

AMENDED

Registered number:  
06333575

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## CHARTWELL HEALTHCARE LIMITED

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### ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019



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| <b>CHARTWELL HEALTHCARE LIMITED</b> |
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**COMPANY INFORMATION**

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**DIRECTORS**                      G M Noble (resigned 25 February 2019)  
   T O'Dwyer  
   A J Wood (appointed 29 July 2019)

**COMPANY SECRETARY**    C MacCurrach

**REGISTERED NUMBER**    06333575

**REGISTERED OFFICE**      The St Botolph Building  
   138 Houndsditch  
   London  
   EC3A 7AW

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| <b>CHARTWELL HEALTHCARE LIMITED</b> |
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| <b>CHARTWELL HEALTHCARE LIMITED</b> |
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**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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The directors present their Strategic Report of Chartwell Healthcare Limited ('the Company') for the year ended 31 December 2019.

**PRINCIPAL ACTIVITY**

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

The Company is authorised and regulated by the Financial Conduct Authority (FCA).

**BUSINESS REVIEW**

Turnover for the year was £3.2m (2018: £3.6m).

The loss for the year, after taxation, amounted to £106,778 (2018 - profit £119,514).

The Company reported a loss before taxation for the year to 31 December 2019 of £106,504 (2018 profit of £176,569).

The results of the Company for the year ended 31 December 2019 are set out in the financial statements on pages 12 to 29.

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

**GOING CONCERN**

Following the acquisition of the JLT Group by MMC in 2019, the trade and net assets of the Company, with the exception of its fiduciary assets and liabilities, were sold to Mercer Limited, an intermediate holding company in the Group, on 3 August 2020. It is the directors' intention that the Company be placed into run off. As a result of this intention, these financial statements have been prepared on a basis other than going concern.

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## CHARTWELL HEALTHCARE LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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#### KEY PERFORMANCE INDICATORS (KPIs)

The Company has selected trading margin, turnover per employee, trading profit per employee and costs per employee as KPIs for monitoring its performance. The objective is to monitor trends and achieve optimum trading performance both in terms of revenue growth and operational efficiency.

Trading margin - defined as trading profit, being turnover less expenses for continuing operations (excluding interest payable and interest earnings on own funds), as a percentage of turnover.

Turnover per employee - defined as turnover divided by total staff numbers (average for the year).

Trading profit per employee - defined as trading profit divided by total staff numbers (average for the year).

Costs per employee - defined as operating expenses (excluding interest payable and interest earnings on own funds) divided by total staff numbers (average for the year).

|                                      | Unit  | 2019  | 2018 |
|--------------------------------------|-------|-------|------|
| Trading margin                       | %     | (3.3) | 5.6  |
| Turnover per employee                | £'000 | 74.9  | 77.3 |
| Trading (loss) / profit per employee | £'000 | (2.5) | 4.4  |
| Costs per employee                   | £'000 | 77.4  | 72.9 |

The reduction in profitability compared to 2018 is driven by the overall reduction in turnover combined with an increase in staff related costs during the year. This has been offset by a reduction in the interest payable by the Company and a reduction in the tax charge for the year.

During 2020 the Company's trade was sold to a fellow group company.

#### PRINCIPAL RISKS AND UNCERTAINTIES AND FINANCIAL RISK MANAGEMENT

On an on-going basis, management profiles the significant risks, both operational and strategic, faced by the Company and reviews the effectiveness of risk management controls including loss prevention and recovery planning. The principal risks identified are as follows:

##### *Strategic and Operational Risks*

##### *Emerging risk*

Coronavirus: On March 11, 2020, the World Health Organization declared the Coronavirus (Covid-19) a pandemic. If this continues to spread through contagion, it is likely to further intensify the disruptive impact on the global and UK economy and could adversely impact the Company across a number of key financial and operational areas. The Company has taken a considered approach to minimising and managing the impact of the pandemic and has well formulated contingency plans, which continue to evolve as changes to circumstances occur.

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| <b>CHARTWELL HEALTHCARE LIMITED</b> |
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**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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*Strategic Risks*

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

*Mitigation*

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

*Loss of Key Staff*

Risks arising from the inability to retain key staff within the core business operations.

*Mitigation*

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

*Business Interruption*

Risk to business arising from a major external event.

*Mitigation*

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

*Loss of IT Environment*

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

*Mitigation*

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

*Information Security*

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

*Mitigation*

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

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| <b>CHARTWELL HEALTHCARE LIMITED</b> |
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**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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*Conduct of Business Risks*

*Errors & Omissions*

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

*Mitigation*

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

*Regulatory Sanctions/Financial Crime*

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

*Mitigation*

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

*Financial Risks*

*Capital Risk and Liquidity*

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

*Mitigation*

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

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**CHARTWELL HEALTHCARE LIMITED**

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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*Counterparty Risk*

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

*Mitigation*

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

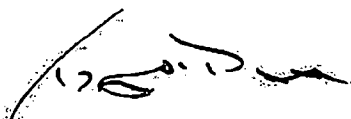
***Political risk***

*Brexit*

The directors have considered the key risks and impact to its business and operations in the event of a no-deal Brexit and have taken steps to mitigate these. The Company continues to collate activities within its lines of business and across functional areas to ensure the Company is Brexit ready and responsive to changing circumstances

The Company is not exposed to Price Risk.

Approved by the Board on 2 September 2020 and signed on its behalf by:



.....  
T O'Dwyer  
Director



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| <b>CHARTWELL HEALTHCARE LIMITED</b> |
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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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The directors present their report and the Annual Report and the audited financial statements for the year ended 31 December 2019.

**DIRECTORS OF THE COMPANY**

The directors of the Company set out below held office during the year ended 31 December 2019 and up to the date of signing the financial statements:

G M Noble (resigned 25 February 2019)  
T O'Dwyer  
A J Wood (appointed 29 July 2019)

There being on provision in the Company's Articles of Association for the retirement of directors by rotation, the present directors will continue in office.

**QUALIFYING THIRD PARTY INDEMNITY PROVISIONS**

The Company has put in place an indemnity in its Articles of Association to indemnify directors and officers of the Company against losses or liabilities sustained in the execution of their duties of office. The indemnity is a qualifying third party indemnity provision under s232 and s234 of the Companies Act 2016.

**FINANCIAL RISK MANAGEMENT**

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

**DIVIDENDS**

The directors do not recommend a final dividend (2018: £50,000) to be made in respect of the financial year ended 31 December 2019.

**CHARITABLE DONATIONS**

During the year the Company made charitable donations of £nil (2018: £nil).

**EMPLOYEE INVOLVEMENT**

The Company places considerable value on the involvement of its employees and has continued its practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the Company.

**EMPLOYMENT OF DISABLED PERSONS**

It is the policy of the Company to give full consideration to suitable applications for employment of disabled persons. Every effort is made, where employees of the Company become disabled, to retain them in their existing employment.

**DIVERSITY AND INCLUSION**

The Company embraces a diverse and inclusive culture. The directors believe that, in order to deliver the best solutions to clients, the Company's workforce should reflect the local community in which it operates.

**POST BALANCE SHEET EVENTS**

The Covid-10 pandemic and the sale of the Company's trade and net assets are considered post balance sheet events for the Company. Further details on these can be found in note 18.

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**CHARTWELL HEALTHCARE LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**DISCLOSURE OF INFORMATION TO AUDITOR**

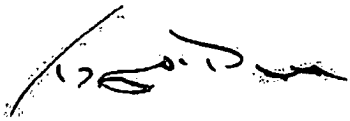
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are 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.

**AUDITOR**

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 2 September 2020 and signed on its behalf by;



T O'Dwyer  
Director

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| <b>CHARTWELL HEALTHCARE LIMITED</b> |
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**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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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 applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 Annual Report and 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

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| <b>CHARTWELL HEALTHCARE LIMITED</b> |
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTWELL HEALTHCARE LIMITED**

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**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 2019 and of its loss 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 19.

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.

**Emphasis of matter – Financial statements prepared other than on a going concern basis**

We draw attention to note 2 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

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| <b>CHARTWELL HEALTHCARE LIMITED</b> |
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTWELL HEALTHCARE LIMITED  
(CONTINUED)**

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**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](http://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 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 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.

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| <b>CHARTWELL HEALTHCARE LIMITED</b> |
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTWELL HEALTHCARE LIMITED  
(CONTINUED)**

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

**Use of our report**

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



.....  
Claire Clough ACA, (Senior statutory auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom

2 September 2020

# CHARTWELL HEALTHCARE LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

|   |      | 2019<br>£               | 2018<br>£             |
|---|------|-------------------------|-----------------------|
|   | Note |                         |                       |
| Turnover                                    |      | 3,222,209               | 3,554,687             |
| Administrative expenses                     |      | (3,328,945)             | (3,354,008)           |
| <b>Operating (loss)/profit</b>              |      | <b>(106,737)</b>        | <b>200,679</b>        |
| Interest receivable and similar income      |      | 233                     | 419                   |
| Interest payable and expenses               |      | -                       | (24,529)              |
| <b>(Loss)/profit before tax</b>             |      | <b>(106,504)</b>        | <b>176,569</b>        |
| Tax on (loss)/profit                        | 5    | (274)                   | (57,055)              |
| <b>(Loss)/profit for the financial year</b> |      | <b><u>(106,778)</u></b> | <b><u>119,514</u></b> |

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2019 (2018:£NIL).

The notes on pages 16 to 29 form part of these financial statements.

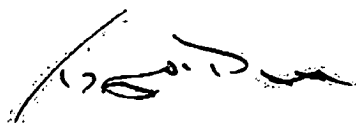
All transactions derive from continuing activities.

**CHARTWELL HEALTHCARE LIMITED**  
**REGISTERED NUMBER: 06333575**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**

|  | Note | 2019<br>£             | 2018<br>£             |
|--|------|-----------------------|-----------------------|
| <b>Fixed assets</b>                            |      |                       |                       |
| Tangible fixed assets                          | 8    | 1,751                 | 8,330                 |
|  |      | <u>1,751</u>          | <u>8,330</u>          |
| <b>Current assets</b>                          |      |                       |                       |
| Debtors: amounts falling due within one year   | 9    | 2,221,285             | 349,497               |
| Bank and cash balances                         | 10   | 99,113                | 1,702,920             |
|  |      | <u>2,320,398</u>      | <u>2,052,417</u>      |
| Creditors: amounts falling due within one year | 11   | (1,617,711)           | (1,249,531)           |
| <b>Net current assets</b>                      |      | <u>702,687</u>        | <u>802,886</u>        |
| <b>Total assets less current liabilities</b>   |      | <u>704,438</u>        | <u>811,216</u>        |
| <b>Net assets</b>                              |      | <u><u>704,438</u></u> | <u><u>811,216</u></u> |
| <b>Capital and reserves</b>                    |      |                       |                       |
| Called up share capital                        | 13   | 248,419               | 248,419               |
| Share premium account                          | 14   | 278,926               | 278,926               |
| Profit and loss account                        | 14   | 177,093               | 283,871               |
|  |      | <u><u>704,438</u></u> | <u><u>811,216</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 2 September 2020.



**T O'Dwyer**  
Director

The notes on pages 16 to 29 form part of these financial statements.



**CHARTWELL HEALTHCARE LIMITED**

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

|  | Called up<br>share capital | Share<br>premium<br>account | Profit and<br>loss account | Total equity   |
|--|----------------------------|-----------------------------|----------------------------|----------------|
|  | £                          | £                           | £                          | £              |
| At 1 January 2019                            | 248,419                    | 278,926                     | 283,871                    | 811,216        |
| <b>Comprehensive loss for the year</b>       |                            |                             |                            |                |
| Loss for the year                            | -                          | -                           | (106,778)                  | (106,778)      |
| <b>Total comprehensive loss for the year</b> | -                          | -                           | (106,778)                  | (106,778)      |
| <b>At 31 December 2019</b>                   | <b>248,419</b>             | <b>278,926</b>              | <b>177,093</b>             | <b>704,438</b> |

The notes on pages 16 to 29 form part of these financial statements.

**CHARTWELL HEALTHCARE LIMITED**

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

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

The notes on pages 16 to 29 form part of these financial statements.

**CHARTWELL HEALTHCARE LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019****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 shown 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 Strategic Report on pages 1 to 5.

**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 11.42, 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 Marsh & McLennan Companies, Inc as at 31 December 2019 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.3 GOING CONCERN**

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

On 3 August 2020, the trade and assets of the Company, with the exception of its fiduciary assets and liabilities, were sold to a fellow group subsidiary, as such these financial statements have been prepared on a non-going concern basis.

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

The Company's forecasts and projections show that the Company should be able to maintain sufficient corporate cash reserves for any future run off of the business required.

**2.4 REVENUE**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**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.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**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.

**2.10 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.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.10 TANGIBLE FIXED ASSETS (continued)**

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

Depreciation is provided on the following basis:

|                       |       |               |
|-----------------------|-------|---------------|
| 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.

**2.11 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.

**2.12 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.

**2.13 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.

**2.14 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.15 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 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

**2.16 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. 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.

## CHARTWELL HEALTHCARE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 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.

#### 4. STAFF COSTS

|  | 2019<br>£000 | 2018<br>£000 |
|--|--------------|--------------|
| Wages and salaries                         | 1,898        | 1,853        |
| Social security costs                      | 199          | 125          |
| Pension costs, defined contribution scheme | 153          | 33           |
| Other employee expense                     | 72           | 71           |
|  | <u>2,322</u> | <u>2,082</u> |

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

|             | 2019<br>No. | 2018<br>No. |
|-------------|-------------|-------------|
| Total staff | <u>43</u>   | <u>46</u>   |

All emoluments paid to directors were settled by JLT Benefit Solutions Limited, a fellow group subsidiary.



# CHARTWELL HEALTHCARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 5. TAXATION

|   | 2019<br>£      | 2018<br>£       |
|---|----------------|-----------------|
| <b>CORPORATION TAX</b>                                  |                |                 |
| Current tax on profits for the year                     | (18,146)       | (14,442)        |
| Adjustments in respect of prior years                   | 14,442         | 2,044           |
| <b>TOTAL CURRENT TAX</b>                                | <b>(3,704)</b> | <b>(12,398)</b> |
| <b>DEFERRED TAX</b>                                     |                |                 |
| Origination and reversal of temporary differences       | 4,018          | 61,442          |
| Reduction in tax rate                                   | 4              | 8,011           |
| Adjustments in respect of prior years                   | (44)           | -               |
| <b>TOTAL DEFERRED TAX</b>                               | <b>3,978</b>   | <b>69,453</b>   |
| <b>TAXATION ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES</b> | <b>274</b>     | <b>57,055</b>   |

### FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Following the Budget announcement on 11 March 2020 the UK Corporation Tax rate (from 1 April 2020) will be maintained at 19% and no longer reduced to 17% as previously legislated. However, since this change occurred after the Statement of Financial Position date, deferred tax balances at 31 December 2019 have been recognised at 17%, taking into consideration when temporary differences are expected to reverse.

# CHARTWELL HEALTHCARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 5. TAXATION

#### FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the tax rate of the home country of the Company as follows:

|   | 2019<br>£         | 2018<br>£            |
|---|-------------------|----------------------|
| (Loss)/profit on ordinary activities before tax   | <u>(106,504)</u>  | <u>176,569</u>       |
| (Loss) / profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2018 - 19.0%) | (20,236)          | 33,548               |
| <b>EFFECTS OF:</b>  |                   |                      |
| Non-deductible expenses   | 6,581             | 20,681               |
| Adjustments in respect of prior year  | 14,398            | 2,044                |
| Effect of reduction in UK tax rate  | 4                 | 8,011                |
| Rate difference on current year movement  | (473)             | (7,229)              |
| <b>TOTAL TAX CHARGE FOR THE YEAR</b>  | <u><b>274</b></u> | <u><b>57,055</b></u> |

### 6. DIVIDENDS

|   | 2019<br>£ | 2018<br>£     |
|---|-----------|---------------|
| Dividend for the year ended 31 December | -         | 50,000        |
|   | <u>-</u>  | <u>50,000</u> |

### 7. AUDITOR'S REMUNERATION

Auditor's remuneration of the audit of these financial statements was £26,250 (2018: £48,000).

**CHARTWELL HEALTHCARE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**8. TANGIBLE FIXED ASSETS**

|                                     | Fixtures and<br>fittings<br>£ | Office<br>equipment<br>£ | Computer<br>equipment<br>£ | Total<br>£          |
|-------------------------------------|-------------------------------|--------------------------|----------------------------|---------------------|
| <b>COST OR VALUATION</b>            |                               |                          |                            |                     |
| At 1 January 2019                   | 14,926                        | 9,221                    | 99,238                     | 123,385             |
| At 31 December 2019                 | <u>14,926</u>                 | <u>9,221</u>             | <u>99,238</u>              | <u>123,385</u>      |
| <b>DEPRECIATION</b>                 |                               |                          |                            |                     |
| At 1 January 2019                   | 13,980                        | 7,138                    | 93,937                     | 115,055             |
| Charge for the year on owned assets | 523                           | 951                      | 5,105                      | 6,579               |
| At 31 December 2019                 | <u>14,503</u>                 | <u>8,089</u>             | <u>99,042</u>              | <u>121,634</u>      |
| <b>NET BOOK VALUE</b>               |                               |                          |                            |                     |
| At 31 December 2019                 | <u><u>423</u></u>             | <u><u>1,132</u></u>      | <u><u>196</u></u>          | <u><u>1,751</u></u> |
| At 31 December 2018                 | <u><u>946</u></u>             | <u><u>2,083</u></u>      | <u><u>5,301</u></u>        | <u><u>8,330</u></u> |

# CHARTWELL HEALTHCARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 9. DEBTORS

|                                    | 2019<br>£        | 2018<br>£      |
|------------------------------------|------------------|----------------|
| Trade debtors                      | 247,903          | 331,374        |
| Amounts owed by group undertakings | 1,950,351        | -              |
| Prepayments and accrued income     | 4,885            | -              |
| Tax recoverable                    | 18,146           | 14,442         |
| Deferred taxation                  | -                | 3,681          |
|                                    | <u>2,221,285</u> | <u>349,497</u> |

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

### 10. CASH AND CASH EQUIVALENTS

|                          | 2019<br>£     | 2018<br>£        |
|--------------------------|---------------|------------------|
| Cash at bank and in hand | 99,112        | 1,702,920        |
|                          | <u>99,112</u> | <u>1,702,920</u> |

### 11. CREDITORS: Amounts falling due within one year

|                                    | 2019<br>£        | 2018<br>£        |
|------------------------------------|------------------|------------------|
| Amounts owed to group undertakings | 1,248,399        | 988,326          |
| Other creditors                    | 270,212          | 45,956           |
| Deferred tax                       | 298              | -                |
| Accruals and deferred income       | 98,802           | 215,249          |
|                                    | <u>1,617,711</u> | <u>1,249,531</u> |

# CHARTWELL HEALTHCARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 12. DEFERRED TAXATION

|                           | 2019<br>£           | 2018<br>£           |
|---------------------------|---------------------|---------------------|
| At beginning of year      | 3,681               | 73,134              |
| Charged to profit or loss | (3,979)             | (69,453)            |
| <b>AT END OF YEAR</b>     | <b><u>(298)</u></b> | <b><u>3,681</u></b> |

The deferred tax (liability)/asset is made up as follows:

|                                | 2019<br>£           | 2018<br>£           |
|--------------------------------|---------------------|---------------------|
| Accelerated capital allowances | (298)               | (1,416)             |
| Short term timing differences  | -                   | 5,097               |
|                                | <b><u>(298)</u></b> | <b><u>3,681</u></b> |

Deferred tax timing differences 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). As mentioned in Note 5, the rate will now remain at 19% from 1 April 2020 following the Budget announcement on 11 March 2020, but as this change occurred after the Statement of Financial Position date, the rate of 17% has continued to be used.

A deferred tax asset has not been recognised on tax losses carried forward due to uncertainty over the availability of future profits against which that asset could be recognised.

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**CHARTWELL HEALTHCARE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**13. SHARE CAPITAL**

|  | <b>2019</b>           | <b>2018</b>           |
|--|-----------------------|-----------------------|
|  | <b>£</b>              | <b>£</b>              |
| <b>Allotted, called up and fully paid</b>                  |                       |                       |
| 2,484,190 (2018 - 2,484,190) Ordinary Shares of £0.10 each | <u><b>248,419</b></u> | <u><b>248,419</b></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.

**14. RESERVES**

**Share premium account**

Share premium represents the premium above the par value on ordinary share capital transactions.

**Profit and loss account**

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

**15. SHARED BASED PAYMENTS**

Until 2018, the Company operated an EMI scheme. On 1 January 2018 there were 126,110 options outstanding. During 2018 98,610 options were exercised and the remaining 27,500 lapsed. There have been no options granted during 2019.

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**CHARTWELL HEALTHCARE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**16. COMMITMENTS UNDER OPERATING LEASES**

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

|  | <b>2019</b> | <b>2018</b>    |
|--|-------------|----------------|
|  | <b>£</b>    | <b>£</b>       |
| Not later than 1 year                        | -           | 64,533         |
| Later than 1 year and not later than 5 years | -           | 116,231        |
|  | <u>-</u>    | <u>180,764</u> |

All lease commitments were terminated or expired during 2019.

**17. 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, 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.

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**CHARTWELL HEALTHCARE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**18. POST BALANCE SHEET EVENTS**

*Covid-19*

On March 11, 2020, the World Health Organization declared the Coronavirus (Covid-19) a pandemic. Developments in the first quarter of 2020 have created significant uncertainty about the impact on the global economy and have resulted in significant impacts to the financial markets and asset values around the world. The Company considers the emergence and spread of Covid-19 to be a non adjusting post balance sheet event (i.e. an event that is indicative of a condition that arose after the end of the reporting period) and due to the evolving nature of this situation, the Company is not able to estimate with any accuracy the impact of Covid-19 on its financial or operational results.

*Sale of trade, assets and liabilities*

On 3 August 2020, the Company completed the sale of its trade and net assets, excluding its fiduciary assets and liabilities, to Mercer Limited, an indirect holding company in MMC Group.

**19. 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.

For the period ended 31 December 2019 the smallest and largest group in which the results of the Company are consolidated is Marsh & McLennan Companies, Inc. The consolidated financial statements of Marsh & McLennan Companies, Inc are available to the public and may be obtained from:

Companies House  
Crown Way  
Cardiff  
CF14 3UZ

and also from:

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