

Registered number: SC100053

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**CENTRAL INSURANCE SERVICES LIMITED**

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**UNAUDITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**CENTRAL INSURANCE SERVICES LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

J V Barker  
P A Barton (resigned 29 March 2019)  
M C Chessher (resigned 21 May 2019)  
O Emembolu (appointed 20 May 2019)  
J Flahive (appointed 27 February 2019)  
J C Grogan (resigned 7 February 2019)  
A Gruppo (appointed 3 June 2019)  
O Emembolu (appointed 20 May 2019)  
J Flahive (appointed 27 February 2019)  
A Gruppo (appointed 3 June 2019)

**COMPANY SECRETARY**

C M Valentine

**REGISTERED NUMBER**

SC100053

**REGISTERED OFFICE**

Crown House  
Prospect Road  
Arnhall Business Park  
Westhill  
Aberdeenshire  
AB32 6FE

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**CENTRAL INSURANCE SERVICES LIMITED**

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**CENTRAL INSURANCE SERVICES LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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

The Company's registration number is SC100053.

**DIRECTORS**

The directors who served during the year were:

J V Barker  
P A Barton (resigned 29 March 2019)  
M C Chessher (resigned 21 May 2019)  
O Emembolu (appointed 20 May 2019)  
J Flahive (appointed 27 February 2019)  
J C Grogan (resigned 7 February 2019)  
A Gruppo (appointed 3 June 2019)  
O Emembolu (appointed 20 May 2019)  
J Flahive (appointed 27 February 2019)  
A Gruppo (appointed 3 June 2019)

**SMALL COMPANIES NOTE**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by Section 415A of the Companies Act 2006.

This report was approved by the board on 25<sup>th</sup> August 2020 and signed on its behalf.



Jane Barker  
Director

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CENTRAL INSURANCE SERVICES LIMITED

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STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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	Note	2019 £M	2018 £M
Turnover	2	-	5.5
<b>Gross profit</b>		-	5.5
Administrative expenses		-	(3.7)
Other operating income	3	-	9.7
<b>Operating profit</b>	4	-	11.5
Tax on profit	6	-	(0.3)
<b>Profit after tax</b>		-	11.2
<hr/>			
Retained earnings at the beginning of the year		0.8	9.1
		0.8	9.1
(Loss)/profit for the year		-	11.2
Dividends declared and paid	7	-	(19.5)
<b>Retained earnings at the end of the year</b>		0.8	0.8

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of income and retained earnings.

All transactions derive from discontinued activities.

The notes on pages 4 to 8 form part of these financial statements.

**CENTRAL INSURANCE SERVICES LIMITED**  
**REGISTERED NUMBER: SC100053**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**

	Note	2019 £M	2018 £M
<b>Current assets</b>			
Debtors: amounts falling due within one year	8	0.9	0.9
		<u>0.9</u>	<u>0.9</u>
<b>Total assets less current liabilities</b>		<b>0.9</b>	<b>0.9</b>
<b>Net assets</b>		<u><b>0.9</b></u>	<u><b>0.9</b></u>
<b>Capital and reserves</b>			
Called up share capital	9	0.1	0.1
Profit and loss account	10	0.8	0.8
		<u><b>0.9</b></u>	<u><b>0.9</b></u>

For the year ended 31 December 2019 the Company was entitled to exemption from audit under Section 480 of the Companies Act 2006.

Members have not required the Company to obtain an audit for the year in question in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25<sup>th</sup> August 2020



Jane Barker  
Director

The notes on pages 4 to 8 form part of these financial statements.

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## CENTRAL INSURANCE SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 1. ACCOUNTING POLICIES

##### 1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

##### 1.2 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

###### Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

###### Investment income

Investment income from fiduciary and corporate balances is recognised on an accruals basis using the effective interest rate method.

##### 1.3 OPERATING LEASES: THE COMPANY AS LESSEE

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

##### 1.4 TAXATION

Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

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## CENTRAL INSURANCE SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 1. ACCOUNTING POLICIES (CONTINUED)

##### 1.5 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 1.6 DIVIDENDS

Dividends are the way that the Company makes distributions from the Company's profits to its shareholder. The dividend is determined in sterling, the economic currency of the Company. The Directors may choose to declare dividends in any currency provided that a sterling equivalent is announced.

The Board decides the level of dividend in consultation or with consideration of various stakeholders, including the management and delegation advisers of the Company's ultimate parent company, Marsh & McLennan Companies, Inc. The amount and timing of a dividend may be changed at any time, and influenced by factors such as:

the Company's working capital requirements to sustain its business plans,  
the Company's Regulatory Capital requirements, and  
the Company's excess financial resources.

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

#### 2. TURNOVER

The whole of the turnover is attributable to rendering of services.

Analysis of turnover by country of destination:

	2019 £M	2018 £M
United Kingdom	-	5.5
	<u>-</u>	<u>5.5</u>

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**CENTRAL INSURANCE SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**3. OTHER OPERATING INCOME**

	<b>2019</b>	<b>2018</b>
	<b>£M</b>	<b>£M</b>
Profit/result on transfer of business	-	9.7
	<u>-</u>	<u>9.7</u>

In 2018 the Company transferred its business and assets to Jelf Insurance Brokers Limited, a fellow Group subsidiary, for £11.2 million consideration less the net book value of its assets of £1.5 million.

**4. OPERATING PROFIT**

The operating profit is stated after charging:

	<b>2019</b>	<b>2018</b>
	<b>£M</b>	<b>£M</b>
Other operating leases	-	0.2
	<u>-</u>	<u>0.2</u>

**5. EMPLOYEES**

The Company has no employees other than the directors, who did not receive any remuneration (2018: £NIL).

Contracts of employment and the remuneration of employees have been maintained by a fellow subsidiary company, Marsh Services Limited. Further details regarding employee involvement is given in the Directors' Report of Marsh Services Limited. The Company is charged and bears the cost for the remuneration and other associated benefits paid on its behalf.

**6. TAXATION**

	<b>2019</b>	<b>2018</b>
	<b>£M</b>	<b>£M</b>
<b>CORPORATION TAX</b>		
Current tax on profits for the year	-	0.3
	<u>-</u>	<u>0.3</u>
<b>TAX ON PROFIT</b>	<u>-</u>	<u>0.3</u>

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CENTRAL INSURANCE SERVICES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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6. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is the same as (2018: lower than) the standard rate of corporation tax in the UK of 19.0% (2018: 19.0%). The differences are explained below:

	2019 £M	2018 £M
Profit before tax	-	11.5
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2018: 19.0%)	-	2.2
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	(1.9)
TOTAL TAX CHARGE FOR THE YEAR	-	0.3

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Following the Budget announcement on 11 March 2020 the UK Corporation Tax rate (from 1 April 2020) will be maintained at 19% and no longer reduced to 17% as previously legislated.

7. DIVIDENDS

	2019 £M	2018 £M
Dividends paid in the year	-	19.5
	-	19.5

8. DEBTORS

	2019 £M	2018 £M
Amounts owed by group undertakings	0.9	0.9
	0.9	0.9

Amounts owed from group companies are unsecured, interest free and are repayable on demand.

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**CENTRAL INSURANCE SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**9. SHARE CAPITAL**

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
100,000 (2018: 100,000) Ordinary shares of £1.00 each	<u>100,000</u>	<u>100,000</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.

**10. RESERVES**

**Profit and loss account**

Profit and loss account includes all current and prior period retained profits and losses.

**11. RELATED PARTY TRANSACTIONS**

Advantage has been taken of the exemption under FRS 102 Section 33.1A 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. CONTROLLING PARTY**

The Company's immediate parent company is Jelf Insurance Brokers Limited, registered in England and Wales.

The Company's ultimate parent company and controlling entity is Marsh & McLennan Companies, Inc., incorporated in the state of Delaware, United States of America.

The smallest and largest group in which the results of Central Insurance Services 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