

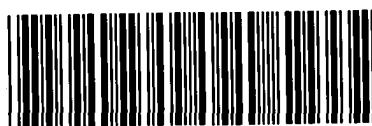
Company Registration No:
01435275

VICTOR O. SCHINNERER & COMPANY LIMITED

Financial Statements

For the Year ended 31 December 2016

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VICTOR O. SCHINNERER & COMPANY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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VICTOR O. SCHINNERER & COMPANY LIMITED

DIRECTOR'S REPORT

The director present their annual report and audited financial statements of Victor O. Schinnerer & Company Limited ('the Company') for the year ended 31 December 2016. The Company's registration number is 01435275. The Director's Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

PRINCIPAL ACTIVITIES

The Company and the Group act as insurance underwriting managers. The Group comprises Victor O. Schinnerer & Company Limited and its wholly-owned subsidiary, Admiral Holdings Limited. The Company ceased underwriting activities during 2004, but continues to run off its insurance underwriting operations using a claims management company.

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 Director's Report) regulations 2013 no. 1970.

GOING CONCERN

The Director acknowledges the latest guidance on going concern. The Company has adequate liquid resources for the foreseeable future. Accordingly, the Director continues to adopt the going concern basis in preparing the annual report and financial statements.

RESULTS AND DIVIDENDS

The Statement of Income and Retained Earnings for the financial year ended 31 December 2016 is set out on page 7.

The Company reports a loss on ordinary activities after taxation for the financial year of £126,000 (2015: loss £394,000).

No interim dividend was paid in the year (2015: £nil). The Director does not recommend the payment of a final dividend (2015: £nil).

FUTURE DEVELOPMENTS

The activities of the Company are expected to continue along similar lines for the foreseeable future.

DIRECTOR'S REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties to the business are included in the assessment of financial risk management.

Financial Risk Management

The Group's principal financial assets are bank balances, including cash deposits.

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 interest rate risk, liquidity risk and cash flow risk.

Interest rate risk

The Company has cash deposits which are at variable rates of interest.

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 maintains significant holdings in liquid funds to mitigate against this risk.

Outsourcing risk

The Company outsources a number of its services to third party organisations. The ability of the Company to perform efficiently is directly impacted by the services if the third party providers. Outsourcing contracts and providers are respectively reviewed against performance expectations and key performance indicators.

DIRECTOR

The Directors who served throughout the year under review, except as noted, are as follows:

| | |
|--------------|----------------------------|
| C Williams | (appointed 4 January 2016) |
| E J Pimentel | (resigned 4 January 2016) |

INDEMNITY

The Company has put in place an indemnity to indemnify the Director 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 a Director of the Company at the date when this report was approved:

- The Director is aware, there is no relevant audit information (as defined in the Companies Act 2006) 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 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 section 418 of the Companies Act 2006.

VICTOR O. SCHINNERER & COMPANY LIMITED

DIRECTOR'S REPORT (continued)

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.

Approved by the Board and signed on its behalf by;



Director
C Williams

14 July 2017

Registered office
Post Point 6.12
1 Tower Place West
Tower Place
London
EC3R 5BU

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard FRS 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 year.

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;
- state whether applicable United Kingdom Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VICTOR O. SHINNERER & COMPANY LIMITED

We have audited the financial statements of Victor O. Shinnerer & Company Ltd for the year ended 31st December 2016, which comprise the Statement of Income and Retained Earnings, 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 the United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, including FRS 102 "The Financial Reporting Standard applicable in the 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 Director Responsibilities Statement, the director is 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 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 director; 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 31st December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter 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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's Report has been prepared in accordance with applicable legal requirements.

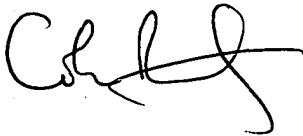
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Director's Report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VICTOR O.
SHINNERER & COMPANY 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 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



Colin Rawlings FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

14 August 2017

VICTOR O. SCHINNERER & COMPANY LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS For the year ended 31 December 2016

| | Notes | 2016 £'000 | 2015 £'000 |
|---|-------|--------------------|--------------------|
| Operating costs | | (83) | (90) |
| Transfer (to) / from run-off provision | 11 | (124) | 78 |
| OPERATING LOSS | | (207) | (12) |
| Interest receivable and similar income | 3 | 63 | 64 |
| (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | (144) | 52 |
| Tax credit/(charge) on (loss)/profit on ordinary activities | 5 | 18 | (446) |
| LOSS FOR THE FINANCIAL YEAR | | (126) | (394) |
| RETAINED LOSSES AT 1 JANUARY | | (5,629) | (5,235) |
| Loss for the year | | (126) | (394) |
| RETAINED LOSSES AT 31 DECEMBER | | (5,755) | (5,629) |

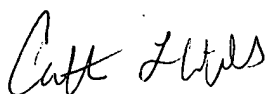
All transactions derive from continuing operations.

STATEMENT OF FINANCIAL POSITION
As at 31 December 2016

| | Notes | 2016 £'000 | 2015 £'000 |
|---|-------|----------------|----------------|
| CURRENT ASSETS | | | |
| Debtors: Amounts falling due within one year | 8 | 2,140 | 2,141 |
| Debtors: Amounts falling due after more than one year | 8 | 58 | 40 |
| Cash at bank and in hand | | 128 | 65 |
| | | <u>2,326</u> | <u>2,246</u> |
| CREDITORS: Amount falling due within one year | 9 | <u>(759)</u> | <u>(677)</u> |
| NET CURRENT ASSETS | | <u>1,567</u> | <u>1,569</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>1,567</u> | <u>1,569</u> |
| Provisions for liabilities | 11 | <u>(322)</u> | <u>(198)</u> |
| NET ASSETS | | <u>1,245</u> | <u>1,371</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 12 | 7,000 | 7,000 |
| Profit and loss account | 13 | <u>(5,755)</u> | <u>(5,629)</u> |
| SHAREHOLDER'S FUNDS | 13 | <u>1,245</u> | <u>1,371</u> |

The financial statements of Victor O. Schinnerer & Company Limited (registered number 01435275) were approved by the Board and authorised for issue on 14 July 2017.

They were signed on its behalf by:



Director
C Williams

14 July 2017

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2016

1. SIGNIFICANT ACCOUNTING POLICIES

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

General information and basis of accounting

Victor O. Schinnerer & Company Limited is a company incorporated in the United Kingdom under the Companies Act. 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 Director's 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 Victor O. Schinnerer & Company Limited is considered to be Pounds Sterling because this is the currency of the primary economic environment in which the Company operates.

Victor O. Schinnerer & Company Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of:

- presentation of a statement of comprehensive income;
- presentation of statement of changes in equity;
- the presentation of a statement of cash flows and related notes;
- disclosure of inter-group transactions within the wholly-owned group;
- exposure to and management of financial risks;
- categories of financial instruments; and
- key management personnel.

Shareholders have been notified in writing and do not object to the disclosure exemptions. The group consolidated financial statements of Marsh & McLennan Companies Inc. can be obtained from the address listed in note 16.

Going Concern

The Director acknowledges the latest guidance on going concern. The Director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and, therefore, they continue to adopt the going concern basis in preparing the annual financial statements.

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, and economic outflow will be required to settle it. Provisions are measured at management's best estimate of the expenditure required or recognised in line with contractual agreements to settle the obligation at a future date, and are discounted to a net present value.

Revenue

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2016

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments that are classified as payable or receivable within one year and which meet the below conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment:

- (a) Returns to the holder are (i) a fixed amount; or (ii) a fixed rate of return over the life of the instrument; or (iii) a variable return that, throughout the life of the instrument, is equal to a single referenced quoted or observable interest rate; or (iv) some combination of such fixed rate and variable rates, providing that both rates are positive.
- (b) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (c) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in relevant taxation or law.
- (d) There are no conditional returns or repayment provisions except for the variable rate return described in (a) and prepayment provisions described in (c).

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

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 reporting date.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2016

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the reporting date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

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.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

The tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into Pound Sterling at the rates of exchange ruling at the reporting 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 Income and Retained Earnings.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described above, the Director 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.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

VICTOR O. SCHINNERER & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended 31 December 2016

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Critical accounting judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Deferred tax

Deferred tax timing differences have been provided at tax rates enacted at the balance sheet date which are expected to apply when the timing differences are expected to reverse. Deferred tax balances are reviewed and only recognised to the extent that it is probable that future taxable profits will allow the asset to be recovered.

Run off provision

The Company has ceased to act as an insurance underwriting manager. It is, however, responsible for handling claims. An external Company has been appointed to manage these claims. Due to the nature of the insurance that was placed, it is difficult to estimate with certainty when existing claims will settle. At each balance sheet date, the Company reviews the future running of the operations, and adjusts the provision accordingly.

2. DIRECTORS' REMUNERATION AND TRANSACTIONS

No remuneration was paid or is payable to the directors of Victor O. Schinnerer & Company Limited in respect of their services to the Company during the financial year or the previous financial year. 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 accounts of those companies. The Company had no other employees during the financial year, or the prior financial year.

3. INTEREST RECEIVABLE AND SIMILAR INCOME

| | 2016 £'000 | 2015 £'000 |
|---|---------------|---------------|
| Interest on bank deposits and amount owed by fellow subsidiary undertakings | 63 | 64 |

4. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

| | 2016 £'000 | 2015 £'000 |
|--|---------------|---------------|
| (Loss)/Profit on ordinary activities before taxation is after charging: | | |
| Auditor's remuneration - Fee payable to Company's auditor for the audit of the Company's annual accounts | 11 | 12 |

VICTOR O. SCHINNERER & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended 31 December 2016

5. TAX (CREDIT)/CHARGE ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

The corporation tax rate for the year ended 31 December 2016 was 20% (2015: 20.25%).

| | 2016 £'000 | 2015 £'000 |
|---|---------------|---------------|
| Tax (credit)/charge on profit on ordinary activities | | |
| Deferred taxation (note 10) | | |
| Current year | (20) | 446 |
| Impact of change on tax rate | 2 | (1) |
| Adjustment in respect of prior years | - | 1 |
| Total tax (credit)/charge on profit on ordinary activities | <u>(18)</u> | <u>446</u> |

The total tax credit for the year is £30k (2015 £446k charge) is lower (2015: higher) than that resulting from applying the standard rate of corporation tax in the UK: 2016 20% (2015: 20.25%)

The differences are explained below:

| | 2016 £'000 | 2015 £'000 |
|--|---------------|---------------|
| (Loss)/Profit on ordinary activities before tax | <u>(144)</u> | <u>52</u> |
| Expected Tax (credit)/charge for the year calculated at 20% (2015 - 20.25%) of the Profit before Tax | (29) | 11 |
| Effects of: | | |
| Current year group relief for nil consideration | 5 | 435 |
| Impact of change in tax rate on deferred tax | 6 | (1) |
| Prior year adjustment: | | |
| Current tax | - | - |
| Deferred tax | - | 1 |
| Actual Tax (credit)/charge | <u>(18)</u> | <u>446</u> |

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.

6. DIVIDEND

No dividend was paid during the year (2015: £Nil)

7. INVESTMENTS HELD AS FIXED ASSETS

The Company owns 100% of the share capital and voting rights of Admiral Holdings Limited (incorporated in Great Britain). The subsidiary has ceased trading in prior years and the carrying value of the investment is nil (2015 : £Nil) .

VICTOR O. SCHINNERER & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended 31 December 2016

8. DEBTORS

| | 2016 £'000 | 2015 £'000 |
|--|---------------|---------------|
| Amounts falling due within one year: | | |
| Amounts owed by group undertakings | 2,106 | 2,107 |
| Prepayments and accrued income | 34 | 34 |
| | <u>2,140</u> | <u>2,141</u> |
| Amounts falling due after more than one year: | | |
| Deferred tax (note 10) | 58 | 40 |
| | <u>58</u> | <u>40</u> |

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2016 £'000 | 2015 £'000 |
|------------------------------------|---------------|---------------|
| Amounts owed to group undertakings | 748 | 658 |
| Accruals and deferred income | 11 | 19 |
| | <u>759</u> | <u>677</u> |

10. DEFERRED TAXATION

| | 2016 £'000 | 2015 £'000 |
|---|---------------|---------------|
| Deferred tax is recognised as follows: | | |
| At 1 January | 40 | 486 |
| Credited/(charged) to profit and loss account | | |
| - Current year | 20 | (446) |
| - Impact of change in tax rate | (2) | 1 |
| Adjustment in respect of prior year | - | (1) |
| | <u>58</u> | <u>40</u> |
| Balance at 31 December | 58 | 40 |
| Amounts falling due within one year | - | - |
| Amounts falling due after one year | 58 | 40 |
| | <u>58</u> | <u>40</u> |
| Analysis of deferred tax balances | | |
| Accelerated capital allowances | 3 | 4 |
| Short-term timing differences | 55 | 36 |
| | <u>58</u> | <u>40</u> |

Deferred tax timing differences have been provided at tax rates enacted at the balance sheet date which are expected to apply when the timing differences are expected to reverse. The tax rates substantively enacted at the balance sheet date are 20% from 1 April 2015, 19% from 1 April 2017 and 17% from 1 April 2020.

VICTOR O. SCHINNERER & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2016

11. PROVISIONS FOR LIABILITIES

| | 2016 | 2015 |
|--|------------|------------|
| | £'000 | £'000 |
| Provision at 1 January 2015 | 198 | 276 |
| Increase in provision transferred to income statement | 204 | - |
| Utilisation of provision transferred to income statement | (80) | (78) |
| Provision at 31 December 2016 | <u>322</u> | <u>198</u> |

As the Company has ceased to act as a insurance underwriting manager, a provision for the run-off costs has been recognised. The provision includes liabilities for the future running of the operation.

12. CALLED UP SHARE CAPITAL

| | Called up, allotted and fully paid | |
|--------------------------------------|---------------------------------------|--------------|
| | 2016 | 2015 |
| | £'000 | £'000 |
| 7,000,000 ordinary shares of £1 each | <u>7,000</u> | <u>7,000</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.

13. RESERVES

Called up share capital represents the nominal value of shares that have been issued.

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

14. RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption under Financial Reporting Standard No. 8 "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.

15. GROUP ACCOUNTS

Group accounts are not prepared in line with section 401 of the Companies Act 2006 and therefore separate accounts have been prepared. This 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 accounts present information about the Company as an individual undertaking and not about its group.

VICTOR O. SCHINNERER & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2016

16. IMMEDIATE AND ULTIMATE PARENT COMPANIES

The Company's immediate parent company is The Schinnerer Group, Inc., incorporated in the state of Delaware, United States of America. 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 Victor O. Schinnerer & Company Limited are consolidated is that headed by Marsh & McLennan Companies, Inc. The consolidated accounts 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
Victor O. Schinnerer & Company Limited
1 Tower Place West
Tower Place
London
EC3R 5BU