

**Company Registration No.01181580**

**Sedgwick Noble Lowndes (UK) Limited**

**Annual Report and Financial Statements**

**For the year ended 31 December 2015**



# **Sedgwick Noble Lowndes (UK) Limited**

## **Report and financial statements 2015**

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# **Sedgwick Noble Lowndes (UK) Limited**

## **Report and financial statements 2015**

### **Officers and professional advisers**

#### **Directors**

F S Dunsire  
D N Williams

#### **Registered Office**

1 Tower Place West  
Tower Place  
London  
EC3R 5BU  
United Kingdom

#### **Solicitors**

Slaughter & May

#### **Auditor**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London

# **Sedgwick Noble Lowndes (UK) Limited**

## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 December 2015.

This directors' report has been prepared in accordance with the special provisions relating to small companies under s415A of the Companies Act 2006.

### **Activities and future prospects**

The company acts as a holding company only and did not actively trade during the year. The company is expected to continue to act as a holding company for the foreseeable future.

### **Review of 2015**

Turnover for the year was £nil (2014 - £nil). The profit for the year amounted to £256,000 (2014 - £131,817).

### **Dividends**

No interim dividend was paid during the year (2014 - £nil). The directors do not recommend payment of a final dividend (2014 - £nil).

### **Directors**

The directors of the company at the date of approval of these financial statements, both of whom were directors throughout the year, were:

F S Dunsire

D N Williams

### **Indemnity**

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

### **Financial risk management and going concern**

The company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk are interest rate risk, currency risk, credit risk, liquidity risk, cash flow risk and price risk. Due to the nature of the company's business and the assets and liabilities contained within the company's balance sheet the only financial risks the directors consider relevant to this company are credit risk and liquidity risk. These risks are mitigated by the nature of the debtor balances owed, with these due from other group companies who are able to repay these if required.

# **Sedgwick Noble Lowndes (UK) Limited**

## **Directors' report (continued)**

### **Financial risk management and going concern (continued)**

The company balance sheet consists mainly of intercompany debtors and creditors and the company is not reliant on funding from third parties. The company does not trade and activity is primarily interest received on a loan to Mercer Limited and the movement in the impairment of investments. The company has net assets of £5.9m but net current liabilities of £18m. Mercer Limited intends to support the company so that it can continue in operational existence for the foreseeable future, or a minimum of 12 months from the date the statutory financial statements of Sedgwick Noble Lowndes (UK) Limited for the year ended 31 December 2015 are signed, by making additional finance available as and when the need arises and accordingly, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

### **Auditor**

Each of the persons who is a director at the date of approval of this report confirms 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 he ought to have taken as a director in order to make himself aware of any relevant audit information 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 provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be reappointed as auditor in the absence of an Annual General Meeting.

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



D N Williams

Director

**29 SEPTEMBER 2016**

# **Sedgwick Noble Lowndes (UK) Limited**

## **Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 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 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.

## **Independent auditor's report to the members of Sedgwick Noble Lowndes (UK) Limited**

We have audited the financial statements of Sedgwick Noble Lowndes (UK) Limited for the year ended 31 December 2015 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and the related notes 1 to 12. 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 UK and Republic of Ireland.

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.

### **Respective responsibilities of directors and auditor**

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of 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**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on matters prescribed in the Companies Act 2006**

In our opinion the information in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditor's report to the members of Sedgwick Noble Lowndes (UK) Limited (continued)**

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited 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 take advantage of the small companies' exemption in preparing the directors' report or in preparing a strategic report.



Timothy Steel (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

30 Sep 2016

## **Sedgwick Noble Lowndes (UK) Limited**

### **Profit and loss account**

#### **For the year ended 31 December 2015**

	Notes	2015 £'000	2014 £'000
Interest receivable and similar income	4	<u>182</u>	<u>168</u>
<b>Operating profit and profit on ordinary activities before taxation</b>	2	182	168
Taxation on profit on ordinary activities	5	<u>74</u>	<u>(36)</u>
<b>Profit for the financial year</b>		<u><u>256</u></u>	<u><u>132</u></u>

There were no other items of comprehensive income for 2015 or 2014 other than those included in the profit or loss account and accordingly no Statement of comprehensive income is presented.

# Sedgwick Noble Lowndes (UK) Limited

## Balance sheet

As at 31 December 2015

	Notes	2015 £'000	2014 £'000
<b>Fixed assets</b>			
Fixed asset investments	6	23,861	23,861
<b>Current assets</b>			
Debtors due within one year	7	1,027	1,027
Debtors due after more than one year	8	19,000	19,000
		20,027	20,027
<b>Creditors: amounts falling due within one year</b>	9	(37,995)	(38,251)
<b>Net current liabilities</b>		(17,968)	(18,224)
<b>Net assets</b>		5,893	5,637
<b>Capital and reserves</b>			
Called up share capital	10	11	11
Share premium account		72,939	72,939
Profit and loss account		(67,057)	(67,313)
<b>Shareholders' funds</b>		5,893	5,637

The financial statements of Sedgwick Noble Lowndes (UK) Limited (registered number 1181580) were approved by the Board of Directors on 29<sup>th</sup> September 2016.

Signed on behalf of the Board of Directors



D N Williams  
Director

## Sedgwick Noble Lowndes (UK) Limited

### Statement of changes in equity As at 31 December 2015

Note	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
At 31 December 2013 as previously stated	11	72,939	(67,445)	5,505
As at 1 January 2014	11	72,939	(67,445)	5,505
Profit for the financial year	-	-	132	132
As at 31 December 2014	11	72,939	(67,313)	5,637

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
At 31 December 2014 as previously stated	11	72,939	(67,313)	5,637
As at 1 January 2015	11	72,939	(67,313)	5,637
Profit for the financial year	-	-	256	256
As at 31 December 2015	11	72,939	(67,057)	5,893

# **Sedgwick Noble Lowndes (UK) Limited**

## **Notes to the accounts**

### **For the year ended 31 December 2015**

#### **1. Accounting policies**

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

The financial statements have been prepared under the historical cost convention in accordance with Financial Reporting Standard 102 (FRS102) issued by the Financial Reporting Council. The accounting policies adopted by the directors and summarised, are described below.

This is the first year in which the financial statements have been prepared under FRS 102. Refer to note 12 for an explanation of the transition.

The company's financial and liquidity positions are described in the Directors report. The company has made a profit of £256k for the year and it is strongly capitalised with net assets of £5.9m and no external debt. Therefore the accounts have been prepared on the going concern basis.

The results of the company are consolidated into Marsh & McLennan Companies Inc., and the company meets the definition of a qualifying company under FRS 102. Exemptions have been taken in relation to presentation of a cash-flow statement and inter-group transactions.

##### **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### **Deferred taxation**

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of investment properties where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

##### **Investments**

Fixed asset investments are stated at cost less provisions for impairment.

#### **2. Profit on ordinary activities before taxation**

Auditor's remuneration of £5,300 (2014 - £5,200) for the audit of the company's annual accounts was borne by a fellow group undertaking in the current and prior year.

#### **3. Directors and employee information**

The company had no employees during the year (2014 - none). The directors received no emoluments for services as directors of the company (2014 - £nil).

## Sedgwick Noble Lowndes (UK) Limited

### Notes to the accounts (continued) For the year ended 31 December 2015

#### 4. Interest receivable and similar income

	2015 £'000	2014 £'000
Interest income from other group undertakings	182	168

#### 5. Taxation on profit on ordinary activities

	2015 £'000	2014 £'000
United Kingdom corporation tax at 20.25% (2014 - 21.49%)	(74)	36
Total tax (credit) / charge	(74)	36

#### Factors affecting tax charge for the year

The tax assessed for the year is lower (2014 is the same as) than that resulting from applying the standard rate of corporation tax in the UK: 2015 20.25% (2014 21.49%)

	2015 £'000	2014 £'000
Profit on ordinary activities before taxation	182	168
Expected Tax (credit) / charge for the period calculated at 20.25% (2014 - 21.49%) of the Profit before Tax	37	36
Group relief for nil consideration	(37)	-
Prior year adjustment	(74)	-
	(74)	36

The prior year adjustment is in respect of group relief for nil consideration with a fellow group company.

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.

# Sedgwick Noble Lowndes (UK) Limited

## Notes to the accounts (continued) For the year ended 31 December 2015

### 6. Fixed asset investments

#### Investment in subsidiary undertakings

	2015 £'000	2014 £'000
Unlisted shares at cost	93,747	93,747
Less provision for impairment in value At 1 January	(69,886)	(69,886)
At 31 December	<u>23,861</u>	<u>23,861</u>

The company's subsidiary undertakings at 31 December 2015 were:

	Country of registration	Class of share and percentage held
Sedgwick Noble Lowndes Limited	England and Wales	Ordinary (100%)
Sedgwick Financial Services Limited	England and Wales	Ordinary (100%)
Sedgwick Ulster Pension Trustees Limited (Dormant)	Northern Ireland	Ordinary (100%)

Sedgwick Noble Lowndes Limited and Sedgwick Financial Services Limited did not trade during the year.

### 7. Debtors due within one year

	2015 £'000	2014 £'000
Amounts owed by group companies:		
Subsidiary undertakings (non interest bearing and repayable on demand)	452	452
Parent and fellow subsidiary undertakings (non interest bearing and repayable on demand)	<u>575</u>	<u>575</u>
	<u>1,027</u>	<u>1,027</u>

### 8. Debtors due after more than one year

	2015 £'000	2014 £'000
Subordinated loan	<u>19,000</u>	<u>19,000</u>

On 20 January 1999, the company made a subordinated loan advance, in the amount of £19,000,000 to its subsidiary company Sedgwick Noble Lowndes Limited. This loan attracts interest at LIBOR plus 0.25% per annum, payable half yearly, and is repayable two years from the date on which notice of repayment is given. As part of the acquisition of the business of Sedgwick Noble Lowndes Limited by Mercer Limited on 16 July 1999, Mercer Limited assumed the rights and obligations relating to the loan.

## Sedgwick Noble Lowndes (UK) Limited

### Notes to the accounts (continued) For the year ended 31 December 2015

#### 9. Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Amounts owed to group companies:		
Subsidiary undertakings (non interest bearing and repayable on demand)	37,843	38,026
Amounts due to other group companies in respect of taxation	152	226
	<u>37,995</u>	<u>38,251</u>

#### 10. Called up share capital

	2015 £'000	2014 £'000
Authorised, allotted, called up and fully paid		
10,550 ordinary shares of £1 each	11	11

#### 11. Ultimate parent company

The ultimate parent company and controlling entity is Marsh & McLennan Companies, Inc., incorporated in the State of Delaware, USA. The largest and smallest group in which the financial statements of Sedgwick Noble Lowndes (UK) Limited are consolidated is that headed by Marsh & McLennan Companies, Inc.

The accounts of Marsh & McLennan Companies, Inc., are available to the public and may be obtained from:

The Company Secretary  
Marsh & McLennan Companies UK Limited  
1 Tower Place West  
Tower Place  
London  
EC3R 5BU

#### 12. Transition to FRS 102

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The last financial statements under previous UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2014.

#### Adjustments

No adjustments were made to equity at 1 January 2014 or 31 December 2014 or to profit or loss for the year to 31 December 2014.