

# PMI Health Group Limited

## REPORT AND FINANCIAL STATEMENTS

18 month period to 31 December 2015



Company Registration No. 02660256

# PMI Health Group Limited

## CONTENTS

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DIRECTORS AND ADVISORS	1
STRATEGIC REPORT	2
DIRECTORS' REPORT	4
DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS	5
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PMI HEALTH GROUP LIMITED	6
PROFIT AND LOSS ACCOUNT	7
BALANCE SHEET	8
RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	9
ACCOUNTING POLICIES	10
NOTES TO THE FINANCIAL STATEMENTS	11

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# PMI Health Group Limited

## DIRECTORS AND ADVISORS

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### DIRECTORS

RDH Munro  
I Rinck  
KJ Newman

### REGISTERED OFFICE

51 Lime Street  
London  
EC3M 7DQ

### AUDITOR

RSM UK Audit LLP  
Chartered Accountants  
Festival Way  
Stoke-on-Trent  
Staffordshire  
ST1 5BB

# PMI Health Group Limited

## STRATEGIC REPORT

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The directors have pleasure in submitting their Strategic Report for PMI Health Group Limited for the 18 month period ended 31 December 2015.

The Company is an investment holding company. The Company's subsidiary companies provide employee benefits services including the design, implementation, communication and administration of employee benefit programmes. Benefits programmes include group death in service schemes, income protection, private medical insurance, absence management and occupational health coverage.

The Company was acquired by PMIHG Holdings Limited on 29 September 2015 and is now a subsidiary of Willis Towers Watson plc (formerly Willis Group Holdings plc). Willis Towers Watson plc, together with its subsidiaries ("the Group"), is one of the world's leading professional service providers of risk management, insurance broking, consultancy, technology and solutions and private exchange services.

There have been no significant changes in the Company's principal activities in 2015. The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

### RESULTS

The results for the period are shown in the profit and loss account on page 7.

### BALANCE SHEET

The balance sheet on page 8 of the financial statements shows the Company's financial position at the period end. Net assets have increased by £30,324.

### RISKS AND UNCERTAINTIES

The board and management of the Company manage the risks and uncertainties facing the Company on a continual basis. We consider the principal risks and uncertainties affecting its subsidiaries, and therefore the Company, to be the following areas:

#### *Exposure to the Group*

The Company is a subsidiary of Willis Towers Watson plc (formerly Willis Group Holdings plc). The Group is a leading global advisory, broking and solutions company, is listed on the NASDAQ and has total assets at 31 December 2015 of \$18.8 billion.

The Company is dependent upon its ultimate parent company and the Group for ongoing support in a wide range of areas, including the provision of operational and technology services and delivery of a number of key projects and initiatives. The Company also deposits surplus funds with the Group. The Directors expect the support from the Group to continue for the foreseeable future.

The Company is also exposed to additional risks by virtue of being part of the wider Group. These risks have been discussed in the Group's financial statements which do not form part of this report.

#### *Change Risk*

The Group and Company's strategic plans which reflect the changes in the insurance broking and risk management advisory market require significant change in the Company's organisation and operations. These changes may result in dissatisfaction of our employees resulting in a reduction in client service levels leading to higher rates of client loss and lower levels of new business. It may also result in the resignation of key client service staff and new business producers which may lead to lower levels of revenue than planned.

The Company manages this risk through robust change governance processes, mechanisms to retain key employees and through ongoing monitoring of key performance indicators designed to provide early notice of declining performance.

# PMI Health Group Limited

## STRATEGIC REPORT

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### FINANCIAL INSTRUMENTS

The board use management accounts and various financial reports to ensure that the following are reviewed and we are aware of any risk arising in any of the following areas:

#### *Liquidity Risk*

The Company is financed by its own monies and has no third party debt. Surplus own funds are deposited with other Group undertakings and interest is earned and paid on intercompany loan balances at market rate.

#### *Credit Risk*

Credit risk is the risk that counterparties may not be able to repay amounts in full when due. This risk arises in respect of amounts due from clients and insurers in respect of brokerage not yet received, funded claims and funded premiums. It also arises in respect of its cash and investment holdings.

### FUTURE DEVELOPMENTS

The subsidiary companies will continue to offer the wide range of services we currently provide to the group's clients. We will look to further develop our current product range and use the support of the wider Willis Towers Watson Group so that we may evolve along with our customer needs and offer full solutions for their employee healthcare needs.

By order of the board



**I Rinck**  
Director

51 Lime Street  
London  
EC3M 7DQ

27 September 2016

2016

# PMI Health Group Limited

## DIRECTORS' REPORT

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The Directors submit their report and the audited financial statements of PMI Health Group Limited for the 18 month period ended 31 December 2015.

### PRINCIPAL ACTIVITIES

PMI Health Group Limited continues to operate as a holding company.

### RESULTS AND DIVIDENDS

The Company loss for the period after taxation was £4,661 (2014: profit of £2,298,096). During the period dividends were paid of £nil (2014: £967,712) leaving a loss of £4,661 (2014: profit of £1,330,384) to be retained in reserves.

### DIRECTORS

The following directors have held office since 1 July 2014.

CP Baldwin (resigned 18 June 2015)

RDH Munro (resigned 16 October 2015, appointed 18 January 2016)

MI Davis (resigned 6 October 2015)

M Baldwin (resigned 6 October 2015)

I Rinck (appointed 6 October 2015)

AD Powis (appointed 6 October 2015, resigned 24 February 2016)

KJ Newman (appointed 23 May 2016)

### POST BALANCE SHEET EVENT

On 4 January 2016, pursuant to an Agreement and Plan of Merger, the Willis Group Holdings plc group and the Towers Watson and Co. group combined, with Towers Watson and Co. becoming a wholly-owned subsidiary of Willis Group Holdings plc. Immediately following the merger, Willis Group Holdings plc changed its name to Willis Towers Watson plc.

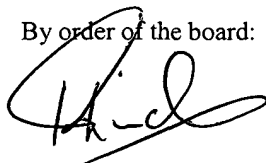
### STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors, in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

### AUDITOR

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

By order of the board:



**I Rinck**  
Director

51 Lime Street  
London  
EC3M 7DQ

27 September 2016

2016

# PMI Health Group Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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The directors are responsible for preparing the Strategic Report and 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 period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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

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

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent; and
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business;

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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PMI HEALTH GROUP LIMITED

We have audited the financial statements on pages 7 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### **Respective responsibilities of directors and auditor**

As more fully explained in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

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

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

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

*RSM UK Audit LLP*

ANNE LAKIN (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
Festival Way  
Stoke-on-Trent  
Staffordshire  
ST1 5BB

*29 September 2016*



**PMI Health Group Limited**  
**PROFIT AND LOSS ACCOUNT**  
for the 18 month period ended 31 December 2015

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	Note	<b>18 month period ended 31 December 2015 £</b>	<b>Year ended 30 June 2014 £</b>
Administrative expenses		<b>(4,661)</b>	(1,904)
Income from shares in Group undertakings		-	2,300,000
		<hr/>	<hr/>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	1	<b>(4,661)</b>	2,298,096
Taxation	3	-	-
		<hr/>	<hr/>
<b>(LOSS)/PROFIT FOR THE FINANCIAL PERIOD</b>		<b>(4,661)</b>	2,298,096
		<hr/> <hr/>	<hr/> <hr/>

All of the activities of the Company are classed as continuing.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

# PMI Health Group Limited

## BALANCE SHEET

at 31 December 2015

	Note	31 December 2015 £	30 June 2014 £
<b>FIXED ASSETS</b>			
Investments	5	939,108	939,108
<b>CURRENT ASSETS</b>			
Debtors	6	1,487,578	86,342
Cash at bank and in hand		9,862	1,380,774
<b>NET CURRENT ASSETS</b>		<u>1,497,440</u>	<u>1,467,116</u>
<b>NET ASSETS</b>		<u>2,436,548</u>	<u>2,406,224</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	852,034	838,029
Share premium	8	24,451	24,451
Capital redemption reserve	8	93,025	93,025
Profit and loss account	8	1,467,038	1,450,719
<b>SHAREHOLDERS' FUNDS</b>		<u>2,436,548</u>	<u>2,406,224</u>

The financial statements on pages 7 to 15 were approved by the board of directors and authorised for issue on 27 September 2016 and are signed on its behalf by:



**I Rinck**  
Director

51 Lime Street  
London  
EC3M 7DQ

Company Registration No. 02660256

# PMI Health Group Limited

## RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

for the 18 month period ended 31 December 2015

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	Note	31 December 2015 £	30 June 2014 £
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD		<b>(4,661)</b>	2,298,096
Dividends	4	-	(967,712)
NET (REDUCTION IN)/ADDITION TO SHAREHOLDERS' FUNDS		<b>(4,661)</b>	1,330,384
Issue of shares by way of share-based payment	7	<b>34,985</b>	-
Opening shareholders' funds		<b>2,406,224</b>	1,075,840
CLOSING SHAREHOLDERS' FUNDS		<b>2,436,548</b>	2,406,224

# PMI Health Group Limited

## ACCOUNTING POLICIES

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The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

These financial statements present information about the Company as an individual undertaking and not about its Group as the Company has taken advantage of the exemption provided by S400 of the Companies Act 2006 not to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Willis Towers Watson plc (formerly Willis Group Holdings plc), a Company incorporated in Ireland.

### GOING CONCERN

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic and Directors' reports. The Directors consider that the financial position of the Company is positive with cash at the bank and a minimal cost base. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### RELATED PARTY TRANSACTIONS

The Company has, in accordance with FRS 8, taken advantage of the exemption from reporting the transactions between the Company and certain of its related parties and has therefore not disclosed transactions or balances with entities which form part of the Willis Towers Watson plc group and are 100% controlled.

### INVESTMENTS

Fixed asset investments are stated at cost. Provision is made for any impairment in the value of fixed asset investments.

### TAXATION

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in respect of timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements.

Deferred tax assets are recognised if the Directors consider the asset can be recovered with reasonable certainty.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

**PMI Health Group Limited**  
NOTES TO THE FINANCIAL STATEMENTS  
for the 18 month period ended 31 December 2015

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1 (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<b>18 month period ended 31 December 2015 £</b>	<b>Year ended 30 June 2014 £</b>
(Loss)/profit on ordinary activities before taxation is stated after charging:		
Audit services:		
- Statutory audit	<b>900</b>	1,310
	<u>          </u>	<u>          </u>

2 EMPLOYEES

The Company employed no staff during the period (2014: none).

The Directors of the Company received no remuneration for services rendered to the Company during the period (2014: £nil).

**PMI Health Group Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the 18 month period ended 31 December 2015**

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**3 TAX ON PROFIT ON ORDINARY ACTIVITIES**

	<b>31</b>	<b>30</b>
	<b>December</b>	<b>June</b>
	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Current tax		
UK corporation tax	-	-
	<u>          </u>	<u>          </u>

Factors affecting current tax charge for period:

	<b>31</b>	<b>30</b>
	<b>December</b>	<b>June</b>
	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>

The tax assessed for the period is higher than (2014: lower than) the standard rate of corporation tax in the UK 20.5% (2014: 22.5%). The differences are explained below:

(Loss)/profit on ordinary activities before tax	<b>(4,661)</b>	2,298,096
	<u>          </u>	<u>          </u>
(Loss)/profit on ordinary activities before taxation multiplied by the average standard rate of corporation tax in the UK of 20.5% (2014: 22.5%)	<b>(956)</b>	517,072
Effects of:		
Group relief	<b>956</b>	428
Non-taxable income	-	(517,500)
	<u>          </u>	<u>          </u>
Current tax charge for the period	-	-
	<u>          </u>	<u>          </u>

**4 DIVIDENDS PAID**

	<b>31</b>	<b>30</b>
	<b>December</b>	<b>June</b>
	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
'B' ordinary shares *	-	667,712
'C' ordinary shares **	-	300,000
	<u>          </u>	<u>          </u>
	-	967,712
	<u>          </u>	<u>          </u>

\* Dividend per share £nil (2014: £1.05)

\*\* Dividend per share £nil (2014: £1.50)

**PMI Health Group Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the 18 month period ended 31 December 2015**

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5 INVESTMENTS

Investments in subsidiary undertakings

Cost and net book value:

At beginning and end of period

£

939,108

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**Subsidiary undertakings**

<i>Name of company</i>	<i>Class of holding</i>	<i>Proportion directly held</i>	<i>Activity</i>	<i>Country of incorporation</i>
Private Medicine Intermediaries Limited	Ordinary	100%	Private medical insurance broker	UK
Corporate Medical Management Limited	Ordinary	100%	Private medical screening and managing medical insurance contracts	UK

6 DEBTORS

	31 December 2015 £	30 June 2014 £
<i>Due within one year:</i>		
Amounts due from Group undertakings	1,483,828	71,342
Other debtors	3,750	15,000
	<hr/> 1,487,578 <hr/>	<hr/> 86,342 <hr/>

**PMI Health Group Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the 18 month period ended 31 December 2015**

7 SHARE CAPITAL	31 December 2015 £	30 June 2014 £
Allotted, called up and fully paid:		
2,550 'A' ordinary shares of £0.02 each	51	51
637,978 'B' ordinary shares of £1 each	637,978	637,978
200,000 'C' ordinary shares of £1 each	200,000	200,000
6,505 'D' ordinary shares of £1 each	6,505	-
2,000 'E' ordinary shares of £1 each	2,000	-
2,500 'F' ordinary shares of £1 each	2,500	-
3,000 'G' ordinary shares of £1 each	3,000	-
	<u>852,034</u>	<u>838,029</u>

Until 19 September 2014, in accordance with the company's Articles, the 'A' shares attracted voting rights but had no rights to a distribution, either in the form of dividends or repayment of capital. The 'B' shares and 'C' shares had no voting rights but qualified for all dividends declared and any repayment of capital.

On 19 September 2014 the Company adopted new Articles of Association by special resolution. The amended Articles allow the 'A' shares to a right to a distribution, either in the form of dividends or repayment of capital. The Company also allotted, called up and fully paid 6,505 'D' ordinary shares of £1 each, 2,000 'E' ordinary shares of £1 each, 2,500 'F' ordinary shares of £1 each and 3,000 'G' ordinary shares of £1 each on 19 September 2014 .

The 'A' shares have voting rights of one vote per each share. The 'B', 'C', 'D', 'E', 'F' and 'G' shareholders each have a vote for each 50 shares.

8 RESERVES	Share premium £	Capital redemption reserve £	Profit and loss account £
At beginning of period	24,451	93,025	1,450,719
Loss for the period	-	-	(4,661)
Fair value adjustment	-	-	20,980
<b>At end of period</b>	<u><b>24,451</b></u>	<u><b>93,025</b></u>	<u><b>1,467,038</b></u>



# PMI Health Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

### for the 18 month period ended 31 December 2015

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#### 9 RELATED PARTY TRANSACTIONS

The Company paid dividends amounting to £nil (2014: £912,449) to Baldwin Ventures Limited, which was the parent company of PMI Health Group Limited until 6 October 2015.

The Company paid dividends amounting to £nil (2014: £37,673) to RDH Munro, who is a Director of the Company.

The company paid dividends amounting to £nil (2014: £2,035) to MI Davis, who was a Director of the Company.

During the previous period the Company advanced £15,000 to RDH Munro, who is a Director of the Company. The amount outstanding at 31 December 2015 is £nil (2014: £15,000). The maximum outstanding during the period was £15,000.

On 19 September 2014 the Company issued the following shares to RDH Munro: 6,505 'D' ordinary shares of £1 each, 2,000 'E' ordinary shares of £1 each, 2,500 'F' ordinary shares of £1 each and 3,000 'G' ordinary shares of £1 each for a total consideration of £34,985.

On 31 July 2015 the investment held in PMI Fizz Limited at an original cost of £101 has been disposed of for a consideration of £101 to Matthew Baldwin, a former director of the Company.

#### 10 PARENT UNDERTAKING AND ULTIMATE CONTROLLING PARTY

The Company's immediate parent Company is PMIHG Holdings Limited.

The Company's ultimate parent Company is Willis Towers Watson plc (formerly Willis Group Holdings plc), a Company incorporated in Ireland.

Willis Towers Watson plc is the smallest and largest group for which consolidated accounts including PMI Health Group Limited are prepared.

#### 11 POST BALANCE SHEET EVENTS

On 4 January 2016, pursuant to an Agreement and Plan of Merger, the Willis Group Holdings plc group and the Towers Watson and Co. group combined, with Towers Watson and Co. becoming a wholly-owned subsidiary of Willis Group Holdings plc. Immediately following the merger, Willis Group Holdings plc changed its name to Willis Towers Watson plc.