

CHARTWELL HEALTHCARE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



CHARTWELL HEALTHCARE LIMITED

COMPANY INFORMATION

DIRECTORS

M Bogira (appointed 18 June 2018, resigned 1 October 2018)
D F Naish (resigned 31 May 2018)
G M Noble (resigned 25 February 2019)
T O'Dwyer (appointed 21 August 2018)
A J Wood (appointed 29 July 2019)

COMPANY SECRETARY

JLT Secretaries Limited

REGISTERED NUMBER

06333575

REGISTERED OFFICE

The St Botolph Building
138 Houndsditch
London
EC3A 7AW

CHARTWELL HEALTHCARE LIMITED

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CHARTWELL HEALTHCARE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors present their report and the financial statements for the year ended 31 December 2018.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the Company is that of private medical insurance brokerage.

On 1 June 2018 JLT EB Holdings Limited acquired 100% of the shareholding in the Company and it became an indirect subsidiary of Jardine Lloyd Thompson Group Limited (previously Jardine Lloyd Thompson Group plc) ('JLT Group')

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £119,514 (2017 - £259,998). Revenue for the prior year ended 31 December 2017 has been restated in these financial statements due to a change to the Company's revenue recognition policy to align with the JLT Group following its acquisition (note 16).

The directors declared and paid a dividend during the year £50,000 (2017: £600,000)

DIRECTORS

The directors of the Company set out below held office during the year were:

M Bogira (appointed 18 June 2018, resigned 1 October 2018)

D F Naish (appointed 21 January 2008, resigned 31 May 2018)

G M Noble (appointed 21 January 2008, resigned 25 February 2019)

T O'Dwyer (appointed 21 August 2018)

The following director was appointed after the year end:

A J Wood (appointed 29 July 2019)

GOING CONCERN

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and, therefore, continue to adopt the going concern basis in preparing the annual report and financial statements.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in note 2 to the financial statements.

EMPLOYEE INVOLVEMENT

During the year under review the JLT Group aimed to provide an environment where individuals could excel. Wide share ownership, share option scheme and the Share Incentive plan encouraged employee engagement and regular briefings and consultations, including the JLT internet, kept colleagues informed about the JLT Group's performance and matters that may have affected them as employees. Additionally, employees were offered a wide range of benefits including health and lifestyle benefits.

Following the acquisition of the JLT Group by Marsh & McLennan Companies, Inc on 1 April 2019, employee involvement for the employees of the Company was aligned with that of the new group. This includes regular updates concerning the activities and performance of companies within the group achieved through circulation of management bulletins, quarterly town hall, intranet news sheets and regular meetings of representatives of management and staff to seek views of employees on matters likely to affect their interests.

The Company is an equal opportunities employer and bases all decisions on individual ability regardless of race, religion, age or disability.

CHARTWELL HEALTHCARE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The Company has put in place an indemnity in the Articles of Association to indemnify directors and officers of the Company against losses or liabilities sustained in the execution of their duties of office. The indemnity is a qualifying third party indemnity provision under s232 and s234 of the Companies Act 2006.

DISCLOSURE OF INFORMATION TO 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.

POST BALANCE SHEET EVENT

The Company's ultimate parent company Jardine Lloyd Thompson Group PLC (now Jardine Lloyd Thompson Limited) and its subsidiaries were acquired by Marsh & McLennan Companies, Inc. on 1st April 2019.

AUDITOR

Following the acquisition of the Company by JLT EB Holdings Limited, Bishop Fleming tendered their resignation. Deloitte LLP were appointed as auditors in line with Section 485 of the Companies Act 2006.

SMALL COMPANIES EXEMPTION

The Company qualifies as a small company as defined in S382 of the Companies Act 2006 and is exempt from the inclusion of certain information in the Director's report. It is also exempt from the requirement to prepare a strategic report as defined by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 No. 1970.

This report was approved by the board on 27 January 2020 and signed on its behalf by.



T O'Dwyer
Director

CHARTWELL HEALTHCARE LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors are responsible for preparing the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

CHARTWELL HEALTHCARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTWELL HEALTHCARE LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Chartwell Healthcare Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2018 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 which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 20.

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 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

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.

CHARTWELL HEALTHCARE LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTWELL HEALTHCARE LIMITED
(CONTINUED)**

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.

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.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report 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 directors' report.

CHARTWELL HEALTHCARE LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTWELL HEALTHCARE LIMITED
(CONTINUED)**

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

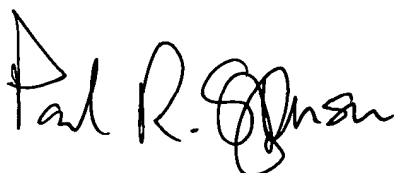
We have nothing to report in respect of these matters.

Other matter

As the company was exempt from audit under section 477 of the Companies Act 2006 in the prior year we have not audited the corresponding amounts for that year.

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.



Paul Stephenson, BA, FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

Date: 28 JANUARY 2020

CHARTWELL HEALTHCARE LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £	Unaudited As restated 2017 £
Turnover	3,554,687	3,561,672
Gross profit	3,554,687	3,561,672
Administrative expenses	(3,354,008)	(3,239,918)
Operating profit	200,679	321,754
Interest receivable and similar income	419	3,951
Interest payable and expenses	(24,529)	(511)
Profit before tax	176,569	325,194
Tax on profit	(57,055)	(65,196)
Profit for the financial year	<u>119,514</u>	<u>259,998</u>

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2018 (2017: £nil).

The restatement of 2017 results relates to a change to the Company's revenue recognition policy (Note 16).

The notes on pages 11 to 23 form part of these financial statements.

All transactions derive from continuing activities.

CHARTWELL HEALTHCARE LIMITED
REGISTERED NUMBER: 06333575

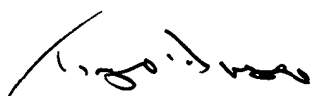
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £	Unaudited As restated 2017 £
Fixed assets			
Tangible fixed assets	6	8,330	20,231
Fixed asset investments	7	-	2
		<u>8,330</u>	<u>20,233</u>
Current assets			
Debtors: amounts falling due within one year	8	349,497	547,946
Bank and cash balances	9	1,702,920	619,414
		<u>2,052,417</u>	<u>1,167,360</u>
Creditors: amounts falling due within one year	10	(1,249,531)	(549,765)
Net current assets		<u>802,886</u>	<u>617,595</u>
Total assets less current liabilities		<u>811,216</u>	<u>637,828</u>
Net assets		<u><u>811,216</u></u>	<u><u>637,828</u></u>
Capital and reserves			
Called up share capital	12	248,419	238,558
Share premium account	13	278,926	184,913
Profit and loss account	13	283,871	214,357
		<u><u>811,216</u></u>	<u><u>637,828</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The restatement of 2017 results relates to a change to the Company's revenue recognition policy (Note 16).

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



T O'Dwyer
Director

Date: 27 January 2020

The notes on pages 11 to 23 form part of these financial statements.

CHARTWELL HEALTHCARE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2018	238,558	184,913	214,357	637,828
Comprehensive income for the year				
Profit for the year	-	-	119,514	119,514
Total comprehensive income for the year	-	-	119,514	119,514
Dividends: Equity capital	-	-	(50,000)	(50,000)
Shares issued during the year	9,861	94,013	-	103,874
Total transactions with owners	9,861	94,013	(50,000)	53,874
At 31 December 2018	248,419	278,926	283,871	811,216

The notes on pages 11 to 23 form part of these financial statements.

CHARTWELL HEALTHCARE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2017 (as previously stated)	238,558	184,913	855,346	1,278,817
Prior year adjustment	-	-	(300,986)	(300,986)
At 1 January 2017 (as restated)	<u>238,558</u>	<u>184,913</u>	<u>554,360</u>	<u>977,831</u>
Comprehensive income for the year				
Profit for the year	-	-	283,470	283,470
Adjustment to profit for the year			(23,472)	(23,472)
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>259,998</u>	<u>259,998</u>
Dividends: Equity capital	-	-	(600,000)	(600,000)
Total transactions with owners	<u>-</u>	<u>-</u>	<u>(600,000)</u>	<u>(600,000)</u>
At 31 December 2017 (as restated)	<u><u>238,558</u></u>	<u><u>184,913</u></u>	<u><u>214,357</u></u>	<u><u>637,828</u></u>

The restatement of 2017 results relates to a change to the Company's revenue recognition policy (Note 16).

The notes on pages 11 to 23 form part of these financial statements.

CHARTWELL HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. GENERAL INFORMATION

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

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

2.2 FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Jardine Lloyd Thompson Group Limited as at 31 December 2018 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

Shareholders have been notified in writing and do not object to the disclosure exemptions. Group consolidated financial statements of Jardine Lloyd Thompson Group Limited can be obtained from the address listed in note 20.

CHARTWELL HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. ACCOUNTING POLICIES (CONTINUED)

2.3 GOING CONCERN

The Company's principal business activity and business review, are set out in the Director's Report.

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; and (b) the Company's cost base. The Company continues to monitor the uncertainty in the current economic and business environment, and the directors are satisfied that the Company's services will continue to be attractive to clients.

The Company's forecasts and projections show that the Company should be able to generate positive cash flows for the foreseeable future.

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.

2.4 REVENUE

Revenue is recognised on the policy inception date. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2.5 OPERATING LEASES: THE COMPANY AS LESSEE

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

2.6 INTEREST INCOME

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

CHARTWELL HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. ACCOUNTING POLICIES (CONTINUED)

2.7 FINANCE COSTS

Finance costs are charged to the Statement of Comprehensive Income 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.

2.8 PENSIONS

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.9 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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 reporting 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 Statement of Financial Position 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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 reporting date.

CHARTWELL HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. ACCOUNTING POLICIES (CONTINUED)

2.10 INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.11 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.

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:

Motor vehicles	- 33%	straight line
Fixtures and fittings	- 20%	straight line
Office equipment	- 20%	straight line
Computer equipment	- 33%	straight line

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 the Statement of Comprehensive Income.

2.12 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.13 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.

CHARTWELL HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. ACCOUNTING POLICIES (CONTINUED)

2.14 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.

2.15 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.16 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 the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position 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 Statement of Financial Position.

2.17 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

CHARTWELL HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. ACCOUNTING POLICIES (CONTINUED)

2.18 DIVIDEND POLICY

Dividends are the way that the Company makes distributions from the Company's profits to its shareholder. The dividend is determined in sterling, the economic currency of the Company. The Directors may choose to declare dividends in any currency provided that a sterling equivalent is announced.

The Board decides the level of dividend in consultation or with consideration of various stakeholders, including the management and delegation advisers of the Company's ultimate parent company, Jardine Lloyd Thompson Group Limited for the year ended 31 December 2018. The amount and timing of a dividend may be changed at any time, and influenced by factors such as:

- the Company's working capital requirements to sustain its business plans,
- the Company's Regulatory Capital requirements
- the Company's future capital investment needs, and
- the Company's excess financial resources.

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. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The directors have reviewed the critical judgements (apart from those involving estimations) in applying the Company's accounting policies and consider that there are no critical accounting judgements.

Key sources of estimation uncertainty

Management have considered key sources of estimation uncertainty. There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the balances 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.

CHARTWELL HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

4. EMPLOYEES

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

	2018	<i>Unaudited</i> 2017
	No.	No.
Total Staff	<u>46</u>	<u>53</u>

The Company operates a defined contribution pension scheme. The asset of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £33,473 (2017: £35,732)

5. REMUNERATION OF AUDITORS

Auditor's remuneration for the audit of these financial statements was £48,000.

6. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
COST OR VALUATION				
At 1 January 2018 (unaudited)	14,926	9,221	98,244	122,391
Additions	-	-	994	994
At 31 December 2018	<u>14,926</u>	<u>9,221</u>	<u>99,238</u>	<u>123,385</u>
DEPRECIATION				
At 1 January 2018 (unaudited)	12,437	6,114	83,609	102,160
Charge for the year on owned assets	1,543	1,024	10,328	12,895
At 31 December 2018	<u>13,980</u>	<u>7,138</u>	<u>93,937</u>	<u>115,055</u>
NET BOOK VALUE				
At 31 December 2018	<u>946</u>	<u>2,083</u>	<u>5,301</u>	<u>8,330</u>
At 31 December 2017 (unaudited)	<u>2,489</u>	<u>3,107</u>	<u>14,635</u>	<u>20,231</u>

CHARTWELL HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

7. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
At 1 January 2018 (unaudited)	2
Disposals	(2)
At 31 December 2018	-
At 31 December 2018	-
At 31 December 2017 (unaudited)	2

8. DEBTORS

	2018 £	Unaudited As restated 2017 £
Trade debtors	331,374	388,397
Other debtors	-	35,149
Prepayments and accrued income	-	51,266
Tax recoverable	14,442	-
Deferred taxation	3,681	73,134
	<u>349,497</u>	<u>547,946</u>

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

CHARTWELL HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

9. CASH AND CASH EQUIVALENTS

	2018 £	Unaudited 2017 £
Cash at bank and in hand	<u>1,702,920</u>	<u>619,414</u>

10. CREDITORS: Amounts falling due within one year

	2018 £	Unaudited 2017 £
Trade creditors	-	32,093
Amounts owed to group undertakings	988,326	-
Corporation tax	-	72,389
Other taxation and social security	-	47,534
Other creditors	45,956	6,104
Accruals and deferred income	215,249	391,645
	<u>1,249,531</u>	<u>549,765</u>

CHARTWELL HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

11. DEFERRED TAXATION

	2018 £	Unaudited As restated 2017 £
At beginning of year	73,134	(4,569)
Adjustments in relation to revenue recognition policy (note 16)	-	76,108
Charged to profit or loss	(69,453)	1,595
AT END OF YEAR	<u>3,681</u>	<u>73,134</u>

The deferred tax asset is made up as follows:

	2018 £	Unaudited As restated 2017 £
Accelerated capital allowances	(1,416)	(3,439)
Deferred income	-	76,107
Short term timing differences	5,097	466
	<u>3,681</u>	<u>73,134</u>

Deferred tax timing difference have been provided for at the tax rates substantively enacted at the balance sheet date which will apply when the timing differences are expected to reverse. The tax rates substantively enacted at the balance sheet date are 19% (effective 1 April 2017) and 17% (effective 1 April 2020).

There are no unrecognised deferred tax balances.

CHARTWELL HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

12. SHARE CAPITAL

	2018 £	Unaudited 2017 £
Allotted, called up and fully paid		
2,484,190 (2017 - 2,385,580) Ordinary Shares shares of £0.10 each	<u>248,419</u>	<u>238,558</u>

The share capital of the Company consists of fully paid ordinary shares with a par value of £0.10 per share. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at shareholders' meetings of the Company.

During the year 98,610 share options were exercised for cash. The nominal value of these shares was £9,861 and the consideration received was £103,874.

13. RESERVES

Profit and loss account

Profit and loss account includes all current and prior period retained profits and losses.

14. SHARED BASED PAYMENTS

The Company operates an EMI scheme. At the start of the year there were 126,110 options outstanding. During the year 98,610 options were exercised and the remaining 27,500 lapsed.

15. GROUP FINANCIAL STATEMENTS

Group financial statements are not prepared in line with s401 of the Companies Act 2006 as the Company is itself a wholly owned subsidiary and is included in the consolidated financial statements of Jardine Lloyd Thompson Group Limited, its ultimate parent company. Accordingly, these financial statements present information about the Company as an individual undertaking and not about its group.

CHARTWELL HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

16. PRIOR YEAR ADJUSTMENT

Following the acquisition of the Company 1 June 2018, the Company aligned its revenue recognition policy to the JLT Group policy which resulted in a restatement of its 2017 comparative numbers as presented below.

	Prior year adjustments £	2017 restated £	2017 as previously stated £
Profit and loss account			
Turnover	(28,978)	3,561,672	3,590,650
Tax on profit on ordinary activities	5,506	(65,196)	(70,702)
Profit after tax for the financial year	<u>(23,472)</u>	<u>259,998</u>	<u>283,470</u>
Retained Reserves			
2017 decrease in opening reserves	(300,987)	-	-
2017 decrease in turnover	(28,978)	-	-
2017 decrease in tax charge	5,506	-	-
	<u>(324,458)</u>	<u>214,358</u>	<u>538,816</u>
Statement of financial position			
Trade Debtors	(400,566)	388,397	788,963
Deferred tax	76,108	73,135	(2,973)
Corporation tax	-	(72,389)	(72,389)
Net assets as at 31 December	<u>(324,458)</u>	<u>637,829</u>	<u>962,287</u>

2017 closing retained earnings were restated by £23,472, which related to the alignment of the revenue recognition policy and the related tax adjustments.

17. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	Unaudited 2017 £
Not later than 1 year	64,533	64,098
Later than 1 year and not later than 5 years	116,231	173,264
	<u>180,764</u>	<u>237,362</u>

CHARTWELL HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

18. RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption under FRS 102 Section 33.1A not to disclose transactions between entities within the Jardine Lloyd Thompson Group Limited 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.

19. POST BALANCE SHEET EVENT

The Company's ultimate parent company Jardine Lloyd Thompson Group PLC (now Jardine Lloyd Thompson Group Limited) and its subsidiaries were acquired by Marsh & McLennan Companies, Inc. on 1st April 2019.

20. CONTROLLING PARTY

The Company's immediate parent company is JLT EB Holdings Limited, registered in England and Wales. The Company's ultimate parent company and controlling entity at 31 December 2018 was Jardine Lloyd Thompson Group PLC. (now Jardine Lloyd Thompson Group Limited) registered in England and Wales registered office The St Botolph Building, 138 Houndsditch, London, EC3A 7AW. From 1 April 2019 Marsh & McLennan Companies Inc., incorporated in the state of Delaware, United States of America became the Company's ultimate parent company and controlling entity.

The consolidated financial statements of Jardine Lloyd Thompson Group PLC. (now Jardine Lloyd Thompson Group Limited) are available to the public and may be obtained from:

Companies House
Crown Way
Maindy
Cardiff
CF14 3UZ

and also from:

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