

Company Registration No. 4688518

MMOW LIMITED

Report and Financial Statements

Year Ended 31 December 2012

FRIDAY



LD6
20/09/2013
COMPANIES HOUSE

L2HANAMO

#27

MMOW LIMITED

REPORT AND FINANCIAL STATEMENTS 2012

CONTENTS	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	4
Independent auditor's report	5
Profit and loss account	6
Balance sheet	7
Notes to the accounts	8

MMOW LIMITED

REPORT AND FINANCIAL STATEMENTS 2012

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

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 2012. This directors' report has been prepared in accordance with provisions applicable to companies entitled to the small companies' exemption by section 415A of the Companies Act 2006.

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 principal 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 2012 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 prior 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 prior 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 in the prior year of £2,603,160.

RESULTS AND DIVIDENDS

The company reported a profit for the financial year after taxation of £18,910,488 (2011: loss of £1,742,635). No dividend (2011: £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 £17,500,000 was received from subsidiary companies (2011: £5,000,000).

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.

MMOW LIMITED

DIRECTORS' REPORT (continued)

DIRECTORS

The directors of the company during the year ended 31 December 2012, 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

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

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



M CUNNINGHAM

Director
September 2013

9/14/13

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 2012 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 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on 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.



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

16 / September 2013

MMOW LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 December 2012

	Notes	2012 £	2011 £
Write-off of fixed asset investment	7	-	(7,205,622)
Income from fixed asset investment		17,500,000	5,000,000
Interest receivable and similar income	2	2,185,669	1,121,630
Interest payable and similar charges	3	(558,658)	(604,825)
Profit/(loss) on ordinary activities before taxation	4	19,127,011	(1,688,817)
Tax on profit/(loss) on ordinary activities	6	(216,523)	(53,818)
Profit/(loss) for the financial year	13	<u>18,910,488</u>	<u>(1,742,635)</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

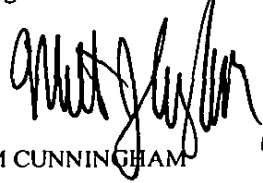
BALANCE SHEET

As at 31 December 2012

	Notes	2012 £	2011 £
FIXED ASSETS			
Investments	7	<u>71,617,116</u>	<u>71,617,116</u>
CURRENT ASSETS			
Debtors falling due within one year	8	3,119,408	3,335,933
Debtors falling due after more than one year	9	<u>17,521,855</u>	<u>100</u>
		20,641,264	3,336,033
CREDITORS: amounts falling due within one year	10	<u>(38,810,916)</u>	<u>(40,534,044)</u>
NET CURRENT LIABILITIES		<u>(18,169,651)</u>	<u>(37,198,011)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		53,447,465	34,419,105
CREDITORS: amounts falling due after more than one year	11	<u>(25,997,067)</u>	<u>(25,879,194)</u>
NET ASSETS		<u>27,450,398</u>	<u>8,539,911</u>
CAPITAL AND RESERVES			
Called up share capital	12	4,181,200	4,181,200
Profit and loss account	13	4,742,617	(14,167,871)
Other reserves	13	<u>18,526,582</u>	<u>18,526,582</u>
SHAREHOLDERS' FUNDS		<u>27,450,398</u>	<u>8,539,911</u>

These financial statements of MMOW Limited, company number 4688518, were approved by the Board of Directors on September 2013

Signed on behalf of the Board of Directors


M CUNNINGHAM
Director

9/16/13

MMOW LIMITED

NOTES TO THE ACCOUNTS **Year ended 31 December 2012**

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 partly on a written commitment of financial support from its subsidiary, 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 2012

2. INTEREST RECEIVABLE AND SIMILAR INCOME

	2012 £	2011 £
Interest receivable on intercompany loans	21,755	-
Gain on foreign exchange	<u>2,163,914</u>	<u>1,121,630</u>
	<u>2,185,669</u>	<u>1,121,630</u>

3. INTEREST PAYABLE AND SIMILAR CHARGES

	2012 £	2011 £
Interest payable on intercompany loans	540,304	522,001
Unwinding of discount on deferred consideration	<u>18,354</u>	<u>82,824</u>
	<u>558,658</u>	<u>604,825</u>

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

	2012 £	2011 £
Profit/(loss) on ordinary activities before taxation is stated after (charging)		
Amount written-off on fixed asset investment	-	(7,205,622)
Gain on foreign currencies	<u>(2,163,914)</u>	<u>(1,121,630)</u>

The auditor's remuneration for the audit of the company was £5,000 (2011 £5,000) The auditor's remuneration was charged to Oliver Wyman Limited

5. STAFF COSTS

There were no employees in the current or prior year

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

MMOW LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2012

6. TAX ON LOSS ON ORDINARY ACTIVITIES

Analysis of charge in year	2012 £	2011 £
Current tax		
Corporation tax at 24 5% (2011 – 26 5%)	216,523	53,818

Factors affecting the tax charge for the year

The tax assessed for the period is lower (2011 – lower) than the blended rate of corporation tax in the UK of 24 5% (2011 – 26 5%). The differences are explained below

	2012 £	2011 £
Profit / (loss) on ordinary activities before taxation	19,127,011	(1,688,817)
Profit / (loss) on ordinary activities multiplied by the blended rate of corporation tax of 24 5% (2011 – 26 5%)	4,686,118	(447,536)
Effects of		
Group relief for nil consideration	(186,592)	(26,033)
Amounts written off investments	-	1,909,490
UK to UK transfer pricing adjustments	-	(79,052)
UK dividend income	(4,287,500)	(1,325,000)
Expenses not deductible for tax purposes	4,497	21,949
Prior year adjustment		
Due to group relief for nil consideration	(79,051)	
Other	79,051	
Total current tax charge	216,523	53,818

The adjustment in respect of prior year relates primarily to group relief for nil consideration with fellow group companies

The government reduced the main rate of Corporation tax in the 2012 Finance Act from 26% to 24% from April 2012 and to 23% from April 2013. The rate of corporation tax for the accounting period 1 January 2012 to 31 December 2012 is 24 5%.

The government announced in its Autumn Statement presented in December 2012 that there is to be a further reduction in the corporation rate to 21% with effect from April 2014. The Budget in March 2013 announced a further reduction of corporation tax to 20% with effect from April 2015.

As these further reductions in tax rate were not substantively enacted by 31 December 2012, the impact of the further anticipated rate changes has not been reflected in the tax provisions in these Financial Statements.

MMOW LIMITED

NOTES TO THE ACCOUNTS

Year Ended 31 December 2012

7 FIXED ASSET INVESTMENTS

Investment in subsidiary undertakings

	2012 £	2011 £
Cost		
At 1 January	82,287,534	73,308,594
Additions	-	18,661,040
Disposals	-	(9,682,100)
At 31 December	82,287,534	82,287,534
Provisions for impairment		
At 1 January	10,670,418	6,067,956
Written-off during the year	-	7,205,622
Provided on disposals	-	(2,603,160)
At 31 December	10,670,418	10,670,418
Net book value at 31 December	71,617,116	71,617,116

The company's principal subsidiary undertaking as at 31 December 2012 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, Saudi Arabia, Abu Dhabi 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) which had operations in the United Kingdom and Singapore. Academee Limited is now a dormant company.

During the prior 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

	2012 £	2011 £
Corporation Tax group relief	3,119,408	3,335,933

MMOW LIMITED

NOTES TO THE ACCOUNTS Year Ended 31 December 2012

9. DEBTORS FALLING DUE AFTER MORE THAN ONE YEAR

	2012	2011
	£	£
Other debtors		
Receivable from ultimate parent company	<u>17,521,855</u>	<u>100</u>

10. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Other creditors	-	845,166
Amounts owed to group companies		
Netherlands - principal	38,498,284	39,430,905
Netherlands - interest	285,294	230,635
Corporation Tax Group Relief	<u>27,338</u>	<u>27,338</u>
	<u>38,810,916</u>	<u>40,534,044</u>

On 13 June 2012 and 13 September 2012 the company refinanced its borrowings taken out to acquire Oliver Wyman Limited. The current rate of interest is 1 YR US Libor + 0.45%. The loans comprise \$62,567,404 from fellow group companies with terms as noted below.

Lender	Principal in \$ (as at 31 December 2012)	Principal in \$ (as at 31 December 2011)	Principal in £ (as at 31 December 2012)	Principal in £ (as at 31 December 2011)
Marsh Eurofinance BV	45,360,118	44,825,776	27,910,488	28,595,167
Marsh Eurofinance BV	<u>17,207,286</u>	<u>16,986,102</u>	<u>10,587,796</u>	<u>10,835,738</u>
	<u>62,567,404</u>	<u>61,811,878</u>	<u>38,498,284</u>	<u>39,430,905</u>

MMOW LIMITED

NOTES TO THE ACCOUNTS Year Ended 31 December 2012

11 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2012 £	2011 £
Amount owed to subsidiary undertakings	24,864,808	24,765,289
Amount due in respect of acquisition	<u>1,132,259</u>	<u>1,113,905</u>
	<u>25,997,067</u>	<u>25,879,194</u>

The amount owed to subsidiary undertakings comprises a long term loan from Oliver Wyman Limited. Oliver Wyman Limited has agreed not to demand payment for a least a year from the date of signing the financial statements. The loan does not bear interest.

The amount owed in respect of acquisition relates to deferred consideration due to one of the former shareholders' of Academee Limited. This falls due for payment in 2018 and the amount is not accruing interest.

12 CALLED UP SHARE CAPITAL

	2012 Number	2012 £	2012 Number	2011 £
Allotted, called up and fully paid Ordinary shares of £1 each	4,181,200	4,181,200	4,181,200	4,181,200

During 2011, 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.

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	Share Capital £	Other reserves £	Profit and loss account £	2012 Total £
At 1 January 2012	4,181,200	18,526,582	(14,167,871)	8,539,911
Profit/(loss) for the financial year	-	-	18,910,488	18,910,488
At 31 December 2012	<u>4,181,200</u>	<u>18,526,582</u>	<u>4,742,616</u>	<u>27,450,399</u>
	Share Capital £	Other reserves £	Profit and loss account £	2012 Total £
At 1 January 2011	100	18,526,582	(12,425,236)	6,101,446
Issue of shares	4,181,100	-	-	4,181,100
Profit/(loss) for the financial year	-	-	(1,742,635)	(1,742,635)
At 31 December 2011	<u>4,181,200</u>	<u>18,526,582</u>	<u>14,167,871</u>	<u>8,539,911</u>

MMOW LIMITED

NOTES TO THE ACCOUNTS **Year Ended 31 December 2012**

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