

GUY CARPENTER & COMPANY LIMITED

Annual Report and Financial Statements

For the year ended 31 December 2015



**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2015**

CONTENTS

	Page
DIRECTORS' REPORT	1
STATEMENT OF DIRECTORS' RESPONSIBILITIES	4
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GUY CARPENTER & COMPANY LIMITED	5
STATEMENT OF INCOME AND RETAINED EARNINGS	7
STATEMENT OF FINANCIAL POSITION	8
NOTES TO THE FINANCIAL STATEMENTS	9

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 2015. The Company's registration number is 335308. 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.

STRATEGIC REPORT

The Company qualifies as a small company as defined in s382 of the Companies Act 2006 and is exempt from the preparation of a strategic report as defined by the Companies Act 2006 (Strategic Report and Directors' Report) regulations 2013 no. 1970.

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 directors are satisfied that the services of the Company will be required for the foreseeable future and that adequate financial liquid resources will be made available to it by other companies within the Marsh & McLennan Companies Inc. Group. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

RESULTS AND DIVIDENDS

The statement of income and retained earnings for the financial year ended 31 December 2015 is set out on page 7.

The retained profit for the financial year is £1,278 (2014: profit £529).

No dividends were paid in the year (2014: £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, liquidity/cash flow risk, interest rate risk and currency 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.

DIRECTORS' REPORT (continued)

FINANCIAL RISK MANAGEMENT (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 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.

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 current directors and those who served during the year, except as noted, are as follows:

N C Frankland	(Chairman and Chief Executive Officer)
V L Carter	
K J Fisher	
C F Kiddie	
E Paire	
M A Reina	
J E Summers	
R P Maddison	(appointed 2 nd November 2015)

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/she ought to have taken as a director to make himself/herself aware of any relevant audit information (as defined) and to establish that the Company's auditor is aware of that information.

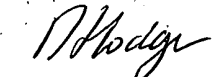
This confirmation is given and should be interpreted in accordance with the provision of section 418 of the Companies Act 2006.

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;


D J Hodges
Company Secretary

24 AUGUST 2016

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

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) including Financial Reporting Standard FRS 102. 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; 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 MEMBERS OF GUY CARPENTER & COMPANY LIMITED

We have audited the financial statements of Guy Carpenter & Company Limited for the year ended 31 December 2015 which comprise the statement of income and retained earnings, the statement of financial position and the related notes 1 to 15. 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), including FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland".

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 Statement of Directors' Responsibilities, 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2015 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GUY CARPENTER & COMPANY LIMITED (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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from preparing a Strategic Report or 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

25 August 2016

GUY CARPENTER & COMPANY LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS For the year ended 31 December 2015

	Note	2015 £	2014 £
TURNOVER	2	172,845	160,965
Administrative expenses		(171,691)	(170,802)
OPERATING PROFIT/ (LOSS)		1,154	(9,837)
Other (losses)/gains	3	(1,154)	9,637
PROFIT/ (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		-	(200)
Tax credit on profit/(loss) on ordinary activities	5	1,278	729
PROFIT FOR THE FINANCIAL YEAR		1,278	529
RETAINED PROFITS AT 1 JANUARY		192	(337)
DIVIDEND PAID		-	-
PROFIT FOR THE YEAR		1,278	529
RETAINED PROFITS AT 31 DECEMBER	12	1,470	192

All transactions derive from continuing operations.

There are no recognised gains or losses nor movements in shareholder's funds in the current or preceding financial years other than those disclosed in the statement of income and retained earnings.

GUY CARPENTER & COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION At 31 December 2015

	Note	2015 £	2014 £
FIXED ASSETS			
Tangible assets	6	<u>33,057</u>	<u>44,390</u>
CURRENT ASSETS			
Debtors: Amounts falling due within one year	7	-	1,559
Debtors: Amounts falling due after more than one year	8	1,993	715
Cash at bank and in hand		<u>16,715</u>	<u>8,531</u>
		18,708	10,805
CREDITORS: Amounts falling due within one year	9	<u>(44,567)</u>	<u>(49,275)</u>
NET CURRENT LIABILITIES		<u>(25,859)</u>	<u>(38,470)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,198</u>	<u>5,920</u>
Provisions for liabilities		-	-
NET ASSETS		<u>7,198</u>	<u>5,920</u>
CAPITAL AND RESERVES			
Called up share capital	11	5,728	5,728
Profit and loss account	12	<u>1,470</u>	<u>192</u>
SHAREHOLDER'S FUNDS		<u>7,198</u>	<u>5,920</u>

The financial statements of Guy Carpenter & Company Limited (registered number 335308) were approved by the Board of Directors and authorised for issue on 24 AUGUST 2016.

They were signed on its behalf by:


NICHOLAS FRANKLAND
Director

24 AUGUST 2016

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

General information and basis of accounting

Guy Carpenter & Company Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 15. The nature of the Company's operations and its principal activities are set out in the Directors' Report on pages 1 to 3.

The financial statements have been prepared under the historical cost convention, modified where applicable to include certain items at fair value and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The prior year financial statements were not restated as no material adjustments were identified on adaptation of FRS 102.

The functional currency of Guy Carpenter & Company Limited is considered to be pounds sterling because this is the currency of the primary economic environment in which the Company operates.

Guy Carpenter & Company Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it. Exemptions have been taken in relation to presentation of a Statement of Comprehensive Income, Statement of Changes in Equity, Cashflow Statement, Intra-group transactions and remuneration of key management personnel.

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 directors are satisfied that the services of the Company will be required for the foreseeable future and that adequate financial liquid resources will be made available to it by other companies within the Marsh & McLennan Companies Group. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

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.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and provision for impairment, where applicable. Depreciation is calculated to write off the cost of the assets on a straight-line basis over the expected economic lives of the assets concerned.

The principal depreciation rates used are:

Motor vehicles

20% per annum

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2015

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 reporting date.

Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the reporting 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 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 reporting 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 statement of income and retained earnings.

Dividends

Dividends paid are accounted for when declared.

Critical accounting judgements and key source of estimation uncertainty

In the application of the Company's accounting policies, which are described above, 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

The directors have reviewed the critical judgements (apart from those involving estimations) in applying the Company's accounting policies and consider that there are no significant items to report on amounts recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2015

2. TURNOVER

An analysis of the Company's turnover by geographical market is set out below;

	2015 £'000	2014 £'000
United Kingdom	<u>172,845</u>	<u>160,965</u>

An analysis of the Company's turnover is as follows;

	2015 £'000	2014 £'000
Rendering of services	<u>172,845</u>	<u>160,965</u>

3. OTHER (LOSSES)/GAINS

	2015 £	2014 £
Foreign exchange transactional (losses)/gains	<u>(1,154)</u>	<u>9,637</u>

4. INFORMATION REGARDING DIRECTORS, EMPLOYEES AND AUDIT FEES

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.

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 £3,480 (2014: £3,698). No other services were provided to the Company by the Company's auditor in the current or prior year.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2015

5. TAX (CREDIT)/ CHARGE ON PROFIT/ (LOSS) ON ORDINARY ACTIVITIES

The rate of corporation tax for the year was 20.25% (2014: 21.49%).

	2015 £	2014 £
The taxation (credit)/charge comprises:		
Current tax		
United Kingdom corporation tax at 20.25% (2014: 21.49%)	-	704
Total current tax charge on profit/(loss) on ordinary activities	-	704
Deferred taxation (note 10)		
Current year	(1,350)	(1,245)
Effect of tax rate change on opening balance	72	-
Prior year	-	(188)
Total deferred taxation	(1,278)	(1,433)
Total tax (credit) on profit/(loss) on ordinary activities	(1,278)	(729)

The tax credit for the period is higher (2014 was higher) than that resulting from applying the standard rate of corporation tax in the UK in 2015 of 20.25% (2014: 21.49%).

The differences are explained below:

	2015 £	2014 £
Expected tax credit for the year calculated at 20.25% (2014: 21.49%) of the loss before tax	-	(43)
Effects of:		
Expenses not deductible for tax purposes	1,030	1,923
Difference in tax rates (on deferred tax items)	240	93
Group relief for nil consideration	(2,548)	(3,218)
Prior year adjustment - Current tax	-	704
- Deferred tax		(188)
Total tax charge/(credit) for period	(1,278)	(729)

The rate of Corporation Tax reduced from 21% to 20% from 1 April 2015, and will reduce from 20% to 19% from 1 April 2017 and from 19% to 18% from 1 April 2020.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2015

6. TANGIBLE ASSETS

	Motor Vehicles
	£
Cost	
As at 1 January 2015 and 31 December 2015	<u>56,668</u>
Accumulated Depreciation	
As at 1 January 2015	(12,278)
Charge for the year	<u>(11,333)</u>
As at 31 December 2015	<u>(23,611)</u>
Net Book Value	
As at 31 December 2015	<u>33,057</u>
As at 31 December 2014	<u>44,390</u>

7. DEBTORS

	2015	2014
	£	£
Prepayments	<u>-</u>	<u>1,559</u>

8. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2015	2014
	£	£
Deferred taxation (note 10)	<u>1,993</u>	<u>715</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Accrued expenses	33,109	-
Amounts due to group undertakings	<u>11,458</u>	<u>49,275</u>
	<u>44,567</u>	<u>49,275</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2015

10. DEFERRED TAXATION

	2015	2014
	£	£
At 1 January 2015	715	(718)
Provision – current year	1,278	1,245
Provision – prior year	-	188
At 31 December 2015	<u>1,993</u>	<u>715</u>

Deferred tax is provided as follows:

	2015	2014
	£	£
Accelerated capital allowances	<u>1,993</u>	<u>715</u>

Deferred timing differences have been provided for at tax rates substantively enacted at the reporting date which will apply when the timing differences are expected to reverse. The tax rates substantively enacted at the balance sheet date are 20% from 1 April 2015, 19% from 1 April 2017 and 18% from 1 April 2020.

A deferred tax asset amounting to £1,993 (2014: £715) relating to depreciation in advance of capital allowances has been recognised because these timing differences are expected to reverse in the foreseeable future.

11. CALLED UP SHARE CAPITAL

	2015	2014
	£	£
Allotted, called up and fully paid		
5,728 (2014: 5,728) ordinary shares of £1 each	<u>5,728</u>	<u>5,728</u>

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.

12. RESERVES

Statement of income and retained earnings represents cumulative profits and losses.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2015

13. RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption under FRS 102 Section 33 "Related Party Disclosures" 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.

14. TRANSITION TO FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on Statement of Income and Retained Earnings and Statement of Financial Position.

15. 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 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