

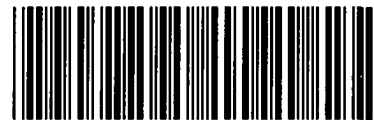
Company Registration No: 01660078

SBJ HOLDINGS LIMITED

Annual Report and Financial Statements

For the year ended 31 December 2017

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**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2017**

CONTENTS

| | Page |
|--|-------------|
| DIRECTORS' REPORT | 1 |
| STATEMENT OF DIRECTORS' RESPONSIBILITIES | 3 |
| INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SBJ HOLDINGS LIMITED | 4 |
| STATEMENT OF COMPREHENSIVE INCOME | 7 |
| STATEMENT OF CHANGES IN EQUITY | 8 |
| STATEMENT OF FINANCIAL POSITION | 9 |
| <hr/> | |
| NOTES TO THE FINANCIAL STATEMENTS | 10 |

DIRECTORS' REPORT

The directors' present the Annual Report and audited financial statements of SBJ Holdings Limited ("the Company") for the year ended 31 December 2017. The Directors' Report has been prepared in accordance with the special provisions relating to small companies entitled to the small companies' exemption. The Company's registration number is 01660078.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company was that of a sponsoring company of a group pension scheme. The assets and liabilities were transferred to another scheme, AXA UK Group Pension Scheme. From this date the Company ceased to trade and therefore has made neither a profit nor loss, nor any other recognised gain or loss in the year ended 31 December 2017 (2016 profit before tax: £67,750).

KEY PERFORMANCE INDICATORS AND PRINCIPAL RISKS AND UNCERTAINTIES

Key performance indicators and principal risks and uncertainties are not deemed to be relevant for the Company as it no longer trades.

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.

DIRECTORS

The current directors of the Company and those who served throughout the year under review, except as noted, are as follows:

| | |
|--------------|--|
| P F Clayden | (appointed on 18 January 2017 and resigned on 3 August 2018) |
| J M Pickford | (appointed on 18 January 2017) |
| C W Godwin | (appointed on 3 August 2018) |

RESULTS AND DIVIDENDS

The Company did not trade during the year under review and therefore returned neither a profit nor loss in the year. The results of the Company for the financial year ended 31 December 2017 are set out on page 7.

The directors' do not recommend a payment of a dividend in relation to 2017 (2016: £nil).

FUTURE DEVELOPMENTS

Following a management review of the role of the Company, the Company continues to not trade and it is anticipated that, following an orderly wind-down, an application will be made to put the Company into Members Voluntary Liquidation in the near future.

GOING CONCERN

As the Company no longer trades the financial statements are no longer presented as a going concern (see the accounting policy on page 10). No material adjustments arose as a result of ceasing to apply the going concern basis.

DIRECTORS' REPORT (continued)

INDEMNITY

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.

DISCLOSURE OF INFORMATION TO THE AUDITOR

In the case of the person who is a director of the Company at the date when this report was approved:

- so far as the directors are aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as a director to make themselves 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 s418 of the Companies Act 2006.

AUDITOR

~~Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Deloitte LLP will continue as auditor of the Company.~~

Approved by the Directors and signed on their behalf by:


JAMES PICKFORD
Director

27 SEPTEMBER 2018

SBJ Holdings Limited
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 FRS 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 and then apply them consistently;
- make judgements 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 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 SBJ HOLDINGS LIMITED

Report on the audit of the financial statements

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 2017 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 of SBJ Holdings Limited (the 'Company') which comprises:

- the statement of comprehensive income;
- the statement of changes in equity;
- the statement of the financial position; and
- the related notes 1 to 13.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 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.

Emphasis of matter - Financial statements prepared other than on a going concern basis

We draw attention to note 1 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SBJ HOLDINGS LIMITED (continued)

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

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 have 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SBJ HOLDINGS 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.



Adam Knight FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

27 September

2018

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2017

| | | Year ended 31 December 2017 £ | Year ended 31 December 2016 £ |
|---|------|--|--|
| | Note | | |
| TURNOVER | | - | - |
| Other operating income on closure of pension scheme | 9 | - | 71,750 |
| OPERATING PROFIT | | - | 71,750 |
| Interest payable and similar charges | 4 | - | (4,000) |
| PROFIT BEFORE TAX | | - | 67,750 |
| Tax charge on profit | 5 | - | (14,031) |
| PROFIT FOR THE YEAR | | - | 53,719 |
| OTHER COMPREHENSIVE INCOME | | | |
| Actuarial profit relating to the pension scheme | 9 | - | 21,000 |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | - | 74,719 |

All transactions derive from discontinued operations.

There were no other items of comprehensive income for year ended 31 December 2017 or year ended 31 December 2016.

The notes on pages 10 to 20 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2017

| | Note | Called-up Share Capital £ | Profit and Loss account £ | Total £ |
|---|------|------------------------------------|---------------------------------|------------|
| Balance at 1 January 2016 | | 1 | 83,148,819 | 83,148,820 |
| Profit for the financial year | | - | 53,719 | 53,719 |
| Actuarial profit relating to the pension scheme | 9 | - | 21,000 | 21,000 |
| Balance at 31 December 2016 | | 1 | 83,223,538 | 83,223,539 |
| Total comprehensive income for the year | | - | - | - |
| Balance at 31 December 2017 | | 1 | 83,223,538 | 83,223,539 |

The notes on pages 10 to 20 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
As at 31 December 2017

| | Note | At 31 December 2017 £ | At 31 December 2016 £ |
|--|------|--------------------------------|--------------------------------|
| CURRENT ASSETS | | | |
| Debtors: Amounts falling due within one year | 6 | 83,375,789 | 83,223,539 |
| Creditors: Amounts falling due within one year | 7 | (152,250) | - |
| NET ASSETS | | <u>83,223,539</u> | <u>83,223,539</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 10 | 1 | 1 |
| Profit and loss account | 11 | 83,223,538 | 83,223,538 |
| SHAREHOLDER'S FUNDS | | <u>83,223,539</u> | <u>83,223,539</u> |

The statement of financial position has been prepared in accordance with the small companies regime under the Companies Act 2006.

The notes on pages 10 to 20 form an integral part of these financial statements.

The financial statements of SBJ Holdings Limited (registered number 01660078) were approved by the Directors and authorised for issue on ~~27 September~~ 2018.

They were signed on its behalf by:


JAMES PICOT
Director

~~27 September~~ 2018

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2017

1. SIGNIFICANT ACCOUNTING POLICIES

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

General information and basis of accounting

SBJ Holdings Limited is a company incorporated in the United Kingdom under the Companies Act and is registered in England and Wales. The address of the registered office is given on page 2. SBJ Holdings Limited is a private company limited by shares. The nature of the Company's operations and its principal activities are set out in the Directors' Report on pages 1 to 2.

The financial statements are prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of SBJ Holdings Limited is considered to be pounds sterling because this is the currency of the primary economic environment in which the Company operates.

SBJ Holdings 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:

- 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. Group consolidated financial statements of Marsh & McLennan Companies, Inc. can be obtained from the address listed in note 13.

Going concern

As required by FRS 102 Accounting Policies, the directors have prepared the financial statements on the basis that the Company is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

Following a management review of the role of the Company, the Company continues to not trade and it is anticipated that, following an orderly wind-down, an application will be made to put the Company into Members Voluntary Liquidation in the near future.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2017

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2017

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Dividends

Dividends payable are accounted for when declared.

Tax

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.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position 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 income or equity as the transaction or other event that resulted in the tax expense or income.

Impairment

Assets other than those measured at fair value, are assessed for indicators of impairment at each Statement of Financial Position date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Income and retained Earnings as described below.

(i) Financial assets

For the Company's assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For the Company's assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date. Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2017

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment (continued)

(ii) Non-financial assets

At each Statement of Financial Position date, the Company reviews the carrying amounts of its tangible and intangible assets acquired separately to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and the value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years.

A reversal of an impairment loss is recognised immediately in the Statement of Comprehensive Income unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Pension Benefits

The Company arranges on behalf of the directors and other employees a defined contribution pension scheme, the cost of which is charged against the profits of the Company in the year in which the expenditure is incurred. The Company operated a defined benefit pension scheme, which is closed to new members and no members are accruing future benefits. The Company bore the total cost of a defined benefit pension scheme for all eligible employees (note 4) until the scheme was transferred to the AXA UK Group pension scheme on 1 November 2016. The amounts charged to operating profit in 2016 were the current service costs and gains and losses on settlements and curtailments. They were included as part of staff costs. Past service costs were recognised immediately in the profit and loss account if the benefits has vested.

The interest cost was calculated using a rate equivalent to the current rate of return on high quality corporate bond of equivalent currency and term of the scheme liability, and recognised in interest expenses. Actuarial gains and losses were recognised immediately in the statement of recognised gains and losses.

The define benefit scheme was funded, with the assets of the scheme held separately from those of the Company, in separate trustee administered funds. Pension scheme assets were measured at fair value and liabilities were measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on high quality corporate bond of equivalent currency and term to the scheme liability. The actuarial valuations were obtained at least triennially and were updated at each balance sheet date. The resulting defined benefit asset or liability was presented separately on the face of the balance sheet

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2017

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Critical accounting judgements 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.

The estimates and underlying assumptions are reviewed on an ongoing 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.

Critical judgements in applying the Company's accounting policies

The directors have reviewed the critical judgements (apart from those involving estimations) in applying the Company's accounting policies and consider that there are no significant items to report on amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the Statement of Financial Position 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 Statement of Financial Position 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.

2. INFORMATION REGARDING DIRECTORS

The directors are employees of other companies within the Marsh & McLennan Companies, Inc. Group and are remunerated by those companies for their services to the Group as a whole and they receive no remuneration for their service as directors of the Company during the current or prior year.

3. STAFF COSTS AND AUDITORS REMUNERATION

The Company had no employees during the current or prior year. The audit fee and annual filing fees were borne by a fellow group undertaking during the year. The audit fee attributable to the Company is £10,000 (2016: £10,000). No other services were provided to the Company by the Company's auditor in the current or prior year.

4. INTEREST PAYABLE AND SIMILAR CHARGES

| | | Year ended 31 December 2017 | Year ended 31 December 2016 |
|---|------|-----------------------------------|-----------------------------------|
| | Note | £ | £ |
| Defined benefit pension scheme finance charge | 9 | - | (4,000) |

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2017

5. TAX CHARGE ON PROFIT

The corporation tax rate for the year was 19.25% (2016: 20.00%). Deferred tax balances have been set up using the statutory rate for the year in which they are expected to reverse.

| | Year ended 31 December 2017 £ | Year ended 31 December 2016 £ |
|---|--|--|
| The taxation charge comprises: | | |
| UK corporation tax | - | 7,250 |
| Adjustment in respect of prior periods | - | 1,219 |
| Total corporation tax (credit) on result | - | 8,469 |
| Deferred tax: | | |
| Current year | - | (21,250) |
| Impact in change in tax rate | - | (1,250) |
| Total deferred tax (see note 8) | - | (22,500) |
| Total tax charge on result | - | (14,031) |

Current tax of £nil (2016: £14,031) is the same (2016: higher) than that resulting from applying the standard rate of UK corporation tax.

The differences are explained below:

| | Year ended 31 December 2017 £ | Year ended 31 December 2016 £ |
|---|--|--|
| Profit before tax: | - | 67,750 |
| Tax on result at the standard UK corporation tax rate of 19.25% (2016: 20.00%) | - | (13,550) |
| <i>Effects of:</i> | | |
| Income not chargeable for tax purposes | - | 3,238 |
| Impact of change in tax rates | - | (2,500) |
| Adjustment in respect of prior periods | - | (1,219) |
| Actual tax charge for the year | - | (14,031) |

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2017

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | At 31 December 2017 £ | At 31 December 2016 £ |
|------------------------------------|--------------------------------|--------------------------------|
| Amounts owed by group undertakings | 83,375,789 | 83,216,289 |
| Current tax (note 5) | - | 7,250 |
| | <u>83,375,789</u> | <u>83,223,539</u> |

Amounts owed by group undertakings are unsecured, interest free and are repayable on demand

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | At 31 December 2017 £ | At 31 December 2016 £ |
|------------------------------------|--------------------------------|--------------------------------|
| Amounts owed to group undertakings | 152,250 | - |

8. DEFERRED TAX

| | 2017 £ | 2016 £ |
|---------------------------------|-----------|-----------|
| At 1 January | - | 22,500 |
| Charged to Comprehensive Income | - | (22,500) |
| At 31 December | <u>-</u> | <u>-</u> |

9. PENSION LIABILITY

The Company bore the total cost of a defined benefit pension scheme for all eligible employees until the scheme was transferred to the AXA UK Group pension scheme on 1 November 2016.

SBJ Devitt Retirement Benefits Scheme

The Company took over the role in 2010 of principal employer and operated a defined benefit pension scheme (SBJ Devitt Retirement Benefits Scheme) that was closed to new members. The following disclosure relates to this benefit scheme. A full actuarial valuation was carried out at 1 January 2012, and updated to 31 October 2016 by a qualified independent actuary to take account of the requirements of FRS 102 section 28, and to assess the liabilities of the scheme at 31 December 2015. Scheme assets are stated at their market value at respective balance sheet dates. The directors deem it appropriate, in arriving at the scheme valuation, to adjust the 1990 mortality tables to take account of the specific circumstances of the scheme members.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2017

9. PENSION LIABILITY (continued)

The major assumptions used by the actuary were:

| | 2017 | 2016 |
|--|------|-------|
| Rate of increase of pension in deferment | - | 2.50% |
| Discount rate | - | 2.70% |
| Pension increase assumption | | |
| Pre 88 GMP | - | 0.00% |
| Post 88 GMP | - | 2.50% |
| Non GMP | - | 5.00% |

Mortality assumption:

Investigations have been carried out within the past three years into mortality experience of the SBJ Devitt Retirement Benefits Scheme. These investigations concluded that the current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement at age 62 were:

| | 2017 years | 2016 years |
|---|---------------|---------------|
| Life expectancy at age 62 for current pensioners: | | |
| -Men | - | 86.7 |
| -Women | - | 88.8 |
| Life expectancy at age 62 for future pensioners: | | |
| -Men | - | 88.1 |
| -Women | - | 90.3 |

Reconciliation of defined benefit obligation over the year:

| | SBJ Devitt Retirement Benefits Scheme | |
|---|---------------------------------------|-------------|
| | 2017 | 2016 |
| | £ | £ |
| Benefit obligation at the beginning of the year | - | 1,456,000 |
| Service cost gain on settlement | - | (35,000) |
| Interest cost | - | 45,000 |
| Benefits paid | - | (111,000) |
| Actuarial loss | - | 288,000 |
| Transfer and settlement to other pension scheme | - | (1,643,000) |
| Benefit obligation at the end of the year | - | - |

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2017

9. PENSION LIABILITY (continued)

Reconciliation of fair value of plan assets over the year:

| | SBJ Devitt Retirement Benefits Scheme | |
|---|--|----------------|
| | 2017 | 2016 |
| | £ | £ |
| Fair value of pension assets at the beginning of the year | - | 1,331,000 |
| Expected return on plan assets | - | 41,000 |
| Actuarial gain | - | 309,000 |
| Employer contributions (note paid only and not payable) | - | 73,000 |
| Benefit paid | - | (111,000) |
| Transfer and settlement to other pension scheme | - | (1,643,000) |
| Fair value of pension assets at the end of the year | - | - |
| Return on plan | - | 350,000 |

The transfer of the pension assets and liabilities in 2016 was to the AXA UK Group scheme.

The Company will pay no contributions in the future as the scheme was transferred in 2016 and future obligations have been assigned by the Company by AXA UK Group as part of the transfer.

The Company arranges on behalf of the directors and other employees a defined contribution pension scheme with Friends Life, the cost of which is charged against the profit of the Company in the year in which the expenditure is incurred.

Analysis of the amount charged to the income statement is as follows:

| | SBJ Devitt Retirement Benefits Scheme | |
|---|--|-------------|
| | 2017 | 2016 |
| | £ | £ |
| Interest cost on pension scheme liabilities | - | 45,000 |
| Expected return on plan assets | - | (41,000) |
| Pension cost recognised in the income statement | - | 4,000 |

Re-measurements recognised in the Other Comprehensive Income (OCI):

| | SBJ Devitt Retirement Benefits Scheme | |
|---|--|-------------|
| | 2017 | 2016 |
| | £ | £ |
| Remeasurement – effect of assumption loss | - | (288,000) |
| Remeasurement – return on plan assets excluding interest income | - | 309,000 |
| | - | 21,000 |

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2017

9. PENSION LIABILITY (continued)

Reconciliation of fund position

| | SBJ Devitt Retirement Benefits Scheme | |
|--|--|-------------|
| | 2017 | 2016 |
| | £ | £ |
| Net defined liability at start of the year | - | 125,000 |
| Expense recognised in income statement | - | 4,000 |
| Gain on settlement recognised in statement of comprehensive income | - | (35,000) |
| Profit recognised in other comprehensive income | - | (21,000) |
| Contributions by the Company | - | (73,000) |
| Net defined benefit liability at end of the year | - | - |

10. CALLED UP SHARE CAPITAL

| | At 31 December 2017 £ | At 31 December 2016 £ |
|---|--|--|
| Allotted, called up and fully paid | | |
| 16 (2016: 16) ordinary shares of £0.10 each | <u>1</u> | <u>1</u> |

The share capital of the Company consists of fully paid ordinary shares with a par value of £0.10 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.

11. RESERVES

Profit and loss account:

Profit and loss account includes all current and prior period retained profits and losses, net of dividends paid.

12. 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2017

13. IMMEDIATE AND ULTIMATE PARENT COMPANIES

The Company's immediate parent company is Bluefin Insurance Group Limited registered in England and Wales.

The smallest and largest group in which the results of SBJ Holdings 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
Maindy
Cardiff
CF14 3UZ

and also from:

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