

MARSH & McLENNAN COMPANIES ACQUISITION FUNDING LIMITED

(Incorporated on 27 January 2015)

Financial Statements

For the period ended 31 December 2015

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MARSH & McLENNAN COMPANIES ACQUISITION FUNDING LIMITED

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2015

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MARSH & McLENNAN COMPANIES ACQUISITION FUNDING LIMITED

DIRECTORS' REPORT

The directors present their annual report and audited financial statements of Marsh & McLennan Companies Acquisition Funding Limited ('the Company') for the period 27 January to 31 December 2015. The Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption. The Company's registration number is 09409135.

ACCOUNTING REFERENCE DATE

The Company's Accounting Reference Date has been shortened from 31 January 2016 to 31 December 2015.

PRINCIPAL ACTIVITY

The Company was incorporated on 27 January 2015. The Company acts as an intermediate holding company of a group of companies engaged primarily in insurance broking, reinsurance broking and employee benefits.

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 Company also has a letter of support from its ultimate parent company to provide adequate liquid resources to settle its obligations for the next twelve months. Accordingly, the directors have considered the above and continue to adopt the going concern basis in preparing the annual report and financial statements.

RESULTS AND DIVIDENDS

There were no profit generating transactions made during the period.

The loss for the period is \$113,000.

No interim dividend was paid. The directors do not recommend the payment of a final dividend.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Company are those relating to the performance of its subsidiary undertakings. Those investments are exposed to the risk of competition for business in their respective markets which they mitigate by continuing to enhance their value propositions to clients.

MARSH & McLENNAN COMPANIES ACQUISITION FUNDING LIMITED

DIRECTORS' REPORT (continued)

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 the liabilities as they fall due. The most important components of the financial risk faced by this entity are impairment risk, credit risk, liquidity and cash flow risk.

Impairment risk

The Company's principal assets are shares in subsidiary undertakings. There is a risk of loss if the valuations of these subsidiary undertakings were to be impaired for any reason. Factors that may indicate the need for such impairment include changes in financial performance, the loss of business or the loss of key staff.

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 has group support to enable it to meet its cash requirements. The Company engages with central treasury and finance functions working for the Marsh & McLennan Companies, Inc. Group to monitor and control its cash flows and working capital requirements.

DIRECTORS

The directors who served throughout the period under review are as follows:

M C Chessher (appointed 27 January 2015)
P F Clayden (appointed 10 June 2015)

INDEMNITY

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

DISCLOSURE OF INFORMATION TO 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 s 418 of the Companies Act 2006.

MARSH & McLENNAN COMPANIES ACQUISITION FUNDING LIMITED

DIRECTOR'S REPORT (continued)

AUDITOR

Deloitte LLP have been appointed as auditors of the Company.

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



A H M Abbott
Company Secretary

16 august

2016

Marsh & McLennan Companies Acquisition Funding Limited
1 Tower Place West
Tower Place
London
EC3R 5BU

MARSH & McLENNAN COMPANIES ACQUISITION FUNDING LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial period. 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 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 period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF MARSH & McLENNAN COMPANIES ACQUISITION FUNDING LIMITED

We have audited the financial statements of Marsh & McLennan Companies Acquisition Funding Limited for the period ended 31 December 2015 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the related notes 1 to 13. 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 (United Kingdom and Ireland). Those standards require us to comply with the Auditing Practices Board'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 loss for the period 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF MARSH & McLENNAN COMPANIES ACQUISITION FUNDING 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 period 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 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

16 Aug

2016

MARSH & McLENNAN COMPANIES ACQUISITION FUNDING LIMITED

STATEMENT OF COMPREHENSIVE INCOME Period 27 January to 31 December 2015

	Notes	2015 \$000
Interest payable and similar charges	4	(113)
		<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(113)
Tax on loss on ordinary activities	5	-
		<hr/>
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD		<u>(113)</u>

All transactions derive from continuing operations.

MARSH & McLENNAN COMPANIES ACQUISITION FUNDING LIMITED

STATEMENT OF FINANCIAL POSITION At 31 December 2015

	Notes	2015 \$'000
FIXED ASSETS		
Investment	6	105,002
CURRENT ASSETS		
DEBTORS: Amounts falling due after more than one year	7	2
TOTAL ASSETS		105,004
CREDITORS: Amounts falling due after more than one year	8	(65,112)
NET ASSETS		39,889
CAPITAL AND RESERVES		
Called-up share capital	9	3
Share Premium	10	39,999
Profit & loss account	10	(113)
SHAREHOLDER'S FUNDS		39,889

The financial statements of Marsh & McLennan Companies Acquisition Funding Limited (registered number 09409135) were approved by the Board of Directors and authorised for issue on *25th July* 2016.

They were signed by:

Mark Chessher

M C Chessher
Director

16 August 2016

MARSH & McLENNAN COMPANIES ACQUISITION FUNDING LIMITED

STATEMENT OF CHANGES IN EQUITY Period 27 January to 31 December 2015

	Notes	Called-up share capital \$'000	Share premium \$'000	Profit & loss account \$'000	Total \$'000
AT 27 JANUARY 2015		-	-	-	-
Issue of shares	9	3	-	-	3
Premium on issue of shares	10	-	39,999	-	39,999
Loss for the period	10	-	-	(113)	(113)
AT 31 DECEMBER 2015		3	39,999	(113)	39,889

MARSH & McLENNAN COMPANIES ACQUISITION FUNDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the period ended 31 December 2015

1. SIGNIFICANT ACCOUNTING POLICIES

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

General information and basis of accounting

Marsh & McLennan Companies Acquisition Funding Limited is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 3. 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 functional currency of Marsh & McLennan Companies Acquisition Funding Limited is considered to be US Dollars because this is the currency of the primary economic environment in which the Company operates.

Marsh & McLennan Companies Acquisition Funding 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 cash flow 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 Company also has a letter of support from its ultimate parent company to provide adequate liquid resources to settle its obligations for the next twelve months. Accordingly, the directors have considered the above and continue to adopt the going concern basis in preparing the annual report and financial statements.

Taxation

Current tax, including United Kingdom 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.

Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into US Dollars at the rates of exchange ruling at the balance sheet date. Foreign currency transactions are translated into, Pounds 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 comprehensive income.

Investments

Fixed asset investments are shown at cost less provisions for any impairment. Impairment and impairment reversals are measured by comparing the carrying value of the asset with its future discounted cash flow. Any impairments that have subsequently been reversed are capped to their historical acquisition cost.

MARSH & McLENNAN COMPANIES ACQUISITION FUNDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2015

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

No remuneration was paid or is payable to the directors of the Company in respect of their services to the Company during the period. The directors are remunerated for their services to other companies in the Marsh & McLennan Companies, Inc. Group and their remuneration is dealt with in the financial statements of those companies. The Company had no other employees during the period.

3. AUDIT AND ANNUAL FILING FEES

The audit and annual filing fees were borne by a fellow subsidiary undertaking during the period. The audit fee attributable to this company is £3,000. No other services were provided to the Company by the Company's auditor in the current period.

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 \$'000
Interest payable to group undertakings	113
	<u>113</u>

5. TAX CHARGE ON LOSS ON ORDINARY ACTIVITIES

The tax charge for the period of £nil is lower than that resulting from applying the standard tax rate of corporation tax in the United Kingdom: 2015 20.19%.

	2015 \$'000
Loss on ordinary activities before tax	113
Expected tax credit for the period, calculated at standard rates of the loss	(23)
Effects of:	
Current period group relief for nil consideration	23
Current tax charge for the period	<u>-</u>

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.

MARSH & McLENNAN COMPANIES ACQUISITION FUNDING LIMITED

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

6. FIXED ASSET INVESTMENTS

	Shares in subsidiary undertakings \$'000
Cost and net book value	
At 27 January 2015	-
Additions	105,002
At 31 December 2015	<u>105,002</u>

On 27 January 2015 the Company acquired 100% of the share capital of Marsh & McLennan Companies Acquisition Limited. The Company subscribed for additional shares on 10 December 2015. The total purchase consideration paid during the period was \$105 million.

In the opinion of the directors the aggregate value of investments in the Company's subsidiaries are not less than the amount at which they are included in the balance sheet.

Details of subsidiary undertakings at 31 December 2015 are shown below:

	<u>Principal Activity</u>	<u>Country of Incorporation</u>	<u>Class of share, percentage held (directly* and indirectly) and voting rights</u>
A. Willis & Co Limited	Dormant	England and Wales	Ordinary (100%)
Argyll Insurance Services Limited	Dormant	England and Wales	Ordinary (100%)
Bartlett Davies Bicks Limited	Dormant	England and Wales	Ordinary (100%)
Beaumonts Bradford Limited	Holding Company	England and Wales	Ordinary (100%)
Beaumonts Guiseley Limited	Holding Company	England and Wales	Ordinary (100%)
Beaumonts Insurance Brokers Limited	Insurance Broker	England and Wales	Ordinary (100%)
Beaumonts Insurance Group Limited	Holding company	England and Wales	Ordinary (100%)
Beaumonts Investments Limited	Dormant	England and Wales	Ordinary (100%)
Beaumonts (Leeds) Limited	Insurance Broker	England and Wales	Ordinary (100%)
Clarke Roxburgh Insurance Brokers Limited	Dormant	England and Wales	Ordinary (100%)
Cronin & Co. Corporate Insurance Brokers Limited	Dormant	England and Wales	Ordinary (100%)

MARSH & McLENNAN COMPANIES ACQUISITION FUNDING LIMITED

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

6. FIXED ASSET INVESTMENTS (continued)

	<u>Principal Activity</u>	<u>Country of Incorporation</u>	<u>Class of share, percentage held (directly* and indirectly) and voting rights</u>
HAE Insurance Services Limited	Dormant	England and Wales	Ordinary (100%)
Hamilton Bond Group Limited	Holding company	England and Wales	Ordinary (100%)
Hamilton Bond Midlands Limited	Dormant	England and Wales	Ordinary (100%)
Hamilton Bond Limited	Chartered loss Adjuster	England and Wales	Ordinary (100%)
Hamilton Bond (North) Limited	Dormant	England and Wales	Ordinary (100%)
Health Insurance Brokers Limited	Dormant	England and Wales	Ordinary (100%)
Howell Shone Insurance Brokers Limited	Dormant	England and Wales	Ordinary (100%)
Jelf Commercial Finance Limited	Commerical Finance	England and Wales	Ordinary (100%)
Jelf Financial Planning Limited	Financial Planning	England and Wales	Ordinary (100%)
Jelf Group Plc	Holding company	England and Wales	Ordinary (100%)
Jelf Insurance Brokers Limited	Insurance Broker	England and Wales	Ordinary (100%)
Jelf Risk Management Limited	Risk Management Consultants	England and Wales	Ordinary (100%)
Jelf Wellbeing Limited	Healthcare and Employee Benefits	England and Wales	Ordinary (100%)
John Lampier & Son Limited	Dormant	England and Wales	Ordinary (100%)
Laterlife.com Limited	Later life and Retirement Workshops	England and Wales	Ordinary (100%)
Libra Insurance Services Limited	Insurance Broker	England and Wales	Ordinary (100%)
Manson Insurance Brokers Limited	Dormant	England and Wales	Ordinary (100%)
Manson Warner Healthcare Limited	Dormant	England and Wales	Ordinary (100%)
Marsh & McLennan Companies Acquisition Limited *	Holding company	England and Wales	Ordinary (100%)
Obamadrama Limited	Dormant	England and Wales	Ordinary (100%)
Riverside Insurance Brokers Limited	Dormant	England and Wales	Ordinary (100%)

MARSH & McLENNAN COMPANIES ACQUISITION FUNDING LIMITED

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

6. FIXED ASSET INVESTMENTS (continued)

	<u>Principal Activity</u>	<u>Country of Incorporation</u>	<u>Class of share, percentage held (directly* and indirectly) and voting rights</u>
The Insurance Partnership Holdings Limited	Holding Company	England and Wales	Ordinary (100%)
The Insurance Partnership Services Limited	Insurance Broker	England and Wales	Ordinary (100%)
The Insurance Partnership Commercial Finance Limited	Dormant	England and Wales	Ordinary (100%)
The Insurance Partnership Inspection Services Limited	Dormant	England and Wales	Ordinary (100%)
The Purple Partnership Limited	Insurance Broker Network	England and Wales	Ordinary (100%)

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

	2015 \$'000
Amounts owed from group undertakings	2
	<u>2</u>

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

	2015 \$'000
Amounts owed to group undertakings	65,115
	<u>65,115</u>

9. CALLED - UP SHARE CAPITAL

	2015 \$'000
Allotted, called-up and fully paid	
3,000 ordinary shares of \$1 each	3
	<u>3</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.

MARSH & McLENNAN COMPANIES ACQUISITION FUNDING LIMITED

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

10. RESERVES

The share premium reserve represents the additional consideration received for the issue of shares during the period.

The profit and loss reserves represents cumulative profit and losses and other adjustments.

11. 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.

12. GROUP FINANCIAL STATEMENTS

Group financial statements are not prepared in line with s401 of the Companies Act 2006 as the Company is itself a wholly-owned subsidiary and is included in the consolidated financial statements of Marsh & McLennan Companies, Inc., its ultimate parent company. Accordingly, these financial statements present information about the Company as an individual undertaking and not about its Group.

13. IMMEDIATE AND ULTIMATE PARENT COMPANIES

The Company's immediate parent company is Marsh & McLennan Companies Finance Center (Luxembourg) S.a.r.l., registered in Luxembourg. The Company's ultimate parent company and controlling entity is Marsh & McLennan Companies, Inc., incorporated in the state of Delaware, USA.

The smallest and largest group in which the results of Marsh & McLennan Companies Acquisition Funding Limited 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
MMC Treasury Holdings (UK) Limited
1 Tower Place West
Tower Place
London
EC3R 5BU