

Registered number: 00404370

**MERCER EMPLOYEE BENEFITS LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**



<b>MERCER EMPLOYEE BENEFITS LIMITED</b>
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**COMPANY INFORMATION**

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**DIRECTORS**

F S Dunsire  
D N Williams

**REGISTERED NUMBER**

00404370

**REGISTERED OFFICE**

1 Tower Place West  
Tower Place  
London  
EC3R 5BU

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**MERCER EMPLOYEE BENEFITS LIMITED**

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<b>MERCER EMPLOYEE BENEFITS LIMITED</b>
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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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The directors present their report and the financial statements for the year ended 31 December 2018.

Mercer Employee Benefits Limited ("the Company") registration number is 00404370.

The Directors' Report has been prepared in accordance with the special provisions relating to small companies entitled to small companies' exemption.

**PRINCIPAL ACTIVITY**

The Company ceased to trade on 31 January 2013, when the trade and certain assets and liabilities were sold to Mercer Limited, a fellow group company. Prior to this, the Company's main activity was the provision of life assurance, pension services and financial advice to small companies and individuals within the United Kingdom.

**RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £NIL (2017: £57,000).

An interim dividend was paid during the year of £3,000,000 (2017: £5,000,000). The directors do not recommend a final dividend payment (2017: NIL).

**DIRECTORS**

The directors who served during the year were:

F S Dunsire  
D N Williams

**FUTURE DEVELOPMENTS**

The directors review the activities of the Company on an ongoing basis, and it is expected the Company will continue to not trade in the foreseeable future.

**GOING CONCERN**

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis in preparing the annual report and financial statements.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in note 2 to the financial statements.

**QUALIFYING THIRD PARTY INDEMNITY PROVISIONS**

The Company has put in place an indemnity in the Articles of Association 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.

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**MERCER EMPLOYEE BENEFITS LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**POLITICAL UNCERTAINTY**

The Company is subject to local and international economic and political instability. The Company manages this risk through monitoring of the economic environment as part of its ongoing forecasting process.

Management has noted Article 50 of the Treaty of Lisbon (the procedure for a member to leave the European Union ("EU")) after the UK referendum vote on 23 June 2016 to leave the EU. The final impact of leaving the EU on the economy, regulation and political stability is highly uncertain.

The Company has considered the key risks and impact to its business and operations in the event of a no deal Brexit, and, based on a balance of worse case versus likely scenario assumptions, is taking steps to mitigate these. A Brexit Operations Group has been established to collate activities within and across individual lines of business, and across all functional areas to ensure that the Company is Brexit ready and responsive to the Company's clients in the UK, risks around standards of data protection and the storing and transfer of data between the EU and the UK, employees, and supplier readiness.

**MATTERS COVERED IN THE 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.

**DISCLOSURE OF INFORMATION TO AUDITOR**

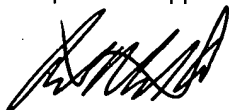
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**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.

This report was approved by the board on 16 September 2019 and signed on its behalf.



**D N Williams**  
Director

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<b>MERCER EMPLOYEE BENEFITS LIMITED</b>
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**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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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 year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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<b>MERCER EMPLOYEE BENEFITS LIMITED</b>
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MERCER EMPLOYEE BENEFITS LIMITED**

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

**Opinion**

In our opinion the financial statements of Mercer Employee Benefits Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of income and retained earnings;
- the statement of financial position; 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (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.

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<b>MERCER EMPLOYEE BENEFITS LIMITED</b>
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MERCER EMPLOYEE BENEFITS LIMITED  
(CONTINUED)**

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**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 directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

**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 directors' report has 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 directors' report.



**MERCER EMPLOYEE BENEFITS LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MERCER EMPLOYEE BENEFITS LIMITED  
(CONTINUED)**

**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; 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' 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.

**Use of our 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.



Adam Knight, FCA (Senior statutory auditor)

for and on behalf of

**Deloitte LLP**

London  
United Kingdom

16 September 2019

<b>MERCER EMPLOYEE BENEFITS LIMITED</b>
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**STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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	Note	2018 £000	2017 £000
Administrative income		-	71
<b>Operating profit</b>		<u>-</u>	<u>71</u>
Interest receivable and similar income	6	-	2
Interest payable and expenses	7	-	(2)
<b>Profit before tax</b>		<u>-</u>	<u>71</u>
Tax on profit	8	-	(14)
<b>Profit after tax</b>		<u><u>-</u></u>	<u><u>57</u></u>
Retained earnings at the beginning of the year		3,146	8,089
		<u>3,146</u>	<u>8,089</u>
Profit for the year		-	57
Dividends declared and paid		(3,000)	(5,000)
<b>Retained earnings at the end of the year</b>		<u><u>146</u></u>	<u><u>3,146</u></u>

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of income and retained earnings.

All transactions derive from discontinued activities.

The notes on pages 9 to 16 form part of these financial statements.

**MERCER EMPLOYEE BENEFITS LIMITED**  
**REGISTERED NUMBER: 00404370**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2018**

	Note	2018 £000	2017 £000
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	118	255
Cash at bank and in hand	10	144	3,007
		<u>262</u>	<u>3,262</u>
Creditors: amounts falling due within one year	11	(14)	(14)
<b>Net current assets</b>		<u>248</u>	<u>3,248</u>
<b>Total assets less current liabilities</b>		<u>248</u>	<u>3,248</u>
<b>Net assets</b>		<u>248</u>	<u>3,248</u>
<b>Capital and reserves</b>			
Called up share capital	12	102	102
Profit and loss account	13	146	3,146
		<u>248</u>	<u>3,248</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 September 2019.



**D N Williams**  
Director

The notes on pages 9 to 16 form part of these financial statements.

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**MERCER EMPLOYEE BENEFITS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**1. GENERAL INFORMATION**

Mercer Employee Benefits Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is shown as part of the Company Information. The nature of the Company's operations and its principal activities are set out in the Director's Report on pages 1 to 2.

**2. ACCOUNTING POLICIES**

**2.1 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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company has elected to apply all amendments to FRS 102, as set out in the triennial review published in December 2017, prior to the mandatory adoption for accounting periods beginning on or after 1 January 2019.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 2.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Marsh & McLennan Companies Inc. as at 31 December 2018 and these financial statements may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

Shareholders have been notified in writing and do not object to the disclosure exemptions.

**2.3 GOING CONCERN**

The directors acknowledge guidance on going concern. The Company continues to monitor the uncertainty in the current economic and business environment. The Company has net current assets of £0.2 million (2017: £3.2 million) and the Company is not reliant on third party funding. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

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<b>MERCER EMPLOYEE BENEFITS LIMITED</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.4 FOREIGN CURRENCY TRANSLATION**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Income and Retained Earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within 'other operating income'.

**2.5 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.

**2.6 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.

**2.7 CASH AND CASH EQUIVALENTS**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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<b>MERCER EMPLOYEE BENEFITS LIMITED</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.8 CREDITORS**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.9 FINANCIAL INSTRUMENTS**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Statement of Income and Retained Earnings if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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<b>MERCER EMPLOYEE BENEFITS LIMITED</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.10 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.

**3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES 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.

Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

The directors are also required to make judgements about the going concern of the Company. The Company did not trade in the current year and the directors have no intention to liquidate the Company within twelve months after the signing of these financial statements.

**Key sources of estimation uncertainty**

As the Company is no longer trading, there are no key sources of estimation uncertainty.

<b>MERCER EMPLOYEE BENEFITS LIMITED</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**4. AUDITOR'S REMUNERATION**

	2018 £000	2017 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>5</u>	<u>6</u>

No other services were provided to the Company by the Company's auditor in the current year or prior year. The fees payable for the audit of the Company's annual financial statements in the current year are paid by a fellow Marsh & McLennan Companies, Inc. Group subsidiary. The prior year fees were paid by the Company.

**5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

The directors are also directors of other Group Companies and are remunerated by those companies for their services to the Group as a whole as the directors believe it is impracticable to split the amounts for these directors between their services as directors of the Company and their services as directors or employees of other Marsh & McLennan Companies, Inc. Group companies. Accordingly, their emoluments are disclosed in the financial statements of the relevant companies within the Group. The Company had no other employees during the current or prior year.

Where the Company's directors are in receipt of share-based payments and awards as part of their overall remuneration, these are disclosed in the financial statements of Mercer Limited, the group's principal employing company.

**6. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2018 £000	2017 £000
Interest receivable	-	2
	<u>-</u>	<u>2</u>

**7. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2018 £000	2017 £000
Intercompany interest payable	-	2
	<u>-</u>	<u>2</u>



**MERCER EMPLOYEE BENEFITS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**8. TAXATION**

	2018 £000	2017 £000
<b>CORPORATION TAX</b>		
Current tax on profits for the year	-	14
	-	14
<b>TOTAL CURRENT TAX</b>	-	14
<b>DEFERRED TAX</b>		
<b>TOTAL DEFERRED TAX</b>	-	-
<b>Taxation on profit</b>	-	14

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is the same as (2017 - the same as) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%) as set out below:

	2018 £000	2017 £000
Profit before tax	-	71
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	-	14
<b>TOTAL TAX CHARGE FOR THE YEAR</b>	-	14

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

The rate of corporation tax reduced from 20% to 19% from 1 April 2017, and will reduce from 19% to 17% from 1 April 2020.

<b>MERCER EMPLOYEE BENEFITS LIMITED</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**9. DEBTORS**

	2018 £000	2017 £000
Amounts owed by group undertakings	118	255
	<u>118</u>	<u>255</u>

**10. CASH AND CASH EQUIVALENTS**

	2018 £000	2017 £000
Cash at bank and in hand	144	3,007
	<u>144</u>	<u>3,007</u>

**11. CREDITORS: Amounts falling due within one year**

	2018 £000	2017 £000
Corporation tax	14	14
	<u>14</u>	<u>14</u>

**12. SHARE CAPITAL**

	2018 £000	2017 £000
<b>Allotted, called up and fully paid</b>		
102,000 (2017 - 102,000) Ordinary shares of £1.00 each	102	102
	<u>102</u>	<u>102</u>

The Company has one class of ordinary shares which carry no right to fixed income.

**13. RESERVES**

**Profit and loss account**

The profit and loss account includes all current year and prior year retained profits and losses.

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<b>MERCER EMPLOYEE BENEFITS LIMITED</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**14. RELATED PARTY TRANSACTIONS**

Advantage has been taken of the exemption under FRS 102 Section 1A "Small Entities" 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.

**15. 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.

**16. CONTROLLING PARTY**

The Company's immediate parent company is MMC UK Group Limited. 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 largest and smallest group in which the results of the Company are consolidated is that headed by Marsh & McLennan Companies, Inc. Marsh & McLennan Companies, Inc. The consolidated financial statements of Marsh & McLennan Companies, Inc. Marsh & McLennan Companies, Inc. are available to the public and may be obtained from:

Companies House  
Crown Way  
Maindy  
Cardiff  
CF14 3UZ

and also from:

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