Registered number: 02240496

JLT BENEFIT SOLUTIONS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

JLT BENEFIT SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	T O'Dwyer S Pozezanac
Registered number	02240496
Registered office	The St Botolph Building 138 Houndsditch London EC3A 7AW

JLT BENEFIT SOLUTIONS LIMITED

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

Introduction

The directors present their strategic report of JLT Benefit Solutions Limited ('the Company') for the year ended 31 December 2020.

Principal Activities

Until 1 April 2019, JLT Benefit Solutions Limited formed part of the Employee Benefits Division of Jardine Lloyd Thompson Group plc (now JLT Group Holdings Limited) ('the JLT Group'). On 1 April 2019, the JLT Group was acquired by Marsh & McLennan Companies, Inc ('MMC' or 'the Group').

As part of the integration of the JLT entities into the MMC Group, on 1 January 2020, all the Company's employees were transferred under the Transfer of Undertakings (Protection of Employment Regulations) ('TUPE'), along with the pension scheme assets and liabilities, to Mercer Limited, an indirect parent company. On 3 August 2020, the trade, assets and liabilities of the Company, with the exception of its Self Invested Personal Pensions (SIPPs) and Small Self Administered Schemes (SSASs) business and assets, and its investments in subsidiaries, were sold to Mercer Limited. In addition to the continuation of the SIPPs and SASSs business, the company's trading subsidiary, Marsh McLennan Global Services India Private Limited (formerly Jardine Lloyd Thompson India Private Limited), will continue to be managed by the Company. On the same date, the Company wrote off the goodwill it held in relation to the trade sold.

For the first seven months of the financial year, JLT Benefit Solutions Limited offered a range of employee benefit services to assist its clients to maximise the breadth and effectiveness of their employee benefit programmes.

The key services offered include:
• Pensions and benefits administration, consulting and actuarial services
• Investment and financial consulting
• Flexible benefits, healthcare and risk broking
• Technology solutions

The Company continues to be authorised and regulated by the Financial Conduct Authority ('FCA').

Business review

Turnover reduced by 44% to £69.9m (2019: £124.5m), mainly due to the disposal of a large proportion of the business to Mercer Limited on 3 August 2020.

Operating profit of £9.1m for the year ended 31 December 2020 (2019: £8.2m loss) reflects cost reductions in the discontinued segment of the business during 2020.

Profit before taxation amounts to £307.6m for the year ended 31 December 2020 (2019: £4.4m). This includes income from shares in group undertakings of £24.5m (2019: £9.0m) and profit on disposal of business/subsidiaries of £272.9m (2019: £3.3m).

The results of the Company for the year ended 31 December 2020 are set out in the financial statements on pages 16 to 59 and are also considered in the Key Performance Indicators section of this Strategic Report.

Principal risks and uncertainties

On an on-going basis, and in conjunction with the Company's indirect parent company, Mercer Limited, management profiles the significant risks, both operational and strategic, faced by the Company and reviews the effectiveness of risk management controls including loss prevention and recovery planning. The Principal risks identified are as follows:

Strategic and Operational Risks
Covid-19
On 11 March 2020, the World Health Organization declared Covid-19 a pandemic. As this continued to spread through contagion, it had, and continues to have, a disruptive impact on the global and UK economy and had the potential to adversely impact the Company across a number of key financial and operational areas. The Company has taken a considered approach to minimising and managing the impact of the pandemic and has well formulated contingency plans, which continue to adapt as changes to circumstances occur.

Strategic Risks
Risks to the business model arising from changes in external events, insurance markets and customer behaviour as well as risks arising from growth strategies.

Mitigation
- Board review of strategic risks
- Strategic review of planning process
- Due diligence and risk assessment processes

Loss of Key Staff
Risks arising from the inability to retain key staff within the core business operations.

Mitigation
- Succession planning processes
- Effective appraisal and development programmes
- Robust contracts of employment

Business Interruption
Risk to business arising from a major external event.

Mitigation
- Dedicated business continuity management function
- Detailed business continuity policy and procedures
- Regular testing of business continuity plans

Loss of IT Environment
Risks arising from non-performance of an IT supplier, malicious act, cyber crime and staff not following IT policies and procedures.

Mitigation
- Detailed IT policy and procedures in place
- Strong governance procedures over IT outsourcing and service level agreements in place
- Monitoring of compliance with the Group IT security policy and service level agreements

Information Security
Risk of loss of records, breach of confidentiality or inadequate security measures.

Mitigation
- Limits of authority in place
- Information Security Policy
- Risk-based monitoring and reviews monitoring performed by Group Information Security Officer and Group Internal Audit

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Errors & Omissions
Risks arising from non-compliance with operating procedures in place across the Company, or alleged negligence in provision of services/advice.

Mitigation
- Operating procedures and compliance policy
- Continuous training in errors & omissions avoidance
- Formal and regular process of compliance monitoring
- Strong procedural and systems controls including workflow management
- Insurance

Regulatory Sanctions/Financial Crime
Risks arising from non-compliance with or misinterpretation of local and international regulations and failure to meet regulatory standards.

Mitigation
- Regular and ongoing quality and compliance audits
- Operating procedures and compliance policy
- Continuous staff training programmes
- Central risk and compliance resources
- Insurance

Financial Risks
Capital Risk and Liquidity
Risks arising from an inability to maintain minimum regulatory capital and ensure access to sufficient working capital appropriate to the volume of trading.

Mitigation
- Regular updates to Board on current and projected regulatory capital base requirements
- Sensitivity / Stress testing of regulatory capital base
- Regular cash flow forecasting
- Regular impairment testing of loans receivable from fellow Group subsidiaries
- Dividend planning
- Quarterly reviews of the Company balance sheet

Counterparty Risk
Risk of loss of own cash, fiduciary funds, investments and deposits, derivative assets and trade receivables as a result of the failure of key counterparties.

Mitigation
- Board approved investment and counterparty policy to limit the concentration of funds and exposure with any one party
- Active management and monitoring of counterparty limits, financial strength and credit profile of key counterparties
- Regular review by Board and Risk & Audit Committee of counterparty limits, ratings, utilisation and compliance with applicable regulation
- Formal and regular review of trading partners

Political risk
Brexit
Prior to the departure of the United Kingdom from the European Union on 31 January 2020 and the end of the transition period on 31 December 2020 the directors considered the key risks and impact of Brexit on the Company and took steps to mitigate these. Therefore, Brexit is not considered to be an ongoing operational or strategic risk to the Company.

The Company is not exposed to Price Risk.

Health, Safety and Environment
The Company is responsible for the health, safety and welfare of its contractors and employees whilst working on behalf of the Company and for ensuring that its operations do not unnecessarily harm the environment. The Company is also required to seek assistance of competent persons and provide the resources necessary to meet its obligations. The Safety, Health and Environment ('SHE') Unit fulfils this need as part of the Facilities Management structure within the Marsh & McLennan Global Security Services and provides support for all employees. The SHE Unit works closely with Facilities Management, Human Resources and the Company's Occupational Health providers to accomplish this role.

Financial key performance indicators

The Company has selected key line items from its profit and loss account as KPIs for monitoring performance. The objective is to monitor trends in the Company's key financial and other performance indicators year on year:

	2020	*2019*
	£'000	*£'000*
Turnover	**69,941**	*124,488*
Administrative	**(60,809)**	*(132,648)*
Profit before tax	**307,614**	*4,424*
Shareholders' funds	**325,951**	*38,184*

As shown in the Company's profit and loss account on page 16, turnover decreased by 44% year on year as a result of changes in the business. On 3 August 2020, the majority of the business was sold to Mercer Limited, an indirect parent company, with the exception of its Self Invested Personal Pensions (SIPPs) and Small Self Administered Schemes (SSASs) business.

The Company reported an operating profit of £9.1m in the year which increased by £17.2m from £8.2m loss incurred for the year ended 31 December 2019. The directors consider other key performance indicator statistics to be commercially sensitive, and have therefore not disclosed them in this report.

The Company reported a profit for the financial year after taxation of £305.2m (2019: £5.5m). During the year ended 31 December 2020, the Company benefitted from a dividend of £24.5m from two of its subsidiary companies and a profit on disposal of business of £272.9m.

Net assets have increased by £288m to £326m.

SECTION 172 (1) OF THE COMPANIES ACT 2006 (THE 'ACT') STATEMENT

The below paragraphs provide an explanation as to how the Company's directors have had regard to the matters set out in section 172(1)(a) to (f) of the Act when performing their duties. This includes how the directors have engaged with and considered the interests of various stakeholders including its shareholder, employees, clients, suppliers, the community and those in a principal business relationship with the Company.

Duty to promote the success of the Company

The Directors are committed to directing and leading the Company in a way which, in good faith, is most likely to promote the success of the Company for the benefit of its shareholder, with due consideration given for the interests of other relevant stakeholders.

Shareholder
As a wholly owned subsidiary of the Marsh & McLennan Companies Inc. Group (the Group), the Board duly considers the views and interests of its ultimate shareholder, Marsh & McLennan Companies Inc. and the Group as a whole as part of any major decisions and transactions undertaken by the Company. During the year the Board approved the sale of the Company's trade and assets (excluding a limited number of exceptions as further outlined on page 1 of the strategic report), to the Company's indirect parent, Mercer Limited ('Mercer'), with a view to continuing integration efforts aimed at realising efficiencies and achieving the ultimate growth objectives underpinning the Group's acquisition of the legacy JLT group.

Employees
As part of the continuing integration efforts referenced above, all the Company's employees transferred to Mercer on 1 January 2020 under the Transfer of Undertakings (Protection of Employment Regulations) ('TUPE'). Prior to the TUPE transfer, the Company established a JLT Consultative Forum which was used to consult with, and provide support to employees during the consultation process.

Following the transfer, there were no employee interests for the Directors to consider during the 2020 financial year.

Clients
The Directors are committed to ensuring that all customers are treated fairly and that client interest is considered as part of decision making at every level within the Company.

Prior to the approval of the sale of the Company's trade and assets to Mercer during 2020, the Company wrote to all clients (excluding those subject to the exceptions previously referenced) to obtain consent for the novation of their contracts to Mercer. Clients were provided with assurance that there would not be any adverse impact to service levels as a result of the novation exercise. Following this exercise, the vast majority of the Company's client contracts were novated to Mercer Limited on 3 August 2020.

For the whole of the 2020 financial year, the business of the Company (being all of the business prior to the client novation exercise and any existing business following client novation exercise) has been conducted on a combined basis with Mercer. All Directors of the Company are Directors of Mercer and further information on considerations by the Directors and Executive Management of the interests of clients can be found under the Section 172(1) Statement in Mercer's Statutory Report and Accounts for the year ended 31 December 2020.

Suppliers
The Directors are committed to ensuring that slavery and human trafficking is not taking place in any of the Company's supply chains or any part of its business, and has in place a Modern Slavery Policy. All suppliers are required to comply with modern slavery legislation under the standard terms and conditions of our contracting agreements and the Group's Global Sourcing and Procurement team ('GSP') issue an annual modern slavery supplier questionnaire to certain suppliers (selected on a risk based approach) to monitor compliance. The Board is updated on response rates and the outcome of questionnaires on an annual basis, which are actively managed by GSP. The Company's Modern Slavery Statement is published annually and can be found at www.uk.mercer.com/modern-slavery-act-statement.html

Further information on the actions taken by the Company in compliance with the Modern Slavery Act 2015 is set out on page 7 of the Directors' Report.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Community

The Group recognises that in a world facing increasing risk and uncertainty, supporting our communities is more important than ever before. Further information on the Group's social impact efforts in the UK, including that of the Company, can be found under the Section 172(1) Statement in Mercer's Statutory Report and Accounts for the year ended 31 December 2020.

The Group has developed climate initiatives which represent a tangible step toward building a more sustainable environment for colleagues, clients, shareholders and future generations. Information on the Group's climate initiatives may be found in the Streamline Energy and Carbon Report on pages 9 to 10.

This report was approved by the board on 24 June 2021 and signed on its behalf.

T O'Dwyer
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and the financial statements for the year ended 31 December 2020.

Results and dividends

The profit for the year, after taxation, amounted to £305.2m *(2019 - £5.5m)*.

The Directors recommend a final dividend payment of £17.5m (2019: £Nil) be made in respect of the financial year ended 31 December 2020. The dividend of £0.15 per share (£17.5m) was settled during the year and no further dividends have been proposed.

Directors

The directors who served during the year and to the date of this report were:

T O'Dwyer
S Pozezanac
E M Flanagan (resigned 19 April 2020)
P N C Gale (resigned 20 April 2020)
D L Jones (resigned 20 April 2020)
B Hudon (resigned 30 September 2020)
A J Wood (resigned 29 September 2020)

There being no provision in the Company's Articles of Association for the retirement of directors by rotation, the present directors will continue in office.

Qualifying third party indemnity provisions

The Company has put in place an indemnity in its 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.

Financial risk management

The financial risk management of the Company has been disclosed as part of the Principal risks and uncertainties and financial risk management note within the Strategic Report of this document.

Modern slavery act

The Company, as part of the MMC Group, has a commitment to conducting business in a responsible and ethical way, in accordance with its Code of Conduct, 'The Greater Good'. The Company is also committed to fulfilling its obligations under the Modern Slavery Act 2015. In support of this the Company has a communications programme to raise awareness amongst colleagues to ensure that they are mindful of the risks of modern day slavery.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Going concern and future developments

The focus for 2021 is to continue to manage the Self Invested Personal Pensions (SIPPs) and Small Self Administered Schemes (SSASs) business, along with the Company's investments in subsidiaries.

Following the sale of the Company's trade, assets and liabilities to Mercer on 3 August 2020, it is the directors' intention that the Company continues to manage its SASSs and SIPPs business and its investment in Marsh McLennan Global Services India Private Limited in the future and these financial statements are therefore presented on a going concern basis.

The ongoing Covid-19 pandemic has not had a significant impact on the Company and any future developments relating to Covid-19 are not expected to have an impact on the Company which would alter the directors going concern assessment.

Employees

On 1 January 2020, all the Company's employees were transferred to Mercer Limited under the Transfer of Undertakings (Protection of Employment Regulations) ('TUPE').

Post balance sheet events

On 2 June 2021 the Board of directors agreed a reduction in capital of the Company whereby the share capital is reduced to £1 by extinguishing £11,636,582 of shares and the share premium account is reduced to £nil from £17,940,383. A total of £29,576,965 has been credited to the Company's profit and loss account reserves as a result of this transaction.

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY ACTION

The Company, as part of the Group, recognises its obligation to be good stewards of the environment and continues to look at ways to minimise its carbon footprint and impact on the environment. The Company's UK facilities are largely operated on a shared basis with other operating companies within the MMC group of companies.

On 14 January 2021, MMC announced a series of carbon commitments. Firstly, it has pledged to be carbon neutral in 2021 through the reduction of greenhouse gas emissions in its own operations and the purchase of verifiable offsets. Secondly, it has committed to reduce its carbon emissions by 15% below 2019 levels by the year 2025. The specifics of these commitments are set out in greater detail in the MMC ESG Report issued on 31 March 2021 and can be found on: https://www.mmc.com/about/esg.html. The Company is working with MMC to ensure it actively contributes to achieving these commitments.

The Company operates from offices that are owned or leased, but which are managed centrally. In some sites, the procurement of gas and electricity is the responsibility of the Company. In other sites these services are provided by the property owner. The data in the table below comprises actual consumption of gas and electricity for the sites where the Company procures these. For landlord managed sites, the electricity consumption has been estimated. The Company does not estimate the consumption of gas in landlord managed sites, as it is not always the case that a site is supplied with gas.

At the end of December 2020, MMC in the UK occupied 114 sites, data has been estimated for 69 of these. These sites make up 36% of the total area of space occupied by MMC in the UK. We continue to look for ways to improve the quality of the data being reported and intend to contact all landlords in 2021 to request they validate the Company's consumption of gas and electricity.

A number of initiatives have been undertaken to reduce the emissions of the Company. In October 2019 an MMC UK operating company entered into a contract for the supply of electricity into company-managed sites using 100% renewable, wind and solar energy. 98% of the Company's non-landlord managed offices are supplied through this contract. In 2019, 1,447 tonnes of carbon was avoided by using this arrangement. In 2020, this increased to 4,372 tonnes. The two landlord managed sites with the highest number of company staff located at them are also supplied with 100% renewable electricity.

A programme is in place to improve the quality of energy monitoring, this includes installing sub-meters that measure the consumption of electricity throughout the day, which is used to help improve the efficiency of buildings and the operation of the buildings' systems.
The Company has been working with facility providers to increase the use of electric vehicles by replacing a number of vehicles being used with electric vehicles and surveying a number of sites with the view to installing EV charge points.

The Company has been part of an accreditation scheme operated by the Carbon Trust since 2017. In its report dated 9 February 2019, which covered the UK operations of Marsh, Mercer and Guy Carpenter, the Carbon Trust stated that the carbon management performance of the businesses was in the 75th percentile in its sector with a performance of 75% against the best performing organisation of 77% and in the 50th percentile against all certifications. A recertification with the Carbon Trust is currently underway.

Using headcount and the measure of intensity for SECR purposes, consumption per person was 0.55 tonnes CO2 on a location basis and 0.20 tonnes on a market basis in 2020.

Using headcount as the measure of intensity for SECR purposes,consumption per person was 0.70 tonnes of CO2 location bases and 0.60 tonnes market based in 2019. This reduced to 0.55 tonnes CO" per person location based and 0.20 tonnes market based in 2020.

An approximation of headcount relating to the JLT Benefit Solutions portion of the business for 2020 has been used for the purposes of preparing this SECR report.

TCO2e
GHG emissions and energy usage data for period 1 January to 31 December

		UK 2020 (excluding offshore)
Emissions from combustion of gas (Scope 1- tonnes of CO2e)		*29*
Emissions from combustion of fuel for transport purposes (Scope 1-tonnes of CO2e)		*1*
	Location Based	*Market based*
Emissions from electricity purchased for own use, including for the purpose of transport (Scope 2- tonnes of CO2e)	**256**	*74*
Emissions from business travel in rental cars of employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3- tonnes of CO2e)	**-**	*-*
Total gross TCO2e based on above	**286**	*104*
	Electricity(kWh)	*Gas (Wh)*
Energy consumption used to calculate emissions- kwh	**1,097,712**	*156,786*
Total		*1,254,498*
Intensity measurement, TCO2e per employee	**0.55**	*0.20*
Headcount (as at 31 December 2020)		*521*

Disclosure of information to auditor

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

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

Appointment of Auditor

The auditor, Deloitte LLP, has indicated their willingness to continue in office and will be deemed to be reappointed under Section 487 (2) of the Companies Act 2006.

This report was approved by the board on 24 June 2021 and signed on its behalf.

T O'Dwyer
Director

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

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 101 "Reduced Disclosure Framework". 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JLT BENEFIT SOLUTIONS LIMITED

Report on the audit of the financial statements

Opinion
In our opinion the financial statements of JLT Benefit Solutions Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 29.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JLT BENEFIT SOLUTIONS LIMITED (CONTINUED)

Other information
The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and internal audit about their own identification and assessment of the risks of irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JLT BENEFIT SOLUTIONS LIMITED (CONTINUED)

We obtained an understanding of the legal and regulatory frameworks that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax, valuations, pensions, IT, forensic and industry specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JLT BENEFIT SOLUTIONS 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.

We have nothing to report in respect of these matters.

Use of our report
This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Claire Clough.

Claire Clough ACA (Senior statutory auditor)

For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

24 June 2021

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Continuing operations 2020 £000	Discontinued operations 2020 £000	Total 2020 £000	*Continuing operations 2019 £000*	*Discontinued operations 2019 £000*	*Total 2019 £000*
Turnover	4	**2,837**	**67,104**	**69,941**	*2,726*	*121,762*	*124,488*
Administrative expenses		**(2,129)**	**(58,680)**	**(60,809)**	*(1,930)*	*(130,718)*	*(132,648)*
Operating profit/(loss)	5	**708**	**8,424**	**9,132**	*796*	*(8,956)*	*(8,160)*
Income from shares in group undertakings		**24,450**	**-**	**24,450**	*8,979*	*-*	*8,979*
Profit on disposal of business/ subsidiaries	6,7	**-**	**272,897**	**272,897**	*-*	*3,305*	*3,305*
Interest receivable and similar income	11	**1,091**	**177**	**1,268**	*394*	*252*	*646*
Interest payable and similar expenses	12	**(133)**	**-**	**(133)**	*(236)*	*(110)*	*(346)*
Profit/(loss) before tax		**26,116**	**281,498**	**307,614**	*9,933*	*(5,509)*	*4,424*
Tax on profit/(loss)	13	**(1,272)**	**(1,167)**	**(2,439)**	*(182)*	*1,252*	*1,070*
Profit/(loss) for the financial year		**24,844**	**280,331**	**305,175**	*9,751*	*(4,257)*	*5,494*

The notes on pages 22 to 59 form part of these financial statements.

The result reported under discontinued operations relates to the trade sold to Mercer Limited, an indirect parent company, on 3 August 2020. Please see note 6 for further information.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £000	*2019 £000*
Profit for the financial year		**305,175**	*5,494*
Items that will not be reclassified subsequently to profit or loss:			
Movement of deferred tax on defined benefit pension scheme	22	**92**	-
Remeasurements of post-employment benefit obligations (net)		-	*(840)*
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange hedges		-	*(386)*
Total comprehensive income for the year		**305,267**	*4,268*

The notes on pages 22 to 59 form part of these financial statements.

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £000	2020 £000	*2019 £000*	*2019 £000*
Fixed assets					
Goodwill	15		-		*2,854*
			-		*2,854*
Fixed assets					
Other intangible assets	14		-		*61*
Tangible assets	16		**1,116**		*8,452*
Investments	17		**2,283**		*3,654*
			3,399		*15,021*
Current assets					
Debtors: amounts falling due within one year	18	**357,053**		*169,316*	
Cash at bank and in hand	19	**30**		*1,505*	
		357,083		*170,821*	
Creditors: amounts falling due within one year	20	**(33,731)**		*(127,948)*	
Net current assets			**323,352**		*42,873*
Total assets less current liabilities			**326,751**		*57,894*
Creditors: amounts falling due after more than one year	21		**(800)**		*(6,996)*
			325,951		*50,898*
Provisions for liabilities					
Other provisions	23	-		*(8,133)*	
			-		*(8,133)*
Retirement benefit obligations	27		-		*(4,581)*
Net assets			**325,951**		*38,184*

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

	Note	2020 £000	*2019 £000*
Capital and reserves			
Called up share capital	25	**11,637**	*11,637*
Share premium account		**17,940**	*17,940*
Profit and loss account		**296,374**	*8,607*
		325,951	*38,184*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 June 2021.

T O'Dwyer
Director

The notes on pages 22 to 59 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2020	11,637	17,940	8,607	38,184
Comprehensive income for the year				
Profit for the year	-	-	305,175	305,175
Deferred tax movements	-	-	92	92
Total comprehensive income for the year	-	-	305,267	305,267
Dividends	-	-	(17,500)	(17,500)
Total transactions with owners	-	-	(17,500)	(17,500)
At 31 December 2020	11,637	17,940	296,374	325,951

The notes on pages 22 to 59 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital	Share premium account	Hedging reserves	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 January 2019	11,637	17,940	386	3,299	33,262
Profit for the year	-	-	-	5,494	5,494
Remeasurements of post-employment benefit obligations (net)	-	-	-	(840)	(840)
Foreign exchange hedges	-	-	(386)	-	(386)
Other comprehensive expense for the year	-	-	(386)	(840)	(1,226)
Total comprehensive income for the year	-	-	(386)	4,654	4,268
Share based payment transactions	-	-	-	654	654
At 31 December 2019	11,637	17,940	-	8,607	38,184

The notes on pages 22 to 59 form part of these financial statements.

1. General information

The Company is a private company limited by share capital incorporated, domiciled and registered in England, United Kingdom.

The address of its registered office is:
The St Botolph Building
138 Houndsditch
London
EC3A 7AW

These financial statements were authorised for issue by the Board on 22 June 2021.

2. Accounting policies

2.1 Basis of preparation of financial statements

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

2. Accounting policies (continued)

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

2.3 Exemption from preparing group financial statements

The Company is a wholly owned subsidiary of JLT EB Holdings Limited and of its ultimate parent, Marsh & McLennan Companies, Inc. It is included in the consolidated financial statements of Marsh & McLennan Companies, Inc which are publically available. Therefore the Company is exempt by virtue of section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

2. Accounting policies (continued)

2.4 Going concern

These financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006.

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the business review, which forms part of the Strategic Report. The Strategic Report also describes the financial position of the Company; its cash flows and liquidity risk; the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposure to credit risk and liquidity risk.

The Company meets its day-to-day working capital requirements from corporate cash balances. The current economic conditions create uncertainty particularly over (a) the level of demand for the Company's services; (b) the exchange rate between sterling and foreign currencies; and (c) the Company's cost base. The Company continues to monitor the uncertainty in the current economic and business environment including the impact of the Covid-19 pandemic, and the directors are satisfied that the Company's ongoing services will continue to be attractive to clients.

Having assessed the responses to their enquiries, including those related to Covid-19, the directors have no reason to believe that a material uncertainty exists that may cast significant doubt upon the ability of the Company to continue as a going concern.

The directors acknowledge the latest guidance on going concern. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of twelve months from the date of approval of the financial statements and, therefore, they continue to adopt the going concern basis in preparing the annual financial statements.

2.5 New international reporting standards, amendments and interpretations effective in 2020

There are no new accounting standards, amendments to accounting standards or IFRIC interpretations that are effective for the year ended 31 December 2020 which have a material impact on the Company's financial statements.

2. Accounting policies (continued)

2.6 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges. Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available for-sale financial assets, are included in other comprehensive income.

2. Accounting policies (continued)

2.7 Revenue

Revenue comprises both commission and fees for the services undertaken to place and administer employee benefits arrangements and for other related services. Revenue may comprise a combination of fees, commissions and other forms of variable consideration. The transaction price considers all of the elements for each contract and applies constraints to variable consideration based on the past performance of similar contracts.

Where past performance has been volatile and has little predictive value, the constraint applied can be significant. Where appropriate revenue is deferred to account for the possibility of a cancellation or a refund liability. Performance obligations are assessed on the basis of the specific arrangements in the contract, or where such is not defined, on the basis of each separate and distinct obligation for which a market value can be ascribed.

The Company satisfies some performance obligations at a point in time, and others over time where the customer is receiving a simultaneous benefit, or the Company has a contractual right to payment for the work both performed and transferred to the client.

For contracts where the revenue is expected to be collected more than 1 year from its recognition and is not an estimate of a variable amount, consideration is given to the time value of money. Where relevant the deemed interest is recognised as a component of finance income.

Where the value of revenue is beyond the control of the Company and it cannot be estimated reliably, it will not be recognised until the amount is known with reasonable certainty. In these cases any associated costs are expensed as incurred.

Contract warranties and indemnities are not a significant feature of the Company's business.

Incremental costs to obtain a contract and contract fulfilment costs are capitalised and amortised to profit or loss on a systematic basis to match the recognition of revenue as the service is delivered to the client. Such costs are capitalised only where the Company expects to recover these costs, and, in the case of incremental costs to obtain a contract, where the amortisation period of the asset is more than 1 year. Additionally, in respect of contract fulfilment costs, these costs must relate directly to the contract, generate assets used to satisfy the contractual performance obligations, and do not qualify to be recognised as an asset under other accounting standards.

Assets recognised on the Company's balance sheet arising from the capitalisation of incremental costs to obtain a contract and contract fulfilment costs are presented as part of contract assets.

Contract assets
Where goods or services are transferred to the customer before the customer pays consideration, or before payment is due, Contract assets are recognised. Contract assets are included in the statement of financial position and represent the right to consideration for products delivered.

Contract assets are classified as current and non-current based on the Company's normal operating cycle and are assessed for impairment at each reporting date.

Contract liabilities
Contract liabilities and customer deposits are recognised in the statement of financial position when the Company has received consideration but still has an obligation to deliver products and meet performance obligations for that consideration.

2. Accounting policies (continued)

Employee benefits
Fee-based revenue is recognised in line with the distinct and separate performance obligations in the contract.

Fulfilment costs, which may include data transfer and other set up costs, are amortised in line with the recognition of revenue for the specific performance obligation.

The likelihood of cancellation is assessed based on past performance of similar contracts and a resulting deferral of revenue is made.

Commission-based remuneration revenue is considered to be wholly related to the placement activity and recognised at the later of the policy inception date, or the date on which the placement is complete and confirmed.

Other services
These are mainly fee-based arrangements and revenue is recognised in line with the distinct and separate performance obligations in the contract.

Fulfilment and other incremental costs to obtain the contract are capitalised where they are expected to be recovered and amortised as the revenue is recognised for each specific performance obligation.

Fees and other income receivable are recognised in the period to which they relate and when they can be measured with reasonable certainty.

2.8 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.9 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Leases

Definition
A lease is a contract, or a part of a contract, that conveys the right to use an asset or a physically distinct part of an asset ('the underlying asset') for a period of time in exchange for consideration. Further, the contract must convey the right to the company to control the asset or a physically distinct portion thereof. A contract is deemed to convey the right to control the underlying asset if, throughout the period of use, the Company has the right to:

- obtain substantially all the economic benefits from the use of the underlying asset; and
- direct the use of the underlying asset (eg direct how and for what purpose the asset is used)

2. Accounting policies (continued)

2.10 Leases (continued)

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Initial recognition and measurement
The Company initially recognises a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term. The lease liability is measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments, purchase options at exercise price (where payment is reasonably certain), expected amount of residual value guarantees, termination option penalties (where payment is considered reasonably certain) and variable lease payments that depend on an index or rate.

The right-of-use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments, lease incentives received, the company's initial direct costs (e.g., commissions) and an estimate of restoration, removal and dismantling costs.

Subsequent measurement
After the commencement date, the Company measures the lease liability by:
a) increasing the carrying amount to reflect interest on the lease liability;
b) reducing the carrying amount to reflect the lease payments made; and
c) re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in substance fixed lease payments or on the occurrence of other specific events.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. Interest charges are included in finance cost in the income statement, unless the costs are included in the carrying amount of another asset applying other applicable standards. Variable lease payments not included in the measurement of the lease liability, are included in operating expenses in the period in which the event or condition that triggers them arises.

The related right-of-use asset is accounted for using the Cost model in IAS 16 and depreciated and charged in accordance with the depreciation requirements of IAS 16 Property, Plant and Equipment as disclosed in the accounting policy for Property, Plant and Equipment. Adjustments are made to the carrying value of the right of use asset where the lease liability is re-measured in accordance with the above. Right of use assets are tested for impairment in accordance with IAS 36 Impairment of assets as disclosed in the accounting policy in impairment.

2. Accounting policies (continued)

2.10 Leases (continued)

Lease modifications
If a lease is modified, the modified contract is evaluated to determine whether it is or contains a lease. If a lease continues to exist, the lease modification will result in either a separate lease or a change in the accounting for the existing lease.

The modification is accounted for as a separate lease if both:
a) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
b) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

If both of these conditions are met, the lease modification results in two separate leases, the unmodified original lease and a separate lease. The Company then accounts for these in line with the accounting policy for new leases. If either of the conditions are not met, the modified lease is not accounted for as a separate lease and the consideration is allocated to the contract and the lease liability is re-measured using the lease term of the modified lease and the discount rate as determined at the effective date of the modification.

For a modification that fully or partially decreases the scope of the lease (e.g., reduces the square footage of leased space), IFRS 16 requires a lessee to decrease the carrying amount of the right-of-use asset to reflect partial or full termination of the lease. Any difference between those adjustments is recognised in profit or loss at the effective date of the modification.

For all other lease modifications which are not accounted for as a separate lease, IFRS 16 requires the lessee to recognise the amount of the re-measurement of the lease liability as an adjustment to the corresponding right-of-use asset without affecting profit or loss.

Short-term and low value leases
The Company has made an accounting policy election, by class of underlying asset, not to recognise lease assets and lease liabilities for leases with a lease term of 12 months or less (i.e., short-term leases). The Company has made an accounting policy election on a lease-by-lease basis, not to recognise lease assets on leases for which the underlying asset is of low value.

Lease payments on short-term and low value leases are accounted for on a straight line bases over the term of the lease or other systematic basis if considered more appropriate. Short-term and low value lease payments are included in operating expenses in the income statements.

Sub leases
If an underlying asset is re-leased by the Company to a third party and the Company retains the primary obligation under the original lease, the transaction is deemed to be a sublease. The Company continues to account for the original lease (the head lease) as a lessee and accounts for the sublease as a lessor (intermediate lessor). When the head lease is a short term lease, the sublease is classified as an operating lease. Otherwise, the sublease is classified using the classification criteria applicable to Lessor Accounting in IFRS 16 by reference to the right-of-use asset in the head lease (and not the underlying asset of the head lease). After classification lessor accounting is applied to the sublease.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

2. Accounting policies (continued)

2.11 Pensions

Defined contribution pension plan

As part of the integration of the JLT entities into the MMC Group, all the Company's employees were transferred to Mercer Limited on 1 January 2020 under the Transfer of Undertakings (Protection of Employment Regulations) ('TUPE').

Prior to the transfer of the Company's employees to Mercer Limited, the Company operated a defined contribution plan for its employees.

Under the defined contribution plan, the Company paid fixed contributions into a separate entity. Once the contributions were paid the Company had no further payment obligations.

The contributions were recognised as an expense in profit or loss when they became due. Amounts not paid were shown in accruals as a liability in the Balance Sheet. The assets of the plan were held separately from the Company in independently administered funds.

Defined benefit pension plan

The Company was a participating employer in the JLT Pension Scheme (the 'Scheme') until 1 January 2020, when it settled its defined benefit obligations in the Scheme via a flexible apportionment arrangement to Mercer Limited.

Prior to the settlement of its defined benefit pension scheme obligations, the Company operated a defined benefit plan for certain employees.

A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Balance Sheet in respect of the defined benefit plan was the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations were to be settled.

The defined benefit obligation was calculated using the projected unit credit method. Annually the company engaged independent actuaries to calculate the obligation. The present value was determined by discounting the estimated future payments using market yields on high quality corporate bonds that were denominated in the currency in which the benefits will be paid, and that had terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets was measured in accordance with the FRS 101 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This included the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions were charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, were disclosed as 'Remeasurement of net defined benefit liability'.

2. Accounting policies (continued)

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:
a) the increase in net pension benefit liability arising from employee service during the period; and
b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost was calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost was recognised in profit or loss as a finance expense.

2.12 Share-based payments

Prior to acquisition by Marsh and McLennan Companies, Inc. the JLT Group operated an equity-settled, share-based compensation plan, under which the entity received services from employees as consideration for equity instruments (options) of the ultimate parent company Jardine Lloyd Thompson Group plc.

Where share options were awarded to employees, the fair value of the options at the date of grant was charged to profit or loss over the vesting period. Non-market vesting conditions were taken into account by adjusting the number of equity instruments expected to vest at each Balance Sheet date so that, ultimately, the cumulative amount recognised over the vesting period was based on the number of options that eventually vest. Market vesting conditions were factored into the fair value of the options granted. The cumulative expense was not adjusted for failure to achieve a market vesting condition.

The fair value of the award also took into account non-vesting conditions. These were either factors beyond the control of either party (such as a target based on an index) or factors which were within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options were modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, was also charged to profit or loss over the remaining vesting period.

Where equity instruments were granted to persons other than employees, profit or loss was charged with fair value of goods and services received.

2. Accounting policies (continued)

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. Accounting policies (continued)

2.14 Intangible assets and amortisation

Goodwill arising on acquisition
Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the identifiable net assets of the acquired business at the date of acquisition.

Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of a business include the carrying amount of goodwill relating to the business sold. Goodwill is allocated to cash generating units, or groups of cash generating units, for the purpose of impairment testing. Cash generating units represent the lowest level of geographical and business segment combinations that the Company uses for internal reporting purposes.

Computer software
Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire them and bring them to use. These costs are amortised over their estimated useful lives. Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

Development costs that are directly associated with the production of identifiable and unique software products controlled by the Company, and that will generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads. Capitalised development costs are amortised over their estimated useful lives from the point when the asset is ready to use.

The rates of amortisation are between 14% and 100% per annum.

Other intangible assets
For acquisitions completed after 1st January 2004, the business acquired is reviewed to identify assets that meet the definition of an intangible asset per IAS 38. Examples of such assets include customer contracts, expectations of business renewal and contract related customer relationships. These assets are valued on the basis of the present value of future cash flows and are amortised to the income statement over the life of the contract or their estimated economic life.
The current maximum estimated economic life is fifteen years.

2.15 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Following the acquisition of the Company by MMC group the depreciation rates applied by the Company were reviewed and the decision taken to align rates with MMC policies as these were the most appropriate for the Company.

The depreciation rates are reviewed on an annual basis.

2. Accounting policies (continued)

2.15 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- over the remaining life of the lease, limited to a period not exceeding 10 years (previously between 10% and 20% per annum or over the life of the lease).
Fixtures, fittings & equipments	- 3 to 10 years (previously between 10% and 20% per annum)
Other property, plant and equipment	- 3 to 5 years (previously between 20% and 100% per annum).

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.16 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.17 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2. Accounting policies (continued)

2.18 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.

Unbilled debtors
Unbilled debtors represent work in progress ('WIP'). The WIP balance represented unbilled revenues which must be assessed for recoverability and provided against where appropriate. WIP is stated at the lower of cost and net realisable value and comprises direct labour costs and those overheads that have been incurred in bringing WIP to its present condition. WIP is calculated by means of a time recording system, the net realisable value represents the estimated selling price less all estimated costs of completion

2.19 Cash and cash equivalents

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

2.20 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.21 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.22 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

2. Accounting policies (continued)

2.22 Financial instruments (continued)

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Fair value through profit or loss

All of the Company's financial assets other than those which meet the criteria to be measured at fair value through other comprehensive income are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Debt instruments at fair value through other comprehensive income

Debt instruments are subsequently measured at fair value through other comprehensive income where they are financial assets held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity instruments at fair value through other comprehensive income

On initial recognition of an investment in equity instrument, the Company may make an irrevocable election to designate the financial assets as at fair value through other comprehensive income, providing that it is not held for trading nor is it contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised or at FVOCI. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

2. Accounting policies (continued)

2.22 Financial instruments (continued)

Financial liabilities

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss, when the financial liability is held for trading, or is designated as at fair value through profit or loss. This designation may be made if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or the financial liability forms part of a group of financial instruments which is managed and its performance is evaluated on a fair value basis, or the financial liability forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss. Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business *combination, held for trading, nor designated as at fair value through profit or loss are subsequently* measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

Offsetting financial instruments
Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

Derivative financial instruments and hedge accounting
Until the acquisition of the JLT Group by the MMC Group on 1 April 2019 the Company held derivative financial instruments. These were all terminated during 2019 and the Group no longer holds these instruments in line with MMC group policy.

The Company only entered into derivative financial instruments in order to hedge underlying financial and commercial exposures.

Derivative financial instruments were initially recognised at fair value on the date a derivative contract was entered into and were subsequently re-measured at their fair value.

The method of recognising the resulting gain or loss was dependent on the nature of the item being hedged.

The Company designated derivatives as either a hedge of the fair value of a recognised asset or liability (fair value hedge), a hedge of a forecasted transaction or of the foreign currency risk on a firm commitment (cash flow hedge), or a hedge of a net investment in a foreign entity (net investment hedges).

2. Accounting policies (continued)

2.22 Financial instruments (continued)

Changes in the fair value of derivatives that were designated and qualified as fair value hedges and that were highly effective, were recorded in the income statement, along with any changes in the fair value of the hedged asset or liability that is attributable to the hedged risk.

Changes in the fair value of derivatives that were designated and qualified as cash flow hedges and that were highly effective, were recognised in equity. Where the forecasted transaction or firm commitment resulted in the recognition of a non-financial asset or of a non-financial liability, the gains and losses previously deferred in equity were transferred from equity and included in the initial measurement of the cost of the asset or liability. Otherwise, amounts deferred in equity were transferred to the consolidated income statement and classified as income or expense in the same periods during which the hedged firm commitment or forecasted transaction affected the income statement.

The gain or loss relating to the ineffective portion was recognised immediately in the income statement.

When a hedging instrument expired or was sold, any cumulative gain or loss existing in equity at that time remained in the hedging reserves and was reclassified to the income statement when a hedge no longer met the criteria for hedge accounting or when the committed or forecasted transaction ultimately occurred. When a committed or forecasted transaction was no longer expected to occur, the cumulative gain or loss that was reported in equity was immediately recognised in the income statement.

Until the termination of derivative financial instruments, the Company elected to apply the hedge accounting provisions contained in Financial Instruments (IAS 39) as permitted by paragraph 7.2.21 of IFRS 9. The ensuing accounting policies reflected the hedge accounting provisions under IAS 39.

2.23 Dividends

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

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Critical accounting estimates and judgments
In the application of the Company's accounting policies, which are described above, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. There are not any judgments that are significant enough to disclose. 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.

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.

Impairment of trade receivables
The Company makes an estimate of the recoverable value of trade and other debtors, and work in progress balances. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

Errors and omissions liability
During the ordinary course of business the Company can be subject to claims for errors and omissions made in connection with its business activities.

A balance sheet provision is established in respect of such claims when it is probable that the liability has been incurred and the amount of the liability can be reasonably estimated.

The Company analyses its litigation exposures based on available information, including external legal consultation where appropriate, to assess its potential liability.

The outcome of the currently pending and future proceedings cannot be predicted with certainty. Thus, an adverse decision in a current or future lawsuit could result in additional costs that are not covered, either wholly or partially, under insurance policies and are in excess of the presently established provisions. It is possible therefore that the financial position, results of operations or cash flows of the Company could be materially affected by the unfavourable outcome of litigation.

The Company's errors and omissions balance was transferred to Mercer Limited on 3 August 2020.

Revenue recognition
Revenue is required to be recognised on the basis of completed performance obligations. The extent of contract assets and liabilities recognised is dependent on a number of judgements namely:

- the number of performance obligations in a single contract;
- the determination of whether a performance obligation has been completed; and
- the costs and time associated with the various performance obligations.

The Company determines these judgements for a portfolio of contracts based on the geographical location of the underlying business based on the results of various surveys conducted. If actual experiences differs from what was originally expected this may have an impact on the profits.

3. Judgments in applying accounting policies (continued)

Revenue recognition (continued)

Revenue is recognised when separate performance obligations are completed and the Company is entitled to consideration for the services completed to date. A key judgement in this business is the identification of the various performance obligations and determining whether the contract contains revenue that should be recognised over the contractual periods based on the Company's right to compensation for services during the contract timeframe.

4. Turnover

The analysis of the Company's turnover for the year, which all originates in the United Kingdom, is as follows:

	2020	*2019*
	£000	*£000*
Employee benefit services	**69,941**	*124,488*
	69,941	*124,488*

	2020	*2019*
	£000	*£000*
Continuing operations	**2,837**	*2,726*
Discontinued operations	**67,104**	*121,762*
	69,941	*124,488*

5. Operating profit/(loss)

The operating profit/(loss) is stated after charging/(crediting)

	2020	*2019*
	£000	*£000*
Depreciation of tangible fixed assets	**262**	*506*
Depreciation expense – right-of-use assets	**824**	*721*
Amortisation of intangible assets, including goodwill	**24**	*1,230*
Exchange differences	**-**	*(411)*

6. Disposal of trade, assets and liabilities

On 3 August 2020, the Company sold its trade, assets and liabilities to Mercer Limited, an indirect parent company. This sale excluded the trade and assets in relation to Self Invested Personal Pensions (SIPPs) and Small Self Administered Schemes (SSASs) businesses. The goodwill balances held by the Company related to the trade sold and have been written off.

This transaction resulted in the Company recognising a profit on disposal of business of £272.9m.

7. Disposal of subsidiaries

On 31 May 2019, the Company disposed of its investments of 100% of the issued share capital in Independent Trustee Services Limited and Leadenhall Independent Trustees Limited.

	2019
	£000
Consideration received	*125*
Consideration converted into a loan	*4,500*
Costs to sell	*(498)*
Carrying value of investment prior to disposal	*(822)*
Profit on disposal	*3,305*

Independent Trustee Services Limited's principal activity is to act as independent corporate trustees to pension funds. Leadenhall Independent Trustees Limited's principal activity is also to act as independent corporate trustees to pension funds although its client base has been wound up. Independent Trustee Services Limited represents more than 99% of the two legal entities combined.

8. Auditor's *remuneration*

	2020	*2019*
	£000	*£000*
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	**32**	*176*
Audit related assurance services	**8**	*8*
	40	*184*

9. Employees

Staff costs, including directors' remuneration, were as follows:

	2020 £000	2019 £000
Wages and salaries	26,159	56,068
Social security costs	2,818	6,606
Cost of defined benefit scheme	-	10
Cost of defined contribution scheme	3,058	5,056
	32,035	67,740

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Other department	-	1,003

As part of the integration of the JLT entities into the MMC Group, all the Company's employees were transferred to Mercer Limited on 1 January 2020 under the Transfer of Undertakings (Protection of Employment Regulations) ('TUPE'). The Company has been charged and bears the cost for the remuneration and other associated benefits paid on its behalf by fellow group subsidiaries.

10. Directors' remuneration

	2020 £000	2019 £000
Directors' emoluments	91	2,717
Company contributions to defined contribution pension schemes	-	58
Compensation for loss of office	65	-
	156	2,775

10. Directors' remuneration (continued)

During the year, the number of directors who were receiving benefits and share incentives was as follows:

	2020 No.	2019 No
Received or were entitled to receive shares under long term incentive schemes	-	8
Exercised share options	-	5
Accruing benefits under money purchase pension scheme	-	6

In respect of the highest paid director:

	2020 £000	2019 £000
Remuneration	-	913,892
Company contributions to money purchase pension schemes	-	-
New share options granted in the year were	-	18,420

11. Interest receivable

	2020 £000	2019 £000
Interest receivable from group companies	1,076	172
Other interest receivable - third party	192	474
	1,268	646

12. Interest payable and similar expenses

	2020 £000	2019 £000
Other interest payable	-	113
Interest expense on leases liabilities	133	233
	133	346

13. Taxation

	2020 £000	*2019* *£000*
Corporation tax		
Current tax on profits for the year	**1,858**	*(1,756)*
Adjustments in respect of previous periods	**83**	*(154)*
	1,941	*(1,910)*
Foreign tax		
Foreign tax on income for the year	**695**	*-*
	695	*-*
Total current tax	**2,636**	*(1,910)*
Deferred tax		
Origination and reversal of timing differences	**(164)**	*651*
Changes to tax rates	**(33)**	*82*
Adjustments in respect of prior years	**-**	*107*
Total deferred tax	**(197)**	*840*
Taxation on profit/(loss) on ordinary activities	**2,439**	*(1,070)*

13. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than *(2019 - lower than)* the standard rate of corporation tax in the UK of 19% *(2019 - 19%)*. The differences are explained below:

	2020 £000	*2019* *£000*
Profit on ordinary activities before tax	**307,614**	*4,424*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	**58,446**	*841*
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	**260**	*-*
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**25**	*560*
Adjustments to tax charge in respect of prior periods	**83**	*(47)*
Foreign tax	**695**	*-*
Changes to tax rates	**(32)**	*82*
Non-taxable income	**(57,038)**	*(2,429)*
Rate differences on current year movement	**-**	*(77)*
Total tax charge/(credit) for the year	**2,439**	*(1,070)*

Factors that may affect future tax charges

Following the Budget announcement on 3 March 2021 the UK Corporation Tax rate will be increased to 25% from 1 April 2023.

14. Intangible assets

	Computer software £000
At 1 January 2020	**898**
Transfer on disposal of business	**(898)**
At 31 December 2020	**-**
At 1 January 2020	**837**
Charge for the year on owned assets	**24**
Transfer on disposal of business	**(861)**
At 31 December 2020	**-**
Net book value	
At 31 December 2020	**-**
At 31 December 2019	*61*

15. Goodwill

	2020 £000
Cost	
At 1 January 2020	**4,743**
Disposals	**(4,743)**
At 31 December 2020	**-**
Amortisation	
At 1 January 2020	**(1,889)**
On disposals	**1,889**
At 31 December 2020	**-**
Net book value	
At 31 December 2020	**-**
At 31 December 2019	*2,854*

On 3 August 2020, the Company sold its trade, assets and liabilities to Mercer Limited, an indirect parent company in the Group. The goodwill balances held by the Company related to the trade sold and have been written off in 2020.The write off is included within profit on disposal of business in the profit and loss account.

16. Tangible fixed assets

	Right-of-use assets-Land & Buildings £000	Fixtures, fittings & *equipment* £000	Other Property, plant and *equipment* £000	Total £000
Cost or valuation				
At 1 January 2020	8,117	2,608	8,599	19,324
Transfer on disposal of business	-	(2,608)	(8,599)	(11,207)
Disposals	(272)	-	-	(272)
Reassignment of lease to a fellow group subsidiary	(6,322)	-	-	(6,322)
At 31 December 2020	1,523	-	-	1,523
Depreciation				
At 1 January 2020	721	2,360	7,791	10,872
Charge for the year on owned assets	824	51	211	1,086
Transfer on disposal of business	-	(2,411)	(8,002)	(10,413)
Disposals	(272)	-	-	(272)
Lease modification	2,318	-	-	2,318
Impairment charge	799	-	-	799
Reassignment of lease to a fellow group subsidiary	(3,983)	-	-	(3,983)
At 31 December 2020	407	-	-	407
Net book value				
At 31 December 2020	1,116	-	-	1,116
At 31 December 2019	*7,396*	*248*	*808*	*8,452*

The Company adopted IFRS 16 'Leases' on 1 January 2019 resulting in the recognition of right-of-use assets. The impairment charge is included within administrative expenses in the profit and loss account.

17. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2020	**4,385**
At 31 December 2020	**4,385**
Impairment	
At 1 January 2020	**731**
Charge for the period	**1,371**
At 31 December 2020	**2,102**
Net book value	
At 31 December 2020	**2,283**
At 31 December 2019	*3,654*

On 3 August 2020, CPRM Limited, a wholly owned subsidiary, sold its trade, assets and liabilities to Mercer Limited, an indirect parent company and subsequently distributed a dividend to the Company. As a result, an impairment charge of £1,371,000 has been made against the carrying value of the investment in this subsidiary.

Details of the subsidiaries as at 31 December 2020 are set below, all the subsidiaries are either trustee companies or non-trading apart from Marsh McLennan Global Services India Private Limited (formerly Jardine Lloyd Thompson India Private Limited).

17. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Aldgate Trustees Limited	The St Botolph Building, 138 Houndsditch, London, EC3A 7AW, England	Corporate Trustee	Ordinary	100%
CPRM Limited	Lochside House, 7 Lochside Avenue, Edinburgh, EH12 9DJ, Scotland	In run off (previously a Pensions Administrator)	Ordinary	100%
Gracechurch Trustees Limited	The St Botolph Building, 138 Houndsditch, London, EC3A 7AW, England	Dormant	Ordinary	100%
Gresham Pension Trustees Limited	The St Botolph Building, 138 Houndsditch, London, EC3A 7AW, England	Corporate Trustee	Ordinary	100%
Marsh McLennan Global Services India Private Limited (formerly Jardine Lloyd Thompson India Private Limited)	1001-A, Supreme Business Park, Supreme City, Hiranandani Gardens, Powai,Mumbai, Maharashtra, 400076, India	Pensions Administrator	Ordinary	90%
Personal Pension Trustees Limited	The St Botolph Building, 138 Houndsditch, London, EC3A 7AW, England	Corporate Trustee	Ordinary	100%
Portsoken Trustees Limited	The St Botolph Building, 138 Houndsditch, London, EC3A 7AW, England	Corporate Trustee	Ordinary	100%
Portsoken Trustees (No.2) Limited	The St Botolph Building, 138 Houndsditch, London, EC3A 7AW, England	Corporate Trustee	Ordinary	100%
Premier Pension Trustees Limited	The St Botolph Building, 138 Houndsditch, London, EC3A 7AW, England	Corporate Trustee	Ordinary	100%

Gracechurch Trustees Limited was dissolved on 16 March 2021.

17. Fixed asset investments (continued)

Subsidiary undertakings (continued)

The net assets value of the investments as at 31 December 2020 for the subsidiary undertakings was as follows:

Name	Net asset value of investment £000
Aldgate Trustees Limited	**249**
CPRM Limited	**849**
Gracechurch Trustees Limited	**63**
Gresham Pension Trustees Limited	**5**
Marsh McLennan Global Services India Private Limited (formerly Jardine Lloyd Thompson India Private Limited)	**21,603**
Personal Pension Trustees Limited	**5**
Portsoken Trustees Limited	**47**
Portsoken Trustees (No.2) Limited	**122**
Premier Pension Trustees Limited	**1,280**

18. Debtors

	2020 £000	*2019 £000*
Trade receivables	**678**	*28,768*
Amounts owed by group undertakings	**356,022**	*97,935*
Other receivables	**-**	*15,015*
Prepayments and accrued income	**213**	*790*
Contract assets	**-**	*23,349*
Corporation tax	**-**	*2,405*
Deferred taxation	**-**	*1,054*
Amounts recoverable from group undertakings - tax	**140**	*-*
	357,053	*169,316*

Included within amounts owed by group undertakings is an interest bearing loan to Mercer Limited for £314.8m. The loan attracts interest at LIBOR + 0.5645% margin. The loan is unsecured and repayable in November 2021. Other amounts owed by group undertakings are unsecured, interest free and repayable on demand.

19. Cash and cash equivalents

	2020 £000	2019 £000
Cash at bank and in hand	30	1,505
	30	1,505

20. Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Accrued expenses	-	2,074
Amounts due to group undertakings	32,606	108,639
Corporation tax	761	-
Other taxation and social security	-	316
Lease liabilities	358	947
Other payables	-	13,606
Contract liabilities	6	2,366
	33,731	127,948

Amounts due to group undertakings are unsecured, interest free and repayable on demand.

21. Creditors: Amounts falling due after more than one year

	2020 £000	2019 £000
Lease liabilities	800	6,996
	800	6,996

22. Deferred taxation

	2020 £000	2019 £000
At beginning of year	**1,054**	*2,151*
Charged to profit or loss	**196**	*(840)*
Charged to other comprehensive income	**92**	*(335)*
Arising on business combinations/disposals	**(1,342)**	*78*
At end of year	**-**	*1,054*

The deferred tax asset is made up as follows:

	2020 £000	2019 £000
Accelerated capital allowances	**-**	*265*
Short term timing difference	**-**	*789*
	-	*1,054*

Following enactment of the Finance Bill 2020 on 22 July 2020, the UK Corporation Tax rate (from 1 April 2020) has been maintained at 19% and has not reduced to 17% as previously legislated. Deferred tax timing differences have been provided for at the enacted tax rate at the balance sheet date. The Budget announcement on 3 March 2021 included an increase in the UK Corporation Tax rate to 25% from 1 April 2023. There are no unrecognised deferred tax balances.

23. Provisions

	Litigation provision £000	Severance provision £000	Other provision £000	Total £000
At 1 January 2020	8,053	51	29	8,133
Provision released	-	-	(29)	(29)
Transferred on business disposal	(8,053)	(43)	-	(8,096)
Provision utilised	-	(8)	-	(8)
At 31 December 2020	-	-	-	-

Litigation provisions
At any point in time the Company can be involved in a variety of litigation and dispute issues. A provision is established in respect of such issues when it is probable that the liability has been incurred and the amount of the liability can be reasonably estimated. The Company analyses its litigation exposures based on available information, including external legal consultation where appropriate, to assess its potential liability. Where appropriate the Company also provides for the cost of defending or initiating such matters. However, the final outcome could differ materially from the amount provided.

Severance provision
A severance provision was created during the year ended 31 December 2019 recognising the potential payments to be made to employees due to exit the Company.

Other provisions
Other provisions is a combination of dilapidation, deferred consideration & commission indemnity provisions.

24. Lease liability

The Company leases office buildings in the UK. The maturity analysis of the future cash flows associated with lease liabilities is as follows:

Undiscounted cash flows

	2020 £000	*2019 £000*
Due within 1 year	378	*1,164*
Due within 1-2 year	190	*1,164*
Due in 2-5 years	634	*3,183*
Due in more than 5 years	-	*3,563*
	1,202	*9,074*

25. Share capital

	2020 **£000**	*2019* *£000*
Allotted, called up and fully paid		
116,365,811 *(2019 - 116,365,811)* Ordinary shares of £0.10 each	**11,637**	*11,637*

26. Share-based payments

Senior Executive Share Scheme

The Group operated a Senior Executive Share Scheme for senior management and employees. Awards under the scheme were granted in the form of nil-priced options and were satisfied using market-purchased shares. The majority of awards had no specific performance criteria attached, other than the requirement that employees remained in employment with the JLT Group. Certain awards were granted with specific performance targets defined for the individual executives. In general these required targets for revenue and profit growth to be met over the vesting period. The awards had a 10 year life from the date of grant. Options granted prior to 1 January 2014 attracted unconditional DDEs throughout the vesting period, this meant that DDEs were paid to the option holders as and when dividends were paid to ordinary shareholders, there was no clawback on the dividends in the event of a forfeiture of the options. The options granted post 1 January 2014 attracted DDEs that were rolled up and paid in cash, on vesting. The JLT Group amended the plan rules on the 8 June 2016. From that date, all vested options were no longer eligible to DDEs.

All options granted under the share option schemes were conditional upon the employees remaining in the Group's employment during the vesting period of the option, the actual period varied according to the scheme in which the employee participates. In calculating the cost of options granted, anticipated lapse rates for the JLT Long Term Incentive Plan (2004/2013) and the Senior Executive Share Scheme were nil as both were issued with no cost to the employee.

All the outstanding share awards vested on the completion of the Marsh & McLennan companies' acquisition of the JLT Group and this revision to the expected vesting date was reflected in the amortisation charge in the income statement for 2018.

The following table illustrates the number and weighted average exercise prices ('WAEP') of share options exercised during the year, the outstanding options and the remaining contractual life:

	Weighted average exercise price (pence) 2020	**Number 2020**	*Weighted average exercise price (pence) 2019*	*Number 2019*
Outstanding at the beginning of the year	-	-	*1,915*	*397,913*
Exercised during the year	-	-	*1,915*	*(397,913)*

27. Pension commitments

Defined contribution pension scheme

The Company operated a defined contribution pension scheme. As part of the integration of the JLT entities into the MMC Group, the employees of the Company were transferred to Mercer Limited, an indirect parent company, prior to or on 1 January 2020. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £nil (2019: £1,640,464).

Defined benefit pension scheme- Jardine Lloyd Thompson UK Pension Scheme

The Company was a participating employer in the JLT Pension Scheme (the 'Scheme') until 1 January 2020, when it settled its defined benefit obligations in the Scheme via a flexible apportionment arrangement to Mercer Limited. The latest finalised statutory funding valuation of the Scheme was as at 31 March 2017. This valuation was updated to 1 January 2020 by a qualified actuary employed by Mercer Limited.

Reconciliation of present value of plan liabilities:

	2020	*2019*
	£000	*£000*
Reconciliation of present value of plan liabilities		
At the beginning of the year	**16,151**	*13,893*
Interest cost	-	*382*
Actuarial gains/losses	-	*2,342*
Benefits paid	-	*(466)*
Gain on settlement	**(4,581)**	-
Liabilities extinguished on settlement	**(11,570)**	-
At the end of the year	-	*16,151*

Composition of plan liabilities:

	2020	*2019*
	£000	*£000*
Funded	-	*16,151*
Total plan liabilities	-	*16,151*

27. Pension commitments (continued)

Reconciliation of present value of plan assets:

	2020 £000	2019 £000
At the beginning of the year	**11,570**	*10,039*
Current service cost	-	*(10)*
Actuarial gains/losses	-	*1,331*
Contributions	-	*396*
Benefits paid	-	*(466)*
Past service cost	-	*280*
Assets distributed on settlement	**(11,570)**	-
At the end of the year	-	*11,570*

Composition of plan assets:

	2020 £000	2019 £000
Equities	-	*2,483*
Diversified Growth funds	-	*1,990*
Buy-in assets	-	*4,727*
Equity-linked LDI	-	*2,178*
Cash	-	*192*
Total plan assets	-	*11,570*

	2020 £000	2019 £000
Fair value of plan assets	-	*11,570*
Present value of plan liabilities	-	*(16,151)*
Net pension scheme liability	-	*(4,581)*

27. Pension commitments (continued)

The amounts recognised in profit or loss are as follows:

	2020 £000	2019 £000
Expenses	-	10
Interest cost	-	382
Expected return on assets	-	(280)
Total	-	112
Actual return on scheme assets	-	1,611
	-	1,611

Reconciliation of fair value of plan liabilities were as follows:

	2020 £000	2019 £000
Opening defined benefit obligation	(4,581)	(3,853)
Current service cost	-	(113)
Contributions by scheme participants	-	396
Actuarial gains and (losses)	-	(1,011)
Liabilities discharged on settlement of scheme	4,581	-
Closing defined benefit obligation	-	(4,581)

28. Post balance sheet events

On 2 June 2021 the Board of directors agreed a reduction in capital of the Company whereby the share capital is reduced to £1 by extinguishing £11,636,582 of shares and the share premium account is reduced to £nil from £17,940,383. A total of £29,576,965 has been credited to the Company's profit and loss account reserves as a result of this transaction.

29. Controlling party

The Company's immediate parent is JLT EB Holdings Limited.

On 1 April 2019 the Company's ultimate parent company, JLT Group Holdings Limited (formerly Jardine Lloyd Thompson Group plc), was acquired by Marsh & McLennan Companies, Inc which became the Company's ultimate parent undertaking at that date.

For the period ended 31 December 2020 the smallest and largest group in which the results of the Company are consolidated is Marsh & McLennan Companies, Inc. The consolidated financial statements of Marsh & McLennan Companies, Inc are available to the public and may be obtained from:

Companies House
Crown Way
Cardiff
CF14 3UZ

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