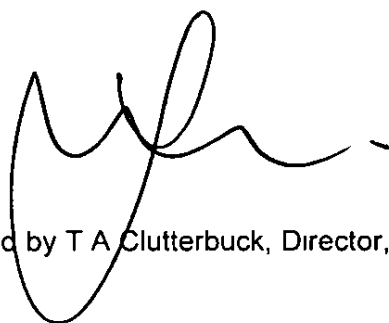
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies 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.

### **Disclosure of information to auditors**

So far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware, and the directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### **Independent auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and their reappointment is confirmed in accordance with S487 Companies Act, 2006.



Signed by T A Clutterbuck, Director, on behalf of the Board on 31 May 2011

**Independent Auditors' report to the members of JLT EB Holdings Limited for the year ended 31 December 2010**

We have audited the financial statements of JLT EB Holdings Limited (formerly Jardine Lloyd Thompson UK Holdings Limited) for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

**Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

**Opinion on the financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent Auditors' report to the members of JLT EB Holdings Limited for the year ended 31 December 2010 (*continued*)**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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



Paul Pannell (Senior Statutory Auditor)  
For and on behalf of  
PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
7 More London Riverside  
London  
SE1 2RT

31 May 2011

**Profit and loss account for the year ended 31 December 2010**

		Year ended 31 December 2010	Year ended 31 December 2009
	Note	£000's	£000's
<b>Continuing operations</b>			
Income from shares in group undertakings	4	39,769	31,000
Administrative expenses	4	<u>(27,090)</u>	<u>2,658</u>
<b>Profit on ordinary activities before interest and taxation</b>		12,679	33,658
Interest receivable and similar income	6	918	252
Interest payable and similar charges	7	<u>(1,560)</u>	<u>(1,275)</u>
<b>Profit on ordinary activities before tax</b>		12,037	32,635
Tax on profit on ordinary activities	8	<u>(106)</u>	<u>286</u>
<b>Profit for the financial year</b>	16	<u>11,931</u>	<u>32,921</u>

The activities of the Company relate entirely to continuing operations

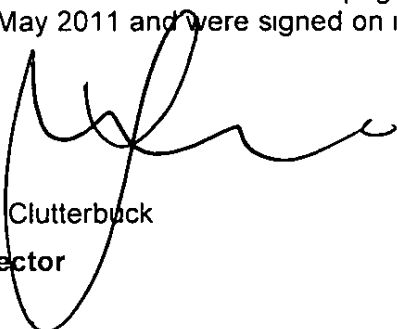
The Company has no recognised gains and losses other than the profit above and therefore no separate statement of total gains and losses has been presented

There is no difference between the profit on ordinary activities before taxation and the profit for the period stated above and their historical cost equivalents

**Balance Sheet as at 31 December 2010**

	<b>Note</b>	<b>31 December 2010 £000's</b>	<b>31 December 2009 £000's</b>
<b>Fixed assets</b>			
Investments	10	156,438	150,422
<b>Current assets</b>			
Debtors	11	21,198	17,507
Creditors -- amounts falling due within one year	12	(99,225)	(93,348)
<b>Net current liabilities</b>		<b>(78,027)</b>	<b>(75,841)</b>
<b>Total assets less current liabilities</b>		<b>78,411</b>	<b>74,581</b>
Provisions for liabilities and charges	13	(786)	(3,887)
<b>Net assets</b>		<b>77,625</b>	<b>70,694</b>
<b>Capital and reserves</b>			
Called up share capital	14	10,053	10,053
Share premium account	15	56,278	56,278
Other reserves	15	186	186
Profit and loss account	15	11,108	4,177
<b>Total shareholders' funds</b>	16	<b>77,625</b>	<b>70,694</b>

The financial statements on pages 6 to 15 were approved by the board of directors on 31 May 2011 and were signed on its behalf by



T A Clutterbuck  
Director



**Notes to the financial statements for the year ended 31 December 2010**

**1 Accounting policies**

**(a) Basis of preparation**

These financial statements are prepared on a going concern basis under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom

Consolidated accounts have not been prepared since the Company is included in the financial statements of Jardine Lloyd Thompson Group plc, a company registered in England

A summary of the principal group accounting policies is set out below

**(b) Taxation**

The charge for taxation is based on the result for the year at current rates of tax and takes into account deferred tax. Deferred taxation is provided in full on all timing differences, including revaluation gains and losses on investments. Deferred tax assets are recognised to the extent that it is regarded more likely than not that they will be recovered. Deferred tax is calculated at the rates at which it is expected that the tax liability or benefit will arise. Deferred tax is recognised in the profit and loss account for the period except to the extent that it is attributable to a gain or loss that is recognised directly in the statement of total recognised gains or losses. Deferred tax balances are not discounted.

**(c) Investments**

Investments are stated at the lower of cost and market value except where they are held as fixed assets, in which case they are stated at cost less any provision for permanent diminution in value.

**(d) Impairment**

Fixed assets 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 flow (income-generating units).

Impairment losses are reversed when the recoverable amount subsequently increases due to a change in economic conditions or the expected value in use of the asset. The amount of any reversal recognised is restricted to increasing the carrying value of the asset to the carrying value that would have been recognised had the original impairment not incurred.

**(e) Provisions for liabilities and charges**

The Company has discounted certain provisions to their present value. The notional interest charge representing the unwinding of the provision discounting is included within 'interest payable and similar charges' in the profit and loss account. A provision is recognised where there is a present obligation, whether legal or constructive, as a result of a past event for which it is probable that a transfer of economic benefits will be required to settle the obligation and a reasonable estimate can be made of the amount of the obligation.

**Notes to the financial statements for the year ended 31 December 2010 (continued)**

**2 Cash flow statement and related party disclosures**

The Company is a wholly owned subsidiary of Jardine Lloyd Thompson Group plc and is included in the consolidated financial statements of that group, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996). The Company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Jardine Lloyd Thompson Group or investees of the Jardine Lloyd Thompson Group. All related party transactions external to the group are disclosed in the consolidated financial statements of Jardine Lloyd Thompson Group plc.

**3 Turnover**

All turnover and related profit before taxation for the Company is derived from dividends received from subsidiaries within the United Kingdom.

**4 Profit on ordinary activities before taxation**

	Year ended 31 December 2010 £000's	Year ended 31 December 2009 £000's
Profit before taxation is stated after charging / (crediting)		
Administrative expenses		
Write off of amounts owed to fellow group subsidiaries	(553)	(2,658)
Write off sundry debtor	1	-
Impairment charge	27,642	-
Total administrative expenses	<u>27,090</u>	<u>(2,658)</u>
Income from shares in group undertakings	(39,769)	(31,000)

Auditors' remuneration for the statutory audit of the accounts of the Company for the year amounted to £2,500 (2009 £2,500), and is borne by fellow group subsidiary Thistle Insurance Services Limited.

**Notes to the financial statements for the year ended 31 December 2010 (continued)**

**5 Directors' emoluments**

There were no employees during the year, apart from the directors, all of which were remunerated by another JLT Group company

No directors received any remuneration during the year in respect of their services to the Company (2009 £nil)

Directors' remuneration would have been borne by JLT Benefit Solutions Limited, with the exception of I D Coughlan whose remuneration would have been borne by Thistle Insurance Services Limited Both of these companies being fellow JLT Group subsidiaries

**6 Interest receivable and similar income**

	Year ended 31 December 2010 £000's	Year ended 31 December 2009 £000's
Interest receivable from fellow group subsidiaries	918	252

**7 Interest payable and similar charges**

	Year ended 31 December 2010 £000's	Year ended 31 December 2009 £000's
Interest payable to fellow group subsidiaries	1,560	1,275

**8 Tax on profit on ordinary activities**

	Year ended 31 December 2010 £000's	Year ended 31 December 2009 £000's
<b>UK Corporation Tax</b>		
Current tax on income for the year	(180)	(286)
Current tax prior year	286	-
Tax on profit on ordinary activities	106	(286)

The tax charge for the period is lower (2009 - lower) than the standard rate of Corporation Tax in the UK 28% (2009 28%) The differences are explained overleaf

**Notes to the financial statements for the year ended 31 December 2010 (continued)**

**8 Tax on profit on ordinary activities (continued)**

	Year ended 31 December 2010 £000's	Year ended 31 December 2009 £000's
Profit on ordinary activities before tax	12,037	32,635
UK Corporation Tax on profit on ordinary activities	3,370	9,138
Permanent additions to taxable result (principally write-off of investments)	7,585	-
Permanent deductions from taxable result (principally UK dividends received)	(11,135)	(9,424)
Adjustments to current tax charge for prior periods	286	-
Current tax charge/(credit) for the year	106	(286)

**9 Dividends**

	Year ended 31 December 2010 £000's	Year ended 31 December 2009 £000's
Final dividends paid	5,000	39,292

**Notes to the financial statements for the year ended 31 December 2010 (continued)**

**10 Fixed assets investments**

	<b>£000's</b>
<b>Cost</b>	
1 January 2010	175,114
<b>Additions</b>	
Thistle Insurance Services Limited (formerly Jardine Lloyd Thompson UK Limited)	14,995
JLT Actuaries and Consultants Limited	(403)
JLT Wealth Management (Falmouth) Limited (formerly John K Miln and Company Limited)	125
JLT Wealth Management Limited (formerly iimia Financial Planning Limited)	10,017
iimia (Holdings) Limited	8,924
<b>31 December 2010</b>	<b>208,772</b>
<b>Provision</b>	
1 January 2010	24,692
Provision during year	27,642
<b>31 December 2010</b>	<b>52,334</b>
<b>Net book value</b>	
<b>31 December 2010</b>	<b>156,438</b>
<b>1 January 2010</b>	<b>150,422</b>

**Shares in group undertakings**

In the opinion of the directors the value of the shares in group undertakings, including amounts owed by such group undertakings, is not less than the aggregate amount at which they are shown in the balance sheet. The principal subsidiary undertakings held at year end are as follows (ownership is 100% unless otherwise stated)

<b>Name</b>	<b>Principal activities</b>
<i>Held by the Company</i>	
Thistle Insurance Services Limited (formerly Jardine Lloyd Thompson UK Limited)	Insurance broker
JLT Benefit Solutions Limited	Pensions administration & consultancy
Pension Capital Strategies Limited	Adviser to pension scheme sponsors
Profund Solutions Limited	Pensions administration software house
Expacare Limited	Medical insurance product provider
JLT Actuaries and Consultants Limited	Employee benefits and actuarial consultants
iimia (Holdings) Limited	Wealth and investment management

**Notes to the financial statements for the year ended 31 December 2010 (continued)**

**10 Fixed assets investments (continued)**

<b>Name</b>	<b>Principal activities</b>
<i>Held by the Company</i>	
JLT Wealth Management (Falmouth) Limited (formerly John K Miln and Company Limited)	Wealth and investment management
JLT Wealth Management Limited (formerly JLT Financial Planning Limited)	Wealth and investment management

All subsidiary undertakings are incorporated in the United Kingdom

**11 Debtors**

<b>Amounts falling due within one year</b>	<b>31 December 2010 £000's</b>	<b>31 December 2009 £000's</b>
Amount due from fellow group undertakings	21,018	17,221
Corporation taxation	180	286
	<u>21,198</u>	<u>17,507</u>

Amounts owed from Jardine Lloyd Thompson Group plc subsidiaries are unsecured and bear an interest rate of 1.70% (2009 2.20%) and are repayable on demand

**12 Creditors – amounts falling due within one year**

	<b>31 December 2010 £000's</b>	<b>31 December 2009 £000's</b>
Amounts due to fellow group undertakings	<u>99,225</u>	<u>93,348</u>

Amounts owed to Jardine Lloyd Thompson Group plc subsidiaries are unsecured and bear an interest rate of 1.70% (2009 2.20%) and are repayable on demand

**Notes to the financial statements for the year ended 31 December 2010 (continued)**

**13 Provisions for liabilities and charges**

	Deferred consideration £000's
<b>At 1 January 2010</b>	3,887
Created in year	786
Utilised in year	(3,887)
<b>At 31 December 2010</b>	786

The amount of £3,887k at 1 January relates to JLT Actuaries and Consultants Limited  
The £786k created in the year relates to imia (Holdings) Limited

**14 Share capital**

	31 December 2010 £000's	31 December 2009 £000's
<b>Authorised</b>		
10,052,583 ordinary shares of £1 each	10,053	10,053
965,451 deferred shares of 5p each	48	48
17,650 deferred shares of 34p each	6	6
	<u>10,107</u>	<u>10,107</u>
<b>Issued and fully paid:</b>		
9,998,609 ordinary shares of £1 each	9,999	9,999
965,451 deferred shares of 5p each	48	48
17,650 deferred shares of 34p each	6	6
	<u>10,053</u>	<u>10,053</u>

**15 Reserves**

	Share premium account £000's	Other reserves £000's	Profit & loss account £000's	Total reserves £000's
<b>At 1 January 2010</b>	56,278	186	4,177	60,641
Profit for the financial year	-	-	11,931	11,931
Dividends paid	-	-	(5,000)	(5,000)
<b>At 31 December 2010</b>	<u>56,278</u>	<u>186</u>	<u>11,108</u>	<u>67,572</u>

**Notes to the financial statements for the year ended 31 December 2010 (continued)**

**16 Reconciliation of movements in shareholders' funds**

	31 December 2010 £000's	31 December 2009 £000's
Profit for the financial year	11,931	32,921
Dividends	(5,000)	(39,292)
Net (deduction)/addition to shareholders' funds	6,931	(6,371)
Opening shareholders' funds	70,694	77,065
Closing shareholders' funds	77,625	70,694

**17 Parent undertakings**

The Company's immediate parent undertaking is JLT UK Investment Holdings Limited, a company registered in England

Jardine Lloyd Thompson Group plc is the ultimate parent undertaking and controlling party for which consolidated group accounts are prepared and of which the Company is a member

Copies of the group accounts can be obtained from

Name	Jardine Lloyd Thompson Group plc
Country of incorporation or registration	England
Address from where copies of the group accounts can be obtained	6 Crutched Friars London EC3N 2PH