

**Company Registration No. 4688518**

**MMOW LIMITED**

**Report and Financial Statements**

**Year Ended 31 December 2011**

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# **MMOW LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2011**

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**MMOW LIMITED**

**REPORT AND FINANCIAL STATEMENTS 2011**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

J Drzik  
M Cunningham  
T S McDonald

**SECRETARY**

M Brindley

**REGISTERED OFFICE**

1 Tower Place West  
Tower Place  
London  
EC3R 5BU

**AUDITOR**

Deloitte LLP  
Chartered Accountants  
London  
United Kingdom

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## **MMOW LIMITED**

### **DIRECTORS' REPORT**

The directors present their annual report on the affairs of the company, together with the audited financial statements and auditor's report for the year ended 31 December 2011. This directors' report has been prepared in accordance with provisions applicable to companies entitled to the small companies exemption.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company is that of a holding company.

#### **BUSINESS REVIEW**

This business is one of a holding company. The only uncertainties relate to the exposure to foreign exchange and interest rates as the company has two large loans denominated in US dollars. These unrealised foreign exchange gains or losses are subject to UK tax. For the year ended 31 December 2011 the relative strengthening of the pound against the dollar has resulted in exchange gains. The position has not moved significantly subsequent to the year end, and the directors do not anticipate any further significant movement and expect the position to remain fairly consistent.

During the year, there was a group restructuring that resulted in one of the company's subsidiary undertakings, Academe Limited, closing its Singapore subsidiary and selling its trading UK subsidiary, Oliver Wyman Leadership Development Limited, to MMOW Limited at book cost. Additionally, the value of MMOW Limited's investment in Academe Limited was written down by £4,602,462 during the year, representing a write down to its net book value. As part of this restructuring, the company also acquired and disposed of two other companies, Oliver Wyman Consulting Limited and Oliver Wyman Delta Limited. As a result of these transactions, the company incurred a write-off on its investment in Oliver Wyman Delta Limited of £2,603,160.

#### **RESULTS AND DIVIDENDS**

The company reported a loss for the financial year after taxation of £1,742,635 (2010: £8,505,154 loss). No dividend (2010: £nil) was declared and paid on the ordinary shares during the year. The directors do not recommend the payment of a final dividend. An interim dividend of £5,000,000 was received from subsidiary companies (2010: £nil).

#### **GOING CONCERN**

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

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

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## **MMOW LIMITED**

### **DIRECTORS' REPORT (continued)**

#### **DIRECTORS**

The directors of the company during the year ended 31 December 2011, all of whom were directors throughout the year, were

J Drzik  
M Cunningham  
T S McDonald

#### **AUDITOR**

Each of the directors at the date of approval of this report confirms that,

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- (2) the director has taken all the steps he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006

A resolution to re-appoint Deloitte LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting

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

A handwritten signature in black ink, appearing to read 'M Cunningham', written over a horizontal line.

**M CUNNINGHAM**

Director  
24 September 2012

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## **MMOW LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

## MMOW LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MMOW LIMITED

We have audited the financial statements of MMOW Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

#### Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### Scope of the audit of financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies, we consider the implication for our report.

#### Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

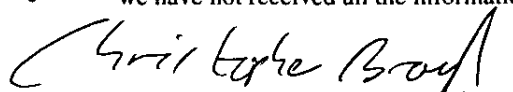
#### Opinion on other matter prescribed by the Companies Act 2006

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report, or
- we have not received all the information and explanations we require for our audit.

  
Christopher Brough (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

27 September 2012

## MMOW LIMITED

### PROFIT AND LOSS ACCOUNT

Year ended 31 December 2011

	Notes	2011 £	2010 £
Write-off of fixed asset investment	7	(7,205,622)	(6,067,956)
Income from fixed asset investment		5,000,000	-
Interest receivable and similar income	2	1,121,630	-
Interest payable and similar charges	3	(604,825)	(3,028,512)
<b>Loss on ordinary activities before taxation</b>	4	(1,688,817)	(9,096,468)
Tax on loss on ordinary activities	6	(53,818)	591,314
<b>Loss for the financial year</b>	13	<u>(1,742,635)</u>	<u>(8,505,154)</u>

All results are derived from continuing operations

The company had no recognised gains or losses other than those reflected in the above profit and loss account for the current year. Accordingly, no statement of total recognised gains and losses has been presented



# MMOW LIMITED

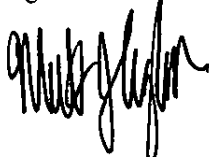
## BALANCE SHEET

As at 31 December 2011

	Notes	2011 £	2010 £
<b>FIXED ASSETS</b>			
Investments	7	71,617,116	67,240,638
<b>CURRENT ASSETS</b>			
Debtors falling due within one year	8	3,335,933	4,277,751
Debtors falling due after more than one year	9	100	100
		3,336,033	4,277,851
<b>CREDITORS: amounts falling due within one year</b>	10	(40,534,044)	(41,579,963)
<b>NET CURRENT LIABILITIES</b>		(37,198,011)	(37,302,112)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		34,419,105	29,938,526
<b>CREDITORS: amounts falling due after more than one year</b>	11	(25,879,194)	(23,837,080)
<b>NET ASSETS</b>		8,539,911	6,101,446
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	4,181,200	100
Profit and loss account	13	(14,167,871)	(12,425,236)
Other reserves	13	18,526,582	18,526,582
<b>SHAREHOLDERS' FUNDS</b>		8,539,911	6,101,446

These financial statements of MMOW Limited, company number 4688518, were approved by the Board of Directors on 24 September 2012

Signed on behalf of the Board of Directors



M CUNNINGHAM

Director

# **MMOW LIMITED**

## **NOTES TO THE ACCOUNTS**

**Year ended 31 December 2011**

### **1. ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with applicable United Kingdom law and accounting standards. The accounting policies adopted by the directors and applied consistently throughout the current and prior period, are summarised below.

#### **Basis of accounting**

The accounts have been prepared under the historical cost convention. The company has taken advantage of section 400 of the Companies Act 2006 and has not prepared group accounts. Consequently these financial statements contain information about the company only and not its group.

#### **Going concern**

The directors have acknowledged the latest guidance on going concern. Whilst the current volatility in financial markets has created general uncertainty, the company has access to considerable financial resources from Marsh & McLennan Companies, Inc. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries and taking into consideration the profitability and financial position of the company, the directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has access to adequate resources to continue in operational existence for the foreseeable future based on a written commitment of financial support from its fellow group undertaking, Oliver Wyman Ltd, which is legally binding. For this reason they continue to adopt the going concern basis in preparing the financial statements.

#### **Fixed asset investments**

Investments are shown at cost less any provision for impairment. Income from investments is included in the accounts of the year in which it is receivable.

#### **Current taxation**

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

#### **Deferred taxation**

In accordance with FRS 19, deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of investment properties where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### **Foreign exchange**

All foreign currency monetary assets and liabilities are recorded at the rate of exchange prevailing at the date of the balance sheet. Transactions in foreign currencies are recorded at the rates of exchange at the dates of the transactions. Translation gains or losses arising during the year are included in the profit and loss account.

#### **Cash flow statement**

The company has taken advantage of the exemption granted by Financial Reporting Standard 1 (Revised 1996), not to prepare a cash flow statement.

## **MMOW LIMITED**

### **NOTES TO THE ACCOUNTS**

**Year ended 31 December 2011**

#### **2. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Gain on foreign exchange	<u>1,121,630</u>	<u>-</u>

#### **3. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Interest payable on intercompany loans	522,001	711,049
Unwinding discount on deferred consideration	82,824	149,255
Foreign exchange loss arising on intercompany loans	-	2,168,208
	<u>604,825</u>	<u>3,028,512</u>

#### **4. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Amount written-off on fixed asset investment	7,205,622	6,067,956
Gain/(loss) on foreign currencies	<u>1,121,630</u>	<u>(2,168,208)</u>

The auditor's remuneration for the audit of the company was £5,000 (2010 £5,000 ) The auditor's remuneration was charged to Oliver Wyman Limited

#### **5. STAFF COSTS**

There are no employees in the current or prior years

The directors received no remuneration for their services to the company in either year

## MMOW LIMITED

### NOTES TO THE ACCOUNTS Year ended 31 December 2011

#### 6. TAX CHARGE/(CREDIT) ON LOSS ON ORDINARY ACTIVITIES

Analysis of charge/(credit) in year	2011 £	2010 £
<b>Current tax</b>		
Corporation tax at 26.5% (2010 – 28%)	53,818	(591,314)

#### Factors affecting the tax (credit)/charge for the year

The tax assessed for the period is lower (2010 – lower) than the standard rate of corporation tax in the UK of 26.5% (2010 – 28%). The differences are explained below

	2011 £	2010 £
Loss on ordinary activities before taxation	(1,688,817)	(9,096,468)
Profit on ordinary activities multiplied by the standard rate of corporation tax of 26.5% (2010 – 28%)	(447,536)	(2,547,011)
Effects of		
Group relief for nil consideration	(26,033)	(15,223)
Amounts written off investments	1,909,490	-
UK to UK transfer pricing adjustments	(79,052)	230,100
UK dividend income	(1,325,000)	-
Expenses not deductible for tax purposes	21,949	1,740,820
Total current tax charge/(credit)	53,818	(591,314)

The UK to UK transfer pricing item relates to the need to reflect arm's length prices for tax purposes to all inter group transactions

The government reduced the main rate of Corporation tax in the Finance Act 2011 from 28% to 26% from April 2011, and to 25% from April 2012. The rate of corporation tax for the accounting period 1 January 2011 to 31 December 2011 is 26.5%. The Finance Act 2012 further reduced the corporation tax rate – 24% with effect from April 2012, and 23% from April 2013. As this legislation was not substantively enacted by 31 December 2011, the impact of these further rate changes has not been reflected in the tax provisions in these Accounts.

A deferred tax asset amounting to £1,192,109 (2010 – £2,065,078) relating to short-term timing differences has not been recognised because, in the opinion of the directors, this timing difference is not expected to reverse in the foreseeable future. It is expected that future rate changes to 23% would further reduce the unprovided deferred tax asset at 31 December 2011. However the actual impact will be dependent on the deferred tax position at that time.

# MMOW LIMITED

## NOTES TO THE ACCOUNTS Year Ended 31 December 2011

### 7 FIXED ASSET INVESTMENTS

#### Investment in subsidiary undertakings

	2011 £	2010 £
<b>Cost</b>		
At 1 January	73,308,594	73,308,594
Additions	18,661,040	-
	<u>91,969,634</u>	<u>73,308,594</u>
Disposals	(9,682,100)	-
	<u>82,287,534</u>	<u>73,308,594</u>
<b>At 31 December</b>	<b>82,287,534</b>	<b>73,308,594</b>
<b>Provisions for impairment</b>		
At 1 January	6,067,956	-
Written-off during the year	7,205,622	6,067,956
	<u>13,273,578</u>	<u>6,067,956</u>
Disposals	(2,603,160)	-
	<u>10,670,418</u>	<u>6,067,956</u>
<b>At 31 December</b>	<b>10,670,418</b>	<b>6,067,956</b>
<b>Net book value at 31 December</b>	<b>71,617,116</b>	<b>67,240,638</b>

The company's principal subsidiary undertaking as at 31 December 2011 is Oliver Wyman Limited, registered in England and Wales. Oliver Wyman Limited is wholly owned by the company and has operations in the United Kingdom, Spain and India. The principal business activity of Oliver Wyman Limited is management consultancy.

The company also owns 100% of the share capital of Academee Limited (formerly Starpart Limited). Academee Limited which had operations in the United Kingdom and Singapore. Academee Limited is now a dormant company.

During the year, MMOW Limited acquired 100% of the share capital of Oliver Wyman Delta Limited and Oliver Wyman Consulting Limited from MMC International Limited. It also acquired 100% of the share capital of Oliver Wyman Leadership Development Limited from Academee Limited. It subsequently exchanged its shareholdings in these companies for shares in Oliver Wyman Limited through a share for share exchange.

### 8. DEBTORS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Corporation tax group relief	3,335,933	4,277,751

### 9 DEBTORS FALLING DUE AFTER MORE THAN ONE YEAR

	2011 £	2010 £
Other debtors		
Receivable from Marsh & McLennan	100	100

# MMOW LIMITED

## NOTES TO THE ACCOUNTS

Year Ended 31 December 2011

### 10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Other creditors	845,166	800,000
Amounts owed to group companies		
Netherlands – principal	39,430,905	39,557,480
Netherlands – interest	230,635	307,145
Corporation tax group relief	27,338	915,338
	<u>40,534,044</u>	<u>41,579,963</u>

On 13 June 2011 and 13 September 2011 the company refinanced its borrowings taken out to acquire Oliver Wyman Limited. This comprised \$60,863,131 from fellow group companies with terms as noted below

Lender	Principal in \$ (as at 31 December 2011) \$	Principal in \$ (as at 31 December 2010) \$	Principal in £ (as at 31 December 2011) £	Principal in £ (as at 31 December 2010) £
Marsh Eurofinance BV	44,825,776	44,092,951	28,595,167	28,657,844
Marsh Eurofinance BV	16,986,102	16,770,180	10,835,738	10,899,636
At 31 December	<u>61,811,878</u>	<u>60,863,131</u>	<u>39,430,905</u>	<u>39,557,480</u>

### 11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2011 £	2010 £
Amount owed to subsidiary undertaking	24,765,289	22,338,251
Amount due in respect of acquisition	<u>1,113,905</u>	<u>1,498,829</u>
	<u>25,879,194</u>	<u>23,837,080</u>

## MMOW LIMITED

### NOTES TO THE ACCOUNTS Year Ended 31 December 2011

#### 12. CALLED UP SHARE CAPITAL

	2011 Number	2011 £	2010 Number	2010 £
Allotted, called up and fully paid Ordinary shares of £1 each	4,181,200	4,181,200	100	100

During the year, the company issued 4,181,100 shares of £1 each in return for the issued share capital of Oliver Wyman Consulting Limited and Oliver Wyman Delta Limited. Further details of this transaction can be found in note 7.

#### 13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	Share capital £	Other capital reserve £	Profit and loss account £	Total 2011 £	2010 £
At 1 January	100	18,526,582	(12,425,236)	6,101,446	14,606,600
Issue of shares	4,181,100	-	-	4,181,100	-
Loss for the year	-	-	(1,742,635)	(1,742,635)	(8,505,154)
At 31 December	4,181,200	18,526,582	(14,167,871)	8,539,911	6,101,446

#### 14. ULTIMATE PARENT UNDERTAKING

The ultimate parent company and controlling entity, in whose consolidated accounts the financial statements of MMOW Limited are included, is Marsh & McLennan Companies, Inc., incorporated in the State of Delaware, USA. The accounts of Marsh & McLennan Companies, Inc., are available to the public and may be obtained from

Corporate Development  
Marsh & McLennan Companies, Inc.,  
1166 Avenue of the Americas  
New York  
NY 10036 - 2708

The smallest and largest group in which the financial statements of MMOW Limited are consolidated is that headed by Marsh & McLennan Companies, Inc., incorporated in the State of Delaware, USA.

MMC International Limited is the immediate parent company of MMOW Limited.

#### 15. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption granted by paragraph 3(c) of FRS 8, Related Party Disclosures, not to disclose transactions with Marsh & McLennan Companies, Inc., or investees of the group that are 100% owned.

#### 16. POST BALANCE SHEET EVENTS

There were no significant post balance sheet events that the directors are aware of.