

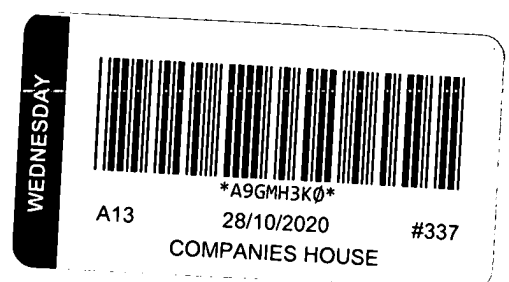
Company number: 05888855

**AMENDED**

JLT EB Services Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2019



## **JLT EB Services Limited**

Company number: **05888855**

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## **JLT EB Services Limited**

Company number: **05888855**

### **Company Information**

#### ***Directors***

T O'Dwyer

T McDonald

#### ***Registered office***

The St Botolph Building,  
138 Houndsditch  
London  
EC3A 7AW

## **JLT EB Services Limited**

Company number: **05888855**

### **Strategic Report for the Year Ended 31 December 2019**

The directors present their strategic report of JLT EB Services Limited ('the Company') for the year ended 31 December 2019.

#### **Principal activities**

Until 1 April 2019, the Company formed part of a group headed by Jardine Lloyd Thompson Group plc ('the JLT Group'). On 1 April 2019 the JLT Group was acquired by Marsh & McLennan Companies, Inc ('MMC' or 'the Group').

The Company did not trade during the year and is not expected to do so in the foreseeable future.

#### **Business review**

No turnover in the year was recognised.

Loss before taxation amounts to £126,899 (2018: £43,401).

The results of the Company for the year ended 31 December 2019 are set out in the financial statements on pages 11 to 31.

#### **Key Performance Indicators (KPIs)**

Given the straightforward nature of the business, 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.

#### **Going concern**

The directors have no plans for a change in the principal activities of the Company or any intention to liquidate the Company in the foreseeable future. These financial statements are therefore presented on a going concern basis.

#### **Principal risks and uncertainties and financial risk management**

From the perspective of the Company, the principal risks and uncertainties and financial risks of the Company are integrated with those of the Group and are not managed separately. Accordingly the principal risks and uncertainties and financial risks of the Group, which include those of the Company, are set out in the Finance Director's Review and Risk Management Reports in the 2019 annual report of the Group which does not form part of this report.

## **JLT EB Services Limited**

Company number: **05888855**

### **Strategic Report for the Year Ended 31 December 2019**

#### **Emerging risk**

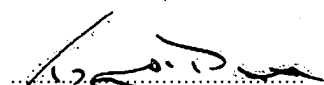
On 11 March 2020, the World Health Organisation declared the Coronavirus (Covid-19) a pandemic. If this continues to spread through contagion, it is likely to further intensify the disruptive impact on the global and UK economy. As the Company does not trade and it is not the directors' intention to commence trading in the foreseeable future, Covid-19 is not considered to have a significant impact on the financial or operation areas of the Company.

#### **Political risk**

##### **Brexit**

The directors have considered the key risks and impact to its business and operations in the event of a no-deal Brexit and considers these not to be a significant risk to the Company.

Approved by the Board on 24 September 2020 and signed on its behalf by:

  
J. O'Dwyer  
Director

## **JLT EB Services Limited**

Company number: **05888855**

### **Directors' Report for the Year Ended 31 December 2019**

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

#### **Directors of the Company**

The directors of the Company set out below held office during the year ended 31 December 2019 and up to the date of signing these financial statements.

T O'Dwyer

T McDonald

The Company maintains appropriate directors' and officers' liability insurance in respect of legal actions against its directors.

#### **Financial risk management**

The financial risk management of the Company has been disclosed as part of the Principal risks and uncertainties and financial risk management note within the Strategic Report of this document.

#### **Dividends**

The directors do not recommend a final dividend to be made in respect of the financial year ended 31 December 2019 (2018: £Nil).

#### **Future development**

The Company has received a letter of support from its parent company for a 12 month period from the date of signing these statutory financial statements. The support required will be reviewed by the directors during this year.

The Company did not trade in 2019 and it is the directors' view that the Company remains dormant in 2020.

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

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are 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 auditors are aware of that information.

## **JLT EB Services Limited**

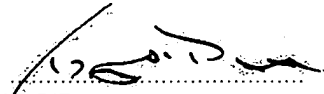
Company number: **05888855**

### **Directors' Report for the Year Ended 31 December 2019**

#### **Appointment of auditors**

Following the acquisition of JLT Group by MMC, PricewaterhouseCoopers LLP tendered their resignation. Deloitte LLP were appointed as auditor in line with Section 485 of the Companies Act 2006.

Approved by the Board on 24 September 2020 and signed on its behalf by:



T O'Dwyer  
Director

## **JLT EB Services Limited**

Company number: **05888855**

### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the Directors' Report, Strategic 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101'). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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



## **JLT EB Services Limited**

Company number: **05888855**

### **Independent auditor's report to the members of JLT EB Services Limited**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion the financial statements of JLT EB 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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

##### **Basis for opinion**

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

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

##### **Conclusions relating to going concern**

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.

## **JLT EB Services Limited**

Company number: **05888855**

### **Independent auditor's report to the members of JLT EB Services Limited**

#### **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 Statement of Directors' Responsibilities in respect of the financial statements, 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **JLT EB Services Limited**

Company number: **05888855**

### **Independent auditor's report to the members of JLT EB Services Limited**

#### **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 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.

##### **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.
- the directors were not entitled to prepare the financial statements in accordance with the small Companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

## **JLT EB Services Limited**

Company number: **05888855**

### **Independent auditor's report to the members of JLT EB Services Limited**

#### ***Use of this 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.

.....  
Claire Clough ACA (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor

London, United Kingdom

24 September 2020

## JLT EB Services Limited

Company number: **05888855**

### Profit and Loss Account for the Year Ended 31 December 2019

	Note	2019 £	2018 £
Administrative expenses		(103,241)	(17,049)
Operating loss	3	(103,241)	(17,049)
Interest payable and similar expenses	4	(23,658)	(26,352)
Loss before taxation		(126,899)	(43,401)
Tax on loss	8	4,232	(17,632)
Loss for the financial year		(122,667)	(61,033)

The above results were derived from discontinued operations.

## **JLT EB Services Limited**

Company number: **05888855**

### **Statement of Comprehensive Income for the Year Ended 31 December 2019**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Loss for the financial year	<u>(122,667)</u>	<u>(61,033)</u>
Total comprehensive expense for the year	<u>(122,667)</u>	<u>(61,033)</u>

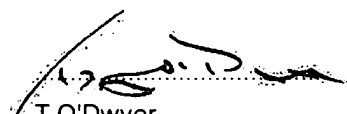
## JLT EB Services Limited

Company number: 05888855

### Balance Sheet as at 31 December 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	9	736,979	57,310
<b>Current assets</b>			
Debtors	11	69,665	65,433
Creditors: Amounts falling due within one year	12	<u>(1,673,728)</u>	<u>(1,499,023)</u>
Net current liabilities		<u>(1,604,063)</u>	<u>(1,433,590)</u>
Total assets less current liabilities		(867,084)	(1,376,280)
Creditors: Amounts falling due after more than one year	13	<u>(631,863)</u>	-
Net liabilities		<u>(1,498,947)</u>	<u>(1,376,280)</u>
<b>Capital and reserves</b>			
Called up share capital	14	2,600,001	2,600,001
Profit and loss account		<u>(4,098,948)</u>	<u>(3,976,281)</u>
Total shareholders' deficit		<u>(1,498,947)</u>	<u>(1,376,280)</u>

Approved by the Board on 24 September 2020 and signed on its behalf by:

  
T O'Dwyer  
Director

## JLT EB Services Limited

Company number: **05888855**

### Statement of Changes in Equity for the Year Ended 31 December 2019

	<b>Called up share capital £</b>	<b>Profit and loss account £</b>	<b>Total shareholders' deficit £</b>
At 1 January 2019	2,600,001	(3,976,281)	(1,376,280)
Loss for the financial year	-	(122,667)	(122,667)
Total comprehensive expense	-	(122,667)	(122,667)
At 31 December 2019	2,600,001	(4,098,948)	(1,498,947)

	<b>Called up share capital £</b>	<b>Profit and loss account £</b>	<b>Total shareholders' deficit £</b>
At 1 January 2018	2,600,001	(3,915,248)	(1,315,247)
Loss for the financial year	-	(61,033)	(61,033)
Total comprehensive expense	-	(61,033)	(61,033)
At 31 December 2018	2,600,001	(3,976,281)	(1,376,280)

The notes on pages 15 to 31 form an integral part of these financial statements.



## **JLT EB Services Limited**

Company number: **05888855**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **1 General information**

The Company is a private company limited by share capital, incorporated in the United Kingdom.

The address of its registered office is:

The St Botolph Building,

138 Houndsditch

London

EC3A 7AW

#### **2 Accounting policies**

##### **Basis of preparation**

These financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101).

These financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006.

As the Company does not trade, the directors do not consider that the ongoing Covid-19 pandemic has a material impact on their assessment of the Company as a going concern.

##### **Summary of disclosure exemptions**

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

1. IFRS 7 "Financial Instruments disclosures".
2. Paragraphs 91 to 99 of IFRS 13 "Fair value measurement" in respect of disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities.
3. Paragraph 30 and 31 of IAS 8 "Accounting policies, changes in accounting estimates and errors" in respect of the requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective.
4. IAS 24 "Related party disclosures" in respect of the disclosure of related party transactions entered into between two or more members of a Group.
5. IAS 7 "Statement of cash flows" in respect of the preparation of a statement of cash flow.

## **JLT EB Services Limited**

Company number: **05888855**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

6. The following paragraphs of IAS 1 "Presentation of financial statements":

- i. Paragraph 79(a)(iv) of IAS 1 in respect of the disclosure of the number of shares outstanding at the beginning and at the end of the period,
- ii. Paragraph 10(d) in respect of the disclosure of Statement of cash flows,
- iii. Paragraph 10(f) in respect of the Balance Sheet as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements,
- iv. Paragraph 16 in respect of the statement of compliance with all IFRS,
- v. Paragraph 38A in respect of the requirement for minimum of two primary statements, including cash flow statements,
- vi. Paragraph 40A-D in respect of the requirement for a third balance sheet when an accounting policy is applied retrospectively or makes a retrospective restatement of items in its financial statements or reclassifies items in its financial statements,
- vii. Paragraph 111 in respect of cash flow information which provides users of financial statements with a basis to assess the ability of the entity to generate cash and cash equivalents and the needs of the entity to utilise those cash flows and
- viii. Paragraph 134-136 in respect of capital management disclosures.

#### **New standards, amendments and IFRIC interpretations**

IFRS 16 is a new accounting standard that is effective for the year ended 31 December 2019 and has had a material impact on the Company's financial statements - see Note 13. There are no other amendments to accounting standards or IFRIC interpretations that are effective for the year ended 31 December 2019 which have a material impact on the Company's financial statements.

#### **Income & Deferred Income Tax**

Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The charge for taxation is based on the result for the year at current rates of tax and takes into account deferred tax.

## **JLT EB Services Limited**

Company number: **05888855**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **Income & Deferred Income Tax**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not recognised. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax is charged or credited to equity in respect of any item, which is itself either charged or credited directly to equity. Any subsequent recognition of the deferred gain or loss in the income statement is accompanied by the corresponding deferred income tax.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the Company controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

#### **Property, plant and equipment**

Assets are stated at their net book amount (historical cost less accumulated depreciation). Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is calculated to write off the cost of such assets over their estimated useful lives.

The principal rates of depreciation are as follows:

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

The depreciation rates are reviewed on an annual basis.

## **JLT EB Services Limited**

Company number: **05888855**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **Financial assets**

##### ***Classification***

The Company classifies its financial assets as loans and receivables and available-for-sale assets. The classification depends upon the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

##### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. The Company's loans and receivables comprise trade and other receivables and cash and cash equivalents in the balance sheet. Loans and receivables are carried at amortised cost.

##### **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

#### **Financial liabilities**

##### ***Classification***

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowings are recognised initially at fair value, net of transaction costs incurred. They are subsequently stated at amortised cost using the effective interest rate method.

#### **Critical accounting estimates and judgments**

Estimates and judgments used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant effect on the carrying amounts of assets and liabilities are discussed below.

## **JLT EB Services Limited**

Company number: **05888855**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### ***Impairment of assets***

The Company tests annually whether goodwill and other assets that have indefinite useful lives suffered any impairment. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount.

The recoverable amount of an asset or a cash generating unit is determined based on value-in-use calculations prepared on the basis of management's assumptions and estimates. This determination requires significant judgment. In making this judgment, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment 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 operational and financing cash flow.

#### ***Impairment of trade receivables***

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience. The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

#### **Leases**

##### ***Definition***

A lease is a contract, or a part of a contract, that conveys the right to use an asset or a physically distinct part of an asset ("the underlying asset") for a period of time in exchange for consideration. Further, the contract must convey the right to the company to control the asset or a physically distinct portion thereof. A contract is deemed to convey the right to control the underlying asset if, throughout the period of use, the company has the right to:

- Obtain substantially all the economic benefits from the use of the underlying asset, and;
- Direct the use of the underlying asset (eg direct how and for what purpose the asset is used)

##### ***Initial recognition and measurement***

The company initially recognises a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term.

The lease liability is measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments, purchase options at exercise price (where payment is reasonably certain), expected amount of residual value guarantees, termination option penalties (where payment is considered reasonably certain) and variable lease payments that depend on an index or rate. The right-of-use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments, lease incentives received, the company's initial direct costs (e.g., commissions) and an estimate of restoration, removal and dismantling costs.

## JLT EB Services Limited

Company number: 05888855

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### *Subsequent measurement*

After the commencement date, the company measures the lease liability by:

- (a) Increasing the carrying amount to reflect interest on the lease liability;
- (b) Reducing the carrying amount to reflect the lease payments made; and
- (c) Re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised substance fixed lease payments or on the occurrence of other specific events.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. Interest charges are [presented separately as non-operating /included in finance cost] in the income statement, unless the costs are included in the carrying amount of another asset applying other applicable standards. Variable lease payments not included in the measurement of the lease liability, are included in operating expenses in the period in which the event or condition that triggers them arises.

The related right-of-use asset is accounted for using the Cost model in IAS 16 and depreciated and charged in accordance with the depreciation requirements of IAS 16 Property, Plant and Equipment as disclosed in the accounting policy for Property, Plant and Equipment. Adjustments are made to the carrying value of the right of use asset where the lease liability is re-measured in accordance with the above. Right of use assets are tested for impairment in accordance with IAS 36 Impairment of assets as disclosed in the accounting policy in impairment.

#### *Lease modifications*

If a lease is modified, the modified contract is evaluated to determine whether it is or contains a lease. If a lease continues to exist, the lease modification will result in either a separate lease or a change in the accounting for the existing lease.

The modification is accounted for as a separate lease if both:

- (a) The modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- (b) The consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

If both of these conditions are met, the lease modification results in two separate leases, the unmodified original lease and a separate lease. The company then accounts for these in line with the accounting policy for new leases.

If either of the conditions are not met, the modified lease is not accounted for as a separate lease and the consideration is allocated to the contract and the lease liability is re-measured using the lease term of the modified lease and the discount rate as determined at the effective date of the modification.

For a modification that fully or partially decreases the scope of the lease (e.g., reduces the square footage of leased space), IFRS 16 requires a lessee to decrease the carrying amount of the right-of-use asset to reflect partial or full termination of the lease. Any difference between those adjustments is recognised in profit or loss at the effective date of the modification.

For all other lease modifications which are not accounted for as a separate lease, IFRS 16 requires the lessee to recognise the amount of the re-measurement of the lease liability as an adjustment to the corresponding right-of-use asset without affecting profit or loss.

## **JLT EB Services Limited**

Company number: **05888855**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### *Short term and low value leases*

The company has made an accounting policy election, by class of underlying asset, not to recognise lease assets and lease liabilities for leases with a lease term of 12 months or less (i.e., short-term leases).

The company has made an accounting policy election on a lease-by-lease basis, not to recognise lease assets on leases for which the underlying asset is of low value.

Lease payments on short term and low value leases are accounted for on a straight line bases over the term of the lease or other systematic basis if considered more appropriate. Short term and low value lease payments are included in operating expenses in the income statements.

#### *Sub leases*

If an underlying asset is re-leased by the company to a third party and the company retains the primary obligation under the original lease, the transaction is deemed to be a sublease. The company continues to account for the original lease (the head lease) as a lessee and accounts for the sublease as a lessor (intermediate lessor). When the head lease is a short term lease, the sublease is classified as an operating lease. Otherwise, the sublease is classified using the classification criteria applicable to Lessor Accounting in IFRS 16 by reference to the right-of-use asset in the head lease (and not the underlying asset of the head lease).

After classification lessor accounting is applied to the sublease.

## JLT EB Services Limited

Company number: **05888855**

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 3 Operating loss

Arrived at after charging

	2019	2018
	£	£
Depreciation - leasehold improvements	17,049	17,049
Depreciation - right-of-use assets - land and buildings	86,192	-
	<u>103,241</u>	<u>17,049</u>

#### 4 Interest payable and similar expenses

	2019	2018
	£	£
Interest expense on lease liabilities	23,658	-
Group interest and similar charges payable	-	26,352
	<u>23,658</u>	<u>26,352</u>

Following the acquisition of the JLT Group by MMC, there is a project underway to settle all remaining intercompany balances and, therefore, the treatment of the balances has been aligned with MMC policies.

#### 5 Staff costs

There were no staff employed by the Company during the year (2018: £Nil).



## JLT EB Services Limited

Company number: **05888855**

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 6 Directors' remuneration

The directors' remuneration for the year was as follows:

	2019 £	2018 £
Remuneration	-	2,456

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2019 No.	2018 No.
Received or were entitled to receive shares under long term incentive schemes	-	2
Exercised share options	-	2
Accruing benefits under money purchase pension scheme	-	2

The Directors' remuneration was paid on behalf of the Company by a fellow subsidiary, JLT Benefit Solutions Limited.

#### 7 Auditors' remuneration

	2019 £	2018 £
Audit of the Company	8,000	2,563

The Auditors' remuneration is paid, on behalf of the Company, by a fellow subsidiary, JLT Benefit Solutions Limited.

## JLT EB Services Limited

Company number: 05888855

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 8 Tax on loss

	2019 £	2018 £
<b>Current tax expense</b>		
Current year	(30,405)	(16,638)
Adjustments in respect of prior periods	16,638	22,639
	<u>(13,767)</u>	<u>6,001</u>
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	8,530	10,407
Reduction in tax rate	1,005	1,224
	<u>9,535</u>	<u>11,631</u>
Total income tax (credit)/charge	<u>(4,232)</u>	<u>17,632</u>

Following the Budget announcement on 11 March 2020, the UK corporation tax rate (from 1 April 2020) will now be maintained at 19% and will no longer reduce to 17% as previously legislated. However, since this change occurred after the balance sheet date, deferred tax balances at 31 December 2019 have been recognised at 17%, taking into consideration when temporary differences are expected to reverse.

The tax on the Company's loss before tax differs from the theoretical amount that would arise using the tax rate of the home country of the Company as follows:

	2019 £	2018 £
Loss before taxation	<u>(126,899)</u>	<u>(43,401)</u>
Tax calculated at UK Corporation Tax rate of 19.00% (2018: 19.00%)	(24,111)	(8,246)
Adjustments in respect of prior years	16,638	22,639
Rate difference on current year movement	(1,003)	(1,224)
Non - deductible expenses	3,239	3,239
Effect of reduction in UK tax rate	1,005	1,224
Total tax (credit)/charge	<u>(4,232)</u>	<u>17,632</u>

**JLT EB Services Limited**Company number: **05888855****Notes to the Financial Statements for the Year Ended 31 December 2019****9 Tangible assets**

	Right-of-use assets - land and buildings £	Leasehold Improvements £	Fixtures & Fittings £	Computer Hardware & Office Equipment £	Total £
<b>Cost</b>					
At 1 January 2019	-	864,151	457,155	2,174,686	3,495,992
At 1 January 2019 Opening balance adjustment	782,910	-	-	-	782,910
At 31 December 2019	782,910	864,151	457,155	2,174,686	4,278,902
<b>Accumulated depreciation</b>					
At 1 January 2019	-	806,841	457,155	2,174,686	3,438,682
Charge for the year	86,192	17,049	-	-	103,241
At 31 December 2019	86,192	823,890	457,155	2,174,686	3,541,923
<b>Carrying amount</b>					
At 31 December 2019	696,718	40,261	-	-	736,979
At 31 December 2018	-	57,310	-	-	57,310

## JLT EB Services Limited

Company number: **05888855**

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 10 Deferred tax

Deferred tax movement during the year:

	At 1 January 2019 £	Recognised in income £	At 31 December 2019 £
Revaluation of property, plant and equipment	48,799	(9,535)	39,264

Deferred tax movement during the prior year:

	At 1 January 2018 £	Recognised in income £	At 31 December 2018 £
Revaluation of property, plant and equipment	60,430	(11,631)	48,799

Deferred tax assets are recognised to the extent that the realisation of the related tax benefits through the future taxable profits is considered probable.

#### 11 Debtors

	2019 £	2018 £
Corporation Tax	30,401	16,634
Deferred Tax	39,264	48,799
Trade and other receivables	69,665	65,433

The amounts due are unsecured, interest free and repayable on demand.

#### 12 Creditors: Amounts falling due within one year

	2019 £	2018 £
Amounts due to group undertakings	1,591,619	1,499,023
Current lease liability	82,109	-
	1,673,728	1,499,023

## JLT EB Services Limited

Company number: **05888855**

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 13 Creditors: Amounts falling due after one year

	2019 £	2018 £
Long term lease liability	631,863	-
The maturity analysis of the future cash flows associated with lease liabilities is as follows:		

Undiscounted cash flows	£
Due within 1 year	101,940
Due in 1 - 2 years	101,940
Due in 2 - 5 years	305,820
Due in more than 5 years	290,246

## **JLT EB Services Limited**

Company number: **05888855**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **Change in accounting policy**

##### **A) Application of new and revised International Financial Reporting Standards (IFRS)**

###### **IFRS 16 'Leases'**

The Company adopted IFRS 16 on 1 January 2019.

IFRS 16 'Leases' sets out the principles for the recognition, measurement and presentation of leases, for both lessees and lessors. IFRS 16 superseded IAS 17 'Leases' and several related interpretations when it became effective on 1 January 2019. The date of initial application for the Company was 1 January 2019 and so IFRS 16 applies for accounting periods beginning on or after that date.

###### **Impact**

###### **Definition of a lease**

IFRS 16 distinguishes between leases and service contracts based on whether there is control of the use of an identified asset. Control is considered to exist if there is:

- The right to obtain substantially all of the economic benefits from the use of an identified asset; and
- The right to the direct use of that asset.

The Company applies the practical expedient in IFRS 16 not to separate non-lease components from lease components, and instead accounts for each lease component and any associated non-lease components as a single lease component.

###### **Lessee accounting**

A right-of-use asset and lease liability are recognised in the balance sheet. The lease liability is measured at the present value of future lease payments, excluding variable lease payments that do not depend on an index or a rate. The right-of-use asset for a particular lease is usually similar in amount to the corresponding lease liability on inception of the lease, but their carrying amounts diverge through the life of the lease as the asset is depreciated on a straight-line basis whereas interest arises on the lease liability and so is higher in earlier years.

The Company elects on a lease-by-lease basis whether to recognise a right-of-use asset and a lease liability for leases of low-value assets. Where an election is made to not recognise a right-of-use asset and a lease liability for these leases, the lease payments are instead expensed on a straight-line basis over the lease term.

Depreciation of the right-of-use assets is presented within 'administrative expenses' in the profit and loss account. Interest expense on the lease liabilities is presented within 'interest payable and similar expenses'. Lease expenses for leases of low-value assets are presented within 'administrative expenses'. Variable lease payments are generally expensed as incurred, along with irrecoverable VAT and presented within 'administrative expenses'.

The impact for lessees on IAS 17 lease classifications is as follows:

## **JLT EB Services Limited**

Company number: **05888855**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **Change in accounting policy**

##### **Operating leases:**

A right-of-use asset and lease liability were brought on to the balance sheet (except for certain leases of low value assets). Depreciation and interest replace the IAS 17 rental charge (which was included in 'administrative expenses').

Areas of management judgement relate to the accounting for lease extension and termination options (considered on a case-by-case basis) and the discount rate used to measure the lease liability.

The Company applies lessee accounting in respect of several office buildings in the UK.

##### **Lessor accounting**

The Company does not undertake arrangements as a lessor other than as a sub lessor. Lessor accounting as required by IFRS 16 is substantively unchanged from that required by IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those in IAS 17. However, a sub lessor classifies the sublease by reference to the right-of-use asset arising from the head lease, such that subleases are more likely to be classified as finance leases.

The Company does not currently use sub lessor arrangements.

##### **Transition**

The Company adopted IFRS 16 by applying the modified retrospective approach, which requires the cumulative effect of initial application of IFRS 16 to be recognised as an adjustment to the opening balance of retained earnings on the 1 January 2019, without restating prior years.

The company applied the following practical expedients on the 1 January 2019 date of initial application of IFRS 16:

- The right-of-use asset was recognised at an amount equal to the lease liability at the date of initial application, adjusted by the amount in the balance sheet immediately before the date of initial application for any prepaid rent or accrued lease payments.
- Applied a single discount rate to a portfolio of leases with similar characteristics
- Applied the exemption not to recognise liabilities for leases with less than 12 months of lease term remaining.
- Excluded initial direct costs for the measurement of right-to-use assets at the date of initial application.
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.
- The right-of-use asset corresponding to existing operating leases was, as an alternative to performing an impairment review, reduced by the amount of the related onerous lease provisions immediately before the date of initial application;

## JLT EB Services Limited

Company number: **05888855**

### Notes to the Financial Statements for the Year Ended 31 December 2019

The effect of adopting IFRS 16 as at 1 January 2019 was as follows:

	£
<b>Assets</b>	
Right-of-use assets	782,910
Inter company	9,344
	<u>792,254</u>
<b>Liabilities</b>	
Lease liabilities	(792,254)
	<u>(792,254)</u>

There was no adjustment required to opening equity.

The incremental borrowing rate applied to lease liabilities recognised in the balance sheet at the date of initial application is 3.0%.

#### 14 Called up share capital

##### Allotted, called up and fully paid shares

	No.	2019 £	No.	2018 £
Ordinary shares of £1 each	2,600,001	2,600,001	2,600,001	2,600,001

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## **JLT EB Services Limited**

Company number: **05888855**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **15 Parent and ultimate parent undertaking**

The immediate parent undertaking is JLT EB Holdings Limited.

On 1 April 2019 the Company's ultimate parent company, Jardine Lloyd Thompson Group Limited (formerly Jardine Lloyd Thompson Group plc), was acquired by Marsh & McLennan Companies, Inc which became the Company's ultimate parent undertaking at that date.

For the period ended 31 December 2019 the smallest and largest group in which the results of the Company are consolidated is Marsh & McLennan Companies, Inc. The consolidated financial statements of Marsh & McLennan Companies, Inc are available to the public and may be obtained from:

Companies House  
Crown Way  
Cardiff  
CF14 3UZ

and also from:

The Company Secretary  
MMC Treasury Holdings (UK) Limited  
1 Tower Place West  
Tower Place  
London  
EC3R 5BU

#### **16 Subsequent events**

On 11 March 2020, the World Health Organisation declared the Coronavirus (Covid-19) a pandemic. No adjustments have been made in these financial statements in respect of the 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 considered the emergence and spread of Covid-19 to be a non-adjusting post balance sheet event and expects any impact on the Company to be minimal as it is a non-trading entity.