

Company Registration No: 04688518

**MMOW LIMITED**

**Annual Report and Financial Statements**

**For the year ended 31 December 2017**



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

**CONTENTS**

	<b>Page</b>
<b>STRATEGIC REPORT</b>	<b>1</b>
<b>DIRECTORS' REPORT</b>	<b>3</b>
<b>DIRECTORS' RESPONSIBILITIES STATEMENT</b>	<b>5</b>
<b>INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MMOW LIMITED</b>	<b>6</b>
<b>STATEMENT OF INCOME AND RETAINED EARNINGS</b>	<b>8</b>
<b>STATEMENT OF FINANCIAL POSITION</b>	<b>9</b>
<b>STATEMENT OF CHANGES IN EQUITY</b>	<b>10</b>
<b>NOTES TO THE FINANCIAL STATEMENTS</b>	<b>11</b>

## STRATEGIC REPORT

The directors present their Strategic Report for MMOW Limited ("the Company") for the year ended 31 December 2017. The Company's registration number is 04688518.

### PRINCIPAL ACTIVITIES

The Company's principal activity is that of a holding company for Oliver Wyman Limited.

### REVIEW OF BUSINESS

The results of the Company for the financial year ended 31 December 2017 are set out on page 8.

The profit after tax for the financial year is £37,917,000 (2016: loss £11,233,000).

The Company's key financial and other performance indicators during the year were as follows:

	2017 £'000	2016 £'000	Movement £'000	Movement %
Turnover	35,000	-	35,000	100.0 %
Profit/(loss) before tax	38,612	(11,233)	49,845	(443.7) %

Turnover of £35,000,000 (2016: £nil) is due to dividends received from Oliver Wyman Limited.

The Company generated a profit before tax for the financial year of £38,612,000 (2016: loss before tax £11,233,000). During 2017, the Company realised exchange gains on its US dollar held intergroup balances and loans of £4,432,000 (2016: exchange losses of £10,737,000) which also contributed to the Company's result.

### PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk and uncertainties relate to the exposure to foreign exchange, interest rates and uncertainties relating to the performance of its subsidiary undertakings. Those investments are exposed to the risk of competition for business in their respective markets, which they mitigate by continuing to enhance their value propositions to clients.

### FINANCIAL RISK MANAGEMENT

The Company is exposed to financial risk through its financial liabilities. Due to the nature of the Company's balance sheet the only financial risks the directors consider relevant to the Company are currency risk.

#### Currency risk

The Company is exposed to currency risk in respect of two significant loans payable that are denominated in US Dollars. The gains or losses are subject to United Kingdom taxation.

**STRATEGIC REPORT (continued)**

**FUTURE DEVELOPMENTS**

The directors continue to have confidence in the future of the business and its continued operation.

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

A handwritten signature in dark ink, appearing to read 'J P d'Offay', with a long horizontal flourish extending to the right.

J P d'Offay  
Director

17 July 2018

MMOW Limited  
1 Tower Place West  
Tower Place  
London  
EC3R 5BU

## **DIRECTORS' REPORT**

The directors present their annual report for MMOW Limited (the "Company") for the year ended 31 December 2017. The Company's registration number is 04688518.

The principal activities of the Company are set out in the Strategic Report on page 1. The information that fulfils the Companies Act requirements of the business review is included in the Strategic Report on pages 1 and 2. Details of the principal risks and uncertainties are included in the Strategic Report.

### **DIVIDENDS**

An interim dividend was paid in the year of £22,000,000 (2016: nil).

### **SUBSEQUENT EVENTS**

There are no subsequent events to report up to the signing of these financial statements.

### **DIRECTORS**

The current directors and those who served throughout the year under review are as follows:

M J Cunningham  
J P d'Offay  
T S McDonald

### **GOING CONCERN**

The directors acknowledge the guidance on going concern. As the Company currently has net current liabilities, MMOW Limited has the support of its parent company to provide adequate liquid resources to settle its obligations for the foreseeable future by means of a letter of support. With this support from the parent company, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

### **INDEPENDENT AUDITOR**

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

### **DISCLOSURE OF INFORMATION TO AUDITOR**

In the case of each of the persons who are directors of the Company at the date when this report was approved:

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

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

**DIRECTORS REPORT (continued)**

**DIRECTORS' INDEMNITY**

The Company has put in place an indemnity 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 234 of the Companies Act 2006.

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



J P d'Offay  
Director

17 July 2018

MMOW Limited  
1 Tower Place West  
Tower Place  
London  
EC3R 5BU

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

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. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 MMOW LIMITED**

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of MMOW Limited (the 'Company') which comprises:

- the statement of comprehensive income;
- the statement of the financial position;
- the statement of changes in equity; 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, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

### **Basis for opinion**

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

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

### **Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.



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

**(continued)**

### **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 Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

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

### **Report on other legal and regulatory requirements**

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the 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 have been prepared in accordance with applicable legal requirements.

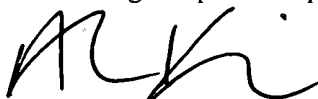
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

#### **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.



Adam Knight, FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
17 July 2018

**STATEMENT OF INCOME AND RETAINED EARNINGS**  
**For the year ended 31 December 2017**

	Note	2017 £'000	2016 £'000
<b>TURNOVER</b>	2	35,000	-
Administrative expenses	3	(6)	-
<b>OPERATING PROFIT</b>		34,994	-
Interest receivable and similar income	4	4,436	61
Interest payable and similar charges	5	(818)	(11,294)
<b>PROFIT/(LOSS) BEFORE TAX</b>		38,612	(11,233)
Tax charge on profit/(loss)	7	(695)	-
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	13	37,917	(11,233)

All transactions derive from continuing operations.

There were no other items of comprehensive income for 2017 or 2016 other than those included in the Statement of Income and Retained Earnings above and accordingly no Statement of Comprehensive Income is presented.

The information on pages 11 to 18 form an integral part of these financial statements.

**STATEMENT OF FINANCIAL POSITION**  
**As at 31 December 2017**

	Note	2017 £'000	2016 £'000
<b>FIXED ASSETS</b>			
Investments	8	71,462	71,462
<b>CURRENT ASSETS</b>			
Cash at bank and in hand		21,481	9,264
		21,481	9,264
<b>CREDITORS: amounts falling due within one year</b>	9	(65,564)	(68,132)
<b>NET CURRENT LIABILITIES</b>		(44,083)	(58,868)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		27,379	12,594
<b>CREDITORS: amounts falling due after more than one year</b>	10	-	(1,132)
<b>NET ASSETS</b>		27,379	11,462
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	4,181	4,181
Retained earnings/(accumulated losses)	13	4,671	(11,246)
Capital contribution	13	18,527	18,527
<b>SHAREHOLDERS' FUNDS</b>		27,379	11,462

The financial statements of MMOW Limited (registered number 04688518) were approved by the Board of directors and authorised for issue on 17 July 2018.

They were signed on its behalf by:



J P d'Offay  
 Director

17 July 2018

The information on pages 11 to 18 form an integral part of these financial statements.

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

	<b>Called up share capital £000</b>	<b>Retained earnings/ accumulated losses £000</b>	<b>Capital contribution £000</b>	<b>Total £000</b>
<b>AT 1 JANUARY 2016</b>	4,181	(13)	18,527	22,695
Loss for the year	-	(11,233)	-	(11,233)
<b>AT 31 DECEMBER 2016</b>	4,181	(11,246)	18,527	11,462
Profit for the year	-	37,917	-	37,917
Dividend paid	-	(22,000)	-	(22,000)
<b>Total comprehensive profit</b>	-	15,917	-	15,917
<b>AT 31 DECEMBER 2017</b>	4,181	4,671	18,527	27,379

The information on pages 11 to 18 form an integral part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 2017

#### 1. SIGNIFICANT ACCOUNTING POLICIES

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

##### General information and basis of accounting

MMOW Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The address of the registered office is 1 Tower Place West, Tower Place, London, EC3R 5BU. The nature of the Company's operations and its principal activities are set out in the Strategic Report on pages 1 and 2.

The financial statements have been prepared under the historical cost convention, modified where applicable to include certain items at fair value and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of MMOW Limited is considered to be pounds sterling because this is the currency of the primary economic environment in which the company operates. MMOW is a private company limited by shares.

MMOW Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of:

- the presentation of a statement of cashflows and related notes;
- disclosure of inter-group transactions within the wholly owned group;
- exposure to and management of financial risks; and
- key management personnel.

##### Going concern

The directors acknowledge the guidance on going concern. As the Company currently has net current liabilities, MMOW Limited has the support of its parent company to provide adequate liquid resources to settle its obligations for the foreseeable future by means of a letter of support. With this support from the parent company, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

##### Turnover

- (i) **Interest income:**  
Interest on deposits is recognised on an accrual basis using the effective interest rate method.
- (ii) **Investment:**  
Dividends from subsidiary undertakings are recognised when paid.

##### Financial instruments

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

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

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

##### (i) Financial assets and liabilities

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

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 2017

#### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Financial instruments (continued)

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

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

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

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

##### Impairment

Assets other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the statement of income as described below.

##### (i) Financial assets

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

For the Company's assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 2017

#### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Impairment (continued)

##### (ii) Non-Financial assets

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

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of income, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of income, unless the relevant asset is carried at a re-valued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Internally generated intangible assets arising from the Company's internal system development projects are considered for impairment on a regular basis and those projects that no longer have a useful purpose either by the result of obsolescence or the Company's decision to migrate to other products, will be recognised in the statement of income in the quarter the asset is no longer in a condition useable by the Company in any capacity.

##### Taxation

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

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

##### Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the reporting date. Foreign currency transactions are translated into sterling at the rates of exchange at the dates the transactions occurred.

All gains and losses arising from foreign exchange transactions are recognised in the profit and loss account.

##### Critical accounting judgements and key source of estimation uncertainty

There are no critical accounting judgements or key sources of estimation uncertainty.

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 2017

#### 2. TURNOVER – INVESTMENT INCOME

An analysis of the Company's turnover by geographical market is set out below:

	2017 £'000	2016 £'000
United Kingdom	35,000	-

Turnover represents dividends received from Oliver Wyman Limited.

#### 3. ADMINISTRATIVE EXPENSES

	2017 £'000	2016 £'000
Auditor's remuneration – for the auditing of the financial statements	6	-

The auditor's remuneration in the current year is paid on behalf of the Company by a fellow subsidiary, Mercer Limited which is part of the Marsh & McLennan Companies, Inc. group. The Company incurred no auditor's remuneration in the prior year.

#### 4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2017 £'000	2016 £'000
Interest receivable on intercompany loans	-	50
Bank interest	4	11
Foreign exchange gain	4,432	-
	4,436	61

#### 5. INTEREST PAYABLE AND SIMILAR CHARGES

	2017 £'000	2016 £'000
Interest payable on intercompany loans	818	557
Foreign exchange losses	-	10,737
	818	11,294

#### 6. INFORMATION REGARDING DIRECTORS

No remuneration was paid or is payable to the directors of MMOW Limited in respect of their services to the Company during the year or the previous year. The directors are remunerated for their services to other companies in the Marsh & McLennan Companies, Inc. Group and their remuneration is dealt with in the financial statements of those companies. The Company had no other employees during the current or prior years.

Where the Company's directors are in receipt of share-based payments and awards as part of their overall remuneration, these are disclosed in the financial statements of Oliver Wyman Limited, the group's principal employing company.



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

**7. TAX CHARGE ON PROFIT/(LOSS)**

The corporation tax rate for the year was 19.25% (2016: 20%).

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Current tax:		
UK corporation tax on profits for the year at 19.25% (2016: 20%)	695	-
<b>Total tax charge on profit/(loss)</b>	<u>695</u>	<u>-</u>

The tax charge of £695,000 (2016: nil) is lower (2016: higher) than that resulting from applying the standard rate of corporation tax in the UK in 2017 of 19.25% (2016: 20%). The differences are explained below:

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Profit/(loss) before tax	<u>38,612</u>	<u>(11,233)</u>
Tax on profit/(loss) at the standard UK corporation tax rate of 19.25% (2016: 20.00%)	7,433	(2,247)
Effects of:		
Exempt dividend income	(6,738)	-
Group relief for nil consideration	-	2,247
<b>Total tax charge on profit/(loss)</b>	<u>695</u>	<u>-</u>

UK tax legislation allows for companies in the same UK group to share losses, known as group relief. The Company has received group relief from other MMC UK companies for the year ended 31 December 2016. There is no requirement for any payment to be made for any group relief received and therefore the Company has received some group relief where the other party has not requested a payment for those losses.

The rate of corporation tax reduced from 20% to 19% from 1 April 2017, and will reduce from 19% to 17% from 1 April 2020.

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

**8. FIXED ASSET INVESTMENTS**

**Investment in subsidiary undertakings**

	2017 £'000	2016 £'000
Cost and net book value at 1 January and 31 December	<u>71,462</u>	<u>71,462</u>

The Company's principal subsidiary undertaking as at 31 December 2017 is Oliver Wyman Limited.

	<u>Principal Activity</u>	<u>Registered Address</u>	<u>Country of Incorporation</u>	<u>Class of share percentage held(directly and or indirectly) and voting rights</u>
Oliver Wyman Limited	Management Consultancy	1 Tower Place West, London, ECR 5BU	United Kingdom	Ordinary (100%)
<b>Oliver Wyman Limited has investments in the following subsidiaries:</b>				
Oliver Wyman Energy Holdings Limited	Dormant	1 Tower Place West, London, ECR 5BU	United Kingdom	Ordinary (81.7%) A Ordinary (18.3%)
Oliver Wyman Energy Group Limited	Dormant	1 Tower Place West, London, ECR 5BU	United Kingdom	Ordinary (100%)
Oliver Wyman Energy Consulting Limited	Management Consulting	1 Tower Place West, London, ECR 5BU	United Kingdom	Ordinary (100%)
Oliver Wyman Energy US Limited	Dormant	1 Tower Place West, London, ECR 5BU	United Kingdom	Ordinary (100%)
Oliver Wyman sp. Z o.o.	Management Consulting	Nimbus, Al. Jerozolimskie, 98 00-807 Warsaw	Poland	Ordinary (100%)
Oliver Wyman SNC	Management Consulting	1 Rue Euler 75008 Paris	France	Common (0.003%)
Oliver Wyman S.L.	Management Consulting	Paseo Castellana, 216 28046, Madrid	Spain	Ordinary (48%)
Oliver Wyman FZ-LLC	Management Consulting	Arjaan Office Building 11th Floor Dubai Media City Area 500525 Dubai	UAE	Ordinary (100%)
Oliver Wyman Consulting Limited	Management Consulting (in liquidation)	2 Chawley Park, Cumnor Hill, Oxford, OX2 9GG	United Kingdom	Ordinary (100%)
Factern Limited	Management Consulting	55 Baker Street 3rd Floor South, London, W1U 8EW	United Kingdom	Ordinary (47.5%)

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

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017 £'000	2016 £'000
<b>Amounts falling due within one year</b>		
Amounts due to group undertakings in respect of corporation tax	6	6
Amounts owed to group undertakings	26,427	28,164
Corporation taxation	695	-
Amounts owed to group undertakings in respect of loans payable	37,298	39,962
Amounts due in respect of acquisition	1,132	-
Accrued audit fees	6	-
	<u>65,564</u>	<u>68,132</u>

The amounts owed to group undertakings (with the exception of loans payable) are unsecured, interest free and repayable on demand.

The amounts owed to group undertakings in respect of loans attract interest of LIBOR plus 0.45% and are repayable upon demand. Accrued interest is settled in October each year.

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

**10. CREDITORS: AMOUNTS FALLING AFTER MORE THAN ONE YEAR**

	2017 £'000	2016 £'000
<b>Amounts falling due after more than one year</b>		
Amounts due in respect of acquisition	<u>-</u>	<u>1,132</u>

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

**11. CONTINGENT LIABILITIES**

The Company participates in cash pooling arrangements with banks. Each member of the pool guarantees against all losses incurred as a result of the failure of any other pool member. The maximum exposure to the Company is the total amount of its pooled funds at any point in time. As at 31 December 2017 the Company had a total amount of £21,481,000 in the pool. All other members of the pooling arrangements are companies owned ultimately by Marsh & McLennan Companies, Inc.

**12. CALLED UP SHARE CAPITAL**

	2017 £'000	2016 £'000
<b>Allotted and fully paid</b>		
4,181,200 ordinary shares of £1 each (2016: 4,181,200)	<u>4,181</u>	<u>4,181</u>

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 2017

#### 13. RESERVES

##### **Retained earnings/(accumulated losses):**

Includes all current and prior period retained profits and losses.

##### **Capital contribution:**

The capital contribution was created on incorporation of the Company for £18,526,582. This is considered to be a non-distributable reserve.

#### 14. RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption under FRS 102 Section 33.1A not to disclose transactions between entities within the Marsh & McLennan Companies, Inc. Group (the "Group"), where no less than 100% of voting rights are controlled within the Group, whose consolidated financial statements are publicly available. There are no other transactions requiring disclosure.

#### 15. GROUP FINANCIAL STATEMENTS

Group accounts are not prepared in line with section 401 of the Companies Act 2006. This company is itself a wholly-owned subsidiary and is included in the consolidated financial statements of Marsh & McLennan Companies, Inc., its ultimate parent company. Accordingly, their financial statements present information about the Company as an individual undertaking and not about its group.

#### 16. IMMEDIATE AND ULTIMATE PARENT COMPANIES

The Company's immediate parent company is MMC International Limited, registered in England and Wales. The Company's ultimate parent company and controlling entity is Marsh & McLennan Companies, Inc., incorporated in the state of Delaware, United States of America.

The smallest and largest group in which the results of MMOW Limited are consolidated is that headed by Marsh & McLennan Companies, Inc. The consolidated accounts of Marsh & McLennan Companies, Inc. are available to the public and may be obtained from:

Companies House  
Crown Way  
Maindy  
Cardiff  
CF14 3UZ

and also from:

The Company Secretary  
Marsh & McLennan Companies UK Limited  
1 Tower Place West  
Tower Place  
London  
EC3R 5BU