

GUY CARPENTER & COMPANY LIMITED

Report and Financial Statements

31 December 2012

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REPORT AND FINANCIAL STATEMENTS 2012

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GUY CARPENTER & COMPANY LIMITED

DIRECTORS' REPORT

The directors present their annual report together with the audited financial statements of Guy Carpenter & Company Limited ('the Company') for the year ended 31 December 2012. The Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

PRINCIPAL ACTIVITY

During the year under review, the Company's principal activities were to advise and arrange traditional reinsurance brokerage and the provision of leading analytic and modelling services. The Company may work with the other affiliated companies within the Marsh & McLennan Companies, Inc Group.

The Company is an appointed representative of Marsh Limited which is authorised and regulated by the Financial Conduct Authority for insurance mediation activities only.

This entity has been and remains inactive except for the establishment in 2012 of a representative office in Moscow. Under the terms of the licence granted by the Russian Federation, the representative office may introduce business to the Company in London, but is not permitted to negotiate or conclude agreements with clients.

GOING CONCERN

The directors acknowledge the latest guidance on going concern. The Company continues to monitor the uncertainty in the current economic and business environment. The Company has adequate financial resources for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

RESULTS AND DIVIDENDS

The results of the Company for the financial year ended 31 December 2012 are set out on page 6.

The Company reports a loss on ordinary activities after taxation for the financial year of £323 (2011: profit £nil).

No interim dividends were paid in the year (2011: £nil).

FINANCIAL RISK MANAGEMENT

The Company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk are interest rate risk, currency risk, credit risk, liquidity risk, cash flow risk and price risk. Due to the nature of the Company's business and the assets and liabilities contained within the Company's balance sheet, the only financial risks the directors consider relevant to this company are credit risk and liquidity/cash flow risk.

Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The main area where the Company is exposed to credit risk is amounts due from other group companies. The Company mitigates its credit risk in respect of inter-company items by monitoring the debts created and ability to pay.

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 regular contact with its inter-company creditors to ensure that any obligations that fall due can be met from existing cash resources or from alternative sources of inter-company financing.

Interest rate risk

The Company has cash deposits which are at variable rates of interest.

GUY CARPENTER & COMPANY LIMITED

DIRECTORS' REPORT (continued)

Currency risk

The Company is exposed to currency risk in respect of expenses as well as assets and liabilities denominated in currency other than pounds sterling. The most significant currency to which the Company is exposed to is Russian Roubles. 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.

DIRECTORS

The directors who served during the year were as follows

V L Carter	
N C Frankland	
C F Kiddie	(appointed 1 October 2012)
P N Stubbings	(appointed 06 December 2012)
J E Summers	(appointed 18 April 2013)

INDEMNITY

The Company has put in place an indemnity 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 234 of the Companies Act 2006.

DISCLOSURE OF INFORMATION TO THE AUDITOR

In the case of each of the persons who are directors of the Company at the date when this report was approved

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor is unaware, and
- each of the directors has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information (as defined) and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of section 418 of the Companies Act 2006.

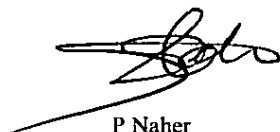
GUY CARPENTER & COMPANY LIMITED

DIRECTORS' REPORT (continued)

AUDITOR

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting

Approved by the Board of Directors and signed on its behalf by,



P Naher
Secretary

Guy Carpenter & Company Limited
1 Tower Place West
Tower Place
London
EC3R 5BU

17 July 2013

GUY CARPENTER & COMPANY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 year.

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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for the safeguarding of 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 MEMBER OF GUY CARPENTER & COMPANY LIMITED

We have audited the financial statements of Guy Carpenter & Company Limited for the year ended 31 December 2012 which comprise the profit and loss account, balance sheet and the related notes 0 to 11. 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).

This report is made solely to the Company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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. 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 (APB's) Ethical Standards for Auditors.

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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on 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 2012 and of its loss 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.

Other matter

As the company was exempt from audit under section 480 of the Companies Act 2006 in the prior year we have not audited the corresponding amounts for that year.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF GUY CARPENTER & COMPANY LIMITED (continued)

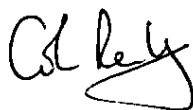
Opinion on other matter prescribed by the Companies Act 2006

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

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 or
- the directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report



Colin Rawlings, FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

19 July 2013

GUY CARPENTER & COMPANY LIMITED

PROFIT AND LOSS ACCOUNT For the year ended 31 December 2012

	Note	2012 £	2011 £ unaudited
TURNOVER		136,864	
Administrative expenses		(137,384)	-
OPERATING LOSS		(520)	-
Interest receivable and similar income	2	197	-
(LOSS)/RESULT ON ORDINARY ACTIVITIES BEFORE TAXATION		(323)	-
Tax charge on profit on ordinary activities	4	-	-
(LOSS)/RESULT ON ORDINARY ACTIVITIES AFTER TAXATION	9	(323)	-

All transactions derive from continuing operations

There are no recognised gains or losses nor movements in shareholders' funds in the current or preceding financial years other than those disclosed in the profit and loss account. Accordingly, no statement of total recognised gains and losses is given.

GUY CARPENTER & COMPANY LIMITED

BALANCE SHEET 31 December 2012

	Note	2012 £	2011 £ unaudited
CURRENT ASSETS			
Debtors Amounts falling due within one year	5	4,280	5,728
Cash at bank and in hand		61,959	-
		<u>66,239</u>	<u>5,728</u>
CREDITORS. Amounts falling due within one year	6	<u>(60,834)</u>	<u>-</u>
NET CURRENT ASSETS		<u>5,405</u>	<u>5,728</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,405</u>	<u>5,728</u>
CAPITAL AND RESERVES			
Called up share capital	7	5,728	5,728
Profit and loss account	8	<u>(323)</u>	<u>-</u>
SHAREHOLDERS' FUNDS	9	<u>5,405</u>	<u>5,728</u>

The financial statements of Guy Carpenter & Company Limited (registered number 335308) were approved by the Board of Directors and authorised for issue on 16 July 2013

They were signed on its behalf by



Director / N FRANKLAND

16 July 2013

NOTES TO THE ACCOUNTS
Year ended 31 December 2012

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted and applied consistently throughout the current and prior years are described below.

Going concern

The directors acknowledge the latest guidance on going concern. The Company continues to monitor the uncertainty in the current economic and business environment. The Company's activities are under review by the directors and a decision will be made in due course as to its future role within the Marsh & McLennan Companies, Inc Group. However, no decision has been taken to cease activities within 12 months of the signing of these accounts. The Company also has adequate financial resources for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

Revenue

a) Turnover

Turnover represents the management fees earned. Fees and other income receivable are recognised as the right to consideration arising from the contractual performance is earned.

b) Investment income

Investment income is recognised on an accruals basis.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation

In accordance with FRS 19, deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of investment properties where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date or at realisable rates where covered by forward exchange contracts. Foreign currency transactions are translated into sterling at the rates of exchange at the dates the transactions occurred.

All gains and losses arising from foreign exchange transactions are recognised in the profit and loss account.

Cash flow statement

The Company is exempt from producing a cash flow statement under FRS 1 (revised) "Cash Flow Statements" as more than 90% of the voting rights are owned by its ultimate parent undertaking. A consolidated cash flow statement can be found in the published accounts of the ultimate parent company Marsh & McLennan Companies, Inc.

GUY CARPENTER & COMPANY LIMITED

NOTES TO THE ACCOUNTS (continued) Year ended 31 December 2012

1 ACCOUNTING POLICIES (continued)

Dividends

Dividends paid are accounted for when declared

2 INTEREST RECEIVABLE AND SIMILAR INCOME

	2012 £	2011 £ unaudited
Foreign exchange transactional gains	197	-
	<u>197</u>	<u>-</u>

3 INFORMATION REGARDING DIRECTORS, EMPLOYEES AND AUDIT FEES

	2012 £'000	2011 £'000 unaudited
Directors' remuneration		
Emoluments	1,157	1,070
Company contributions to a money purchase pension scheme	22	19
	<u>1,179</u>	<u>1,089</u>

	No	No.
The number of directors who:		
Are members of a money purchase pension scheme	2	2
Had awards receivable in the form of shares under a long term incentive scheme	<u>1</u>	<u>1</u>

	2012 £'000	2011 £'000 unaudited
In respect of the highest paid director:		
Emoluments	1,099	1,070
Company contributions to a money purchase pension scheme	21	19
	<u>1,120</u>	<u>1,089</u>

The director exercised nil share options during the year (2011 nil)

The director received 31,363 share awards during the year

The director is a member of the Company's money purchase pension scheme

The emoluments shown above reflect the total emoluments received by the directors for services relating to the Company and other companies in the Marsh & McLennan Companies, Inc, Group (the 'Group') during the year under review. The directors' emoluments disclosed above are not allocated to a Group company in receipt of an individual's specific service. Emoluments are paid by the directors' employing company within the Group, which, in the main, is Marsh Services Limited.

The audit fee and annual filing fees were borne by a fellow subsidiary undertaking during the year. The audit fee attributable to this company is £3,500 (2011 £nil). No other services were provided to this company by the Company's auditor in the current or prior year.

GUY CARPENTER & COMPANY LIMITED

NOTES TO THE ACCOUNTS (continued) Year ended 31 December 2012

4 TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

The rate of corporation tax for the year was 24.5% (2011: 26.5%)

	2012 £	2011 £ unaudited
The taxation charge comprises:		
Current tax		
United Kingdom corporation tax at 24.5% (2011: 26.5%)	-	-
Total current tax charge on profit on ordinary activities	-	-

The tax assessed for the period of £nil (2011: £nil) is higher than (2011: equal to) that resulting from applying the standard rate of corporation tax in the UK in 2012 of 24.5% (2011: 26.5%)

The differences are explained below

	2012 £	2011 £ unaudited
Expected tax credit for the year calculated at 24.5% (2011: 26.5%) of the loss before tax	(79)	-
Effects of		
Group Relief for nil consideration	79	-
Current tax charge for period	-	-

The government reduced the main rate of Corporation tax in the 2012 Finance Act from 26% to 24% from April 2012, and to 23% from April 2013. The rate of corporation tax for the accounting period 1 January 2012 to 31 December 2012 is 24.5%.

The government announced in its Autumn Statement presented in December 2012 that there is to be a further reduction in the corporation tax rate to 21% with effect from April 2014. The Budget in March 2013 announced a further reduction of corporation tax to 20% with effect from April 2015.

As these further reductions in tax rate were not substantively enacted by 31 December 2012, the impact of the further anticipated rate changes has not been reflected in the tax provisions in these Financial Statements.

5 DEBTORS

	2012 £	2011 £ unaudited
Amounts due from group undertakings	4,280	5,728

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £ unaudited
Amounts due to group undertakings	60,834	-

GUY CARPENTER & COMPANY LIMITED

NOTES TO THE ACCOUNTS (continued) Year ended 31 December 2012

7 CALLED UP SHARE CAPITAL

	2012 £	2011 £ unaudited
Authorised:		
6,000 (2011 6,000) ordinary shares of £1 each	<u>6,000</u>	<u>6,000</u>
Allotted, called up and fully paid		
5,728 (2011 5,728) ordinary shares of £1 each	<u>5,728</u>	<u>5,728</u>

8 RESERVES

	Profit and loss Account £
As at 1 January 2012	-
(Loss) for the financial year	<u>(323)</u>
As at 31 December 2012	<u>(323)</u>

9 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £	2011 £ unaudited
(Loss)/result for the financial year	<u>(323)</u>	-
Net (decrease)/result in shareholders' funds	<u>(323)</u>	-
Opening shareholders' funds	<u>5,728</u>	<u>5,728</u>
Closing shareholders' funds	<u>5,405</u>	<u>5,728</u>

10 RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption under Financial Reporting Standard No 8 "Related Party Disclosures" not to disclose transactions between entities within the Marsh Group, where no less than 100% of voting rights are controlled within the Marsh & McLennan Companies, Inc Group, whose consolidated financial statements are publicly available. There are no other transactions requiring disclosure.

NOTES TO THE ACCOUNTS (continued)
Year ended 31 December 2012

11 IMMEDIATE AND ULTIMATE PARENT COMPANIES

The Company's immediate parent company is Marsh Limited, a company registered in England and Wales. The Company's ultimate parent company and controlling entity is Marsh & McLennan Companies, Inc., which is incorporated in Delaware, United States of America.

The smallest and largest Group in which the financial statements of the Company and its subsidiary undertakings are consolidated is that headed by Marsh & McLennan Companies, Inc. The consolidated accounts 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