

**PMI HEALTH GROUP LIMITED**

(Registered Number 02660256)

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**Directors**

RDH Munro  
KJ Newman  
I Rinck

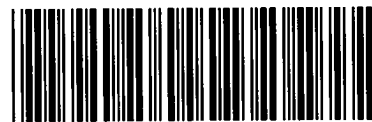
**Registered Office**

51 Lime Street  
London EC3M 7DQ

**Auditor**

Deloitte LLP  
London

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# PMI HEALTH GROUP LIMITED

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## **PMI HEALTH GROUP LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016**

#### **Company activities and review of developments**

PMI Health Group Limited ('the Company') acts as an investment holding company and is a subsidiary of Willis Towers Watson plc. Willis Towers Watson plc (formerly Willis Group Holdings plc), together with its subsidiaries ('the Group'), is one of the world's leading professional service providers of risk management, insurance broking, consulting, technology and solutions and private exchange services. The Company is domiciled and incorporated in the UK.

There have been no significant changes in the Company's principal activities in 2016. 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 profit on ordinary activities after taxation amounted to £7,000 (18 months ended 31 December 2015: loss of £5,000) as shown in the income statement on page 9. The increase in profit is attributable to:

- £3,000 decrease in operating expenses; and
- £10,000 increase in interest receivable,

partly offset by

- £1,000 tax charge

The balance sheet on page 10 of the financial statements shows the Company's financial position at the year end. Net assets have increased by £7,000 as a result of a £11,000 increase in amounts owed from Group undertakings, less a reduction in cash of £2,000 and corporation tax due of £2,000.

The Group manages its operations on a divisional basis. For this reason, the Company's Directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the Group, which includes the Company, is discussed in the Group's financial statements which do not form part of this report.

#### **Principal risks and uncertainties**

The Company is potentially exposed to credit risk from its investments in its subsidiary undertakings. An impairment allowance would be made if there were to be an identified loss event which would evidence a potential reduction in the recoverability of the cash flows. No such event has been identified.

The Company is also exposed to additional risks by virtue of being part of the wider Group, including those relating to the vote in the United Kingdom to leave the European Union and subsequent invocation of Article 50 of the Treaty of Lisbon on 29 March 2017. These risks have been discussed in the Group's financial statements which do not form part of this report.

#### **Environment**

The Group recognises the importance of its environmental responsibilities, and through the Group monitors its impact on the environment on a location by location basis, and designs and implements policies to reduce any damage that might be caused by its activities.

**PMI HEALTH GROUP LIMITED**

**STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)**

**Employees**

The Company employed no staff during the year (2015: none).

By Order of the Board

A handwritten signature in black ink, appearing to read 'I Rinck', with a long, sweeping flourish extending to the right.

I Rinck  
Director  
51 Lime Street  
London EC3M 7DQ

22 SEPTEMBER 2017

## **PMI HEALTH GROUP LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016**

The Directors present their annual report, together with the audited financial statements, for the year ended 31 December 2016.

#### *Merger with Towers Watson & Co.*

On 4 January 2016, pursuant to an Agreement and Plan of Merger, the Willis Group Holdings plc group and the Towers Watson & Co. group combined, with Towers Watson & 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. This Company is not directly affected by the merger.

#### **Strategic report**

The Directors have approved the content of the Company's strategic report prepared in accordance with Section 414C of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. The report provides an overview of the Company's activities and an analysis of its performance for the year ended 31 December 2016, along with the principal risks faced in achieving its future objectives.

#### **Going concern**

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in note 1 to the financial statements on page 12.

#### **Dividends**

No interim dividend was paid in the year (2015: £nil). The Directors do not recommend the payment of a final dividend (2015: £nil).

#### **Employees**

It is the Group's policy, in keeping with the legislation in the countries in which it operates, to provide a working environment free from all forms of harassment and discrimination, including discrimination against disabled employees, with respect to employment continuity, training, career development and other employment practices.

#### **Directors**

The current Directors of the Company are shown on page 1, which forms part of this report. AD Powis resigned as Director of the Company on 24 February 2016. RDH Munro and KJ Newman were appointed as Directors of the Company on 18 January 2016 and 23 May 2016 respectively. There were no other changes in Directors during the year or after the year end.

#### **Directors' responsibilities statement in relation to the financial statements**

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including the Financial Reporting Standard 101, Reduced Disclosure Framework ('FRS 101'). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

## **PMI HEALTH GROUP LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)**

#### **Directors' responsibilities statement in relation to the financial statements (continued)**

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.

#### **Disclosure of information to the auditor**

Each of the persons who is a Director at the date of approval of this report confirms 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 they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

#### **Auditor**

RSM UK Audit LLP resigned as auditor with effect from 21 December 2016. The members appointed Deloitte LLP as auditor to the company on the same day in accordance with the provisions in the Companies Act 2006.

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

By Order of the Board



J Rinck  
Director  
51 Lime Street  
London EC3M 7DQ  
22 SEPTEMBER 2017

## **PMI HEALTH GROUP LIMITED**

### **INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2016**

We have audited the financial statements of PMI Health Group Limited for the year ended 31 December 2016 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 11. 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), including FRS 101 'Reduced Disclosure Framework'.

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

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

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

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PMI HEALTH GROUP LIMITED**  
(continued)

**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.



Elanor Gill (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
London  
United Kingdom

22 September 2017



**PMI HEALTH GROUP LIMITED**

**INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016**

		18 month period ended 31 December	
	Notes	2016 £000	2015 £000
Operating expenses		(2)	(5)
<b>Operating loss</b>	3	(2)	(5)
Interest receivable from group undertakings		10	-
<b>Profit/(loss) on ordinary activities before taxation</b>		8	(5)
Tax charge on profit/(loss) on ordinary activities	6	(1)	-
<b>Profit/(loss) for the year</b>		7	(5)

All activities derive from continuing operations.

There is no other comprehensive income in either 2016 or the period ended 31 December 2015.

**PMI HEALTH GROUP LIMITED**  
**BALANCE SHEET AS AT 31 DECEMBER 2016**

	Notes	2016 £000	2015 £000
<b>Fixed assets</b>			
Investments	7	939	939
		<u>939</u>	<u>939</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	8	1,497	1,487
Deposits and cash		7	10
<b>Net current assets</b>		<u>1,504</u>	<u>1,497</u>
<b>Net assets</b>		<u>2,443</u>	<u>2,436</u>
<b>Equity</b>			
Called up share capital	9	852	852
Share premium		24	24
Capital redemption reserve		93	93
Retained earnings		1,474	1,467
<b>Shareholders' equity</b>		<u>2,443</u>	<u>2,436</u>

The financial statements of PMI Health Group Limited, registered company number 02660256, were approved by the Board of Directors and authorised for issue on 22 SEPTEMBER 2017 and signed on its behalf by:



I Rinck  
 Director

**PMI HEALTH GROUP LIMITED****EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016**

	<b>Called up share capital £000</b>	<b>Share premium account £000</b>	<b>Capital redemption reserve £000</b>	<b>Retained earnings £000</b>	<b>Total equity £000</b>
Balance at 1 July 2014	838	24	93	1,451	2,406
Loss for the 18 month period	-	-	-	(5)	(5)
Total comprehensive income for the year	-	-	-	(5)	(5)
Issue of shares	14	-	-	-	14
Equity-settled share-based payment transactions, net of £nil tax	-	-	-	21	21
<b>Balance at 31 December 2015</b>	<b>852</b>	<b>24</b>	<b>93</b>	<b>1,467</b>	<b>2,436</b>
Profit for the year	-	-	-	7	7
Total comprehensive income for the year	-	-	-	7	7
<b>Balance at 31 December 2016</b>	<b>852</b>	<b>24</b>	<b>93</b>	<b>1,474</b>	<b>2,443</b>

# PMI HEALTH GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

### 1. Accounting policies

#### **Basis of preparation**

The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 and, consequently, has prepared these financial statements in accordance with Financial Reporting Standard 101, Reduced Disclosure Framework ('FRS 101').

The financial statements have been prepared on the historical cost basis.

The principal accounting policies adopted are set out below.

#### **Disclosure exemptions**

The Company has taken advantage of certain disclosure exemptions permitted under FRS 101, primarily in relation to: (i) financial instruments; (ii) presentation of a cash flow statement; (iii) related party transactions; and (iv) new International Financial Reporting Standards ('IFRSs') that have been issued but are not yet effective as, where required, equivalent disclosures are given in the Group accounts of Willis Towers Watson plc.

#### **Going concern**

The Company's business activities and the factors likely to affect its future development and position are set out in the Strategic Report. The Company's financial projections indicate that it will generate positive cash flows for the foreseeable future. The Company deposits its excess cash funds with the Group's centralised treasury function.

The Directors have conducted enquiries into the nature and quality of the assets, liabilities, and cash that make up the Company's capital. Furthermore the Directors' enquiries extend to the Company's relationship with the Group and external parties on a financial and non-financial level. Having assessed the responses to their enquiries, the Directors have no reason to believe that a material uncertainty exists that may cast significant doubt upon the ability of the Group to continue as a going concern or its ability to repay loans due to the Company from time to time.

As a consequence of the enquiries the Directors have a reasonable expectation that the Company has appropriate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

#### **True and fair view override**

In special disclosure circumstances, where compliance with any of the provisions of the Companies Act as to the matters to be included in a company's accounts (or notes thereto) is inconsistent with the requirement to give a true and fair view of the state of affairs and profit or loss, the directors shall depart from that provision to the extent necessary to give a true and fair view. In these instances, the Company would adopt a true and fair view override.

#### **Parent undertaking and controlling party**

The Company's:

- immediate parent company and controlling undertaking is PMIHG Holdings Limited; and
- ultimate parent company is Willis Towers Watson plc, a company incorporated in Ireland, whose registered office is Willis Towers Watson House, Elm Park, Merrion Road, Dublin 4, Ireland.

In accordance with Section 400 of the Companies Act 2006, the Company is exempt from the requirement to produce group financial statements.

The largest and smallest group in which the results of the Company are consolidated is Willis Towers Watson plc, whose financial statements are available to members of the public on the Group's website [www.willistowerswatson.com](http://www.willistowerswatson.com), in the Investor Relations section.

## **PMI HEALTH GROUP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)**

#### **1. Accounting policies (continued)**

##### **Interest receivable and interest payable**

Interest receivable and interest payable are recognised as interest accrues using the effective interest method.

##### **Fixed asset investments**

Investments in subsidiaries and associates are carried at cost less provision for impairment.

##### **Income taxes**

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 by the balance sheet date.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

##### **Financial assets and financial liabilities**

Financial assets and financial liabilities include cash and cash equivalents, receivables and payables (including amounts owed to/by group undertakings).

The Company classifies its financial assets and financial liabilities in the following categories: as loans, receivables or payables (including amounts owed by/to group undertakings). The classification is made by management at initial recognition and depends on the purpose for which the financial assets or financial liabilities were entered into.

Loans, receivables and payables are non-derivative financial assets or financial liabilities with fixed or determinable receipts or payments that are not quoted in an active market. Such financial assets or financial liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. Any resulting interest is recognised in interest receivable or interest payable, as appropriate.

##### **Recent accounting pronouncements adopted in the current period**

The Company did not adopt any new International Financial Reporting Standards ('IFRSs') or interpretations ('IFRICs') issued by the International Accounting Standards Board ('IASB') during the year ended 31 December 2016 and no amendments to IFRSs or International Accounting Standards ('IASS') issued or adopted by the IASB had a significant effect on its financial statements.

#### **2. Critical accounting judgements and estimates**

The preparation of financial statements in conformity with FRS 101 and in the application of the Company's accounting policies, which are described in note 1, requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the dates of the financial statements and the reported amounts of revenues and expenses during the year. Judgements, estimates and assumptions are made 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.

## **PMI HEALTH GROUP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)**

#### **2. Critical accounting judgements and estimates (continued)**

The following are the critical judgements that management has made in the process of applying the Company's accounting policies and/or the key assumptions or sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

##### *Impairment of investments in subsidiaries*

Determining whether the Company's investment in a subsidiary has been impaired requires estimations of the investment's fair value, less costs of disposal, and/or value in use. Management judgement is required to identify comparable recent transactions and/or to estimate the future cash flows expected to arise from the investment and select a suitable discount rate to use in calculating present value. See note 7 for the carrying amount of investments in subsidiaries. No impairment loss was recognised in 2016 or the period ended 31 December 2015.

##### *Impairment of loans and receivables*

Management judgement is required to assess at the end of each reporting period whether there is any objective evidence that loans and receivables are impaired and, if so, to determine the amount of any impairment loss. See note 8 for the carrying amount of loans and receivables. No impairment loss was recognised in 2016 or the period ended 2015.

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#### **3. Operating loss**

Auditor's remuneration of £5,000 (18 month period ended 31 December 2015: £900) was borne by another Group company.

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#### **4. Employee costs**

The Company employed no staff during the year (18 month period ended 31 December 2015: none).

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#### **5. Directors' remuneration**

The Directors of the Company are remunerated by other Group companies with no part of their remuneration being allocated to this Company. As such no disclosure of their remuneration has been made in these financial statements.

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**PMI HEALTH GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**  
(continued)

<b>6. Taxation</b>	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>(a) Tax charged in the income statement</b>		
<b>Current income tax:</b>		
UK corporation tax	1	-
Adjustments in respect of prior periods	-	-
<b>Total current income tax</b>	<b>1</b>	<b>-</b>
	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>(b) Reconciliation of total tax charge</b>		
The tax assessed for the year is equal to (2015: higher) than the standard rate of corporation tax in the UK (20%) (2015: 20.5%). The differences are explained below:		
Profit/(loss) on ordinary activities before taxation	8	(5)
Tax calculated at UK standard rate of corporation tax of 20% (2015: 20.5%)	1	(1)
Effects of:		
Group relief	-	1
Tax overprovided in previous years	-	-
<b>Total tax expense reported in the income statement (note 6(a))</b>	<b>1</b>	<b>-</b>
<b>(c) Change in corporation tax rate</b>		
The Finance Act 2013 set the rate of UK corporation tax at 20% with effect from 1 April 2015. The Finance Act 2015 maintained this rate for the year from 1 April 2016. The Finance (No.2) Act 2015, which was substantively enacted on 26 October 2015 and received royal assent on 18 November 2015, reduced the rate to 19% with effect from 1 April 2017 with a further reduction to 18% from 1 April 2020. The Finance Act 2016, which received royal assent on 15 September 2016, subsequently reduced the main rate of corporation tax from 18% to 17% from 1 April 2020. As the changes were substantively enacted prior to 31 December 2016, they have been reflected in these financial statements.		

<b>7. Investments held as fixed assets</b>	<b>Subsidiary undertakings</b>
	<b>£000</b>
<b>Cost and carrying amount</b>	
31 December 2015 and 31 December 2016	<b>939</b>

In the opinion of the Directors, the fair value of the shares in the subsidiary undertakings is not less than the amount shown in the balance sheet.

**PMI HEALTH GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**  
(continued)

**7. Investments held as fixed assets (continued)**

The Company's subsidiary undertakings at 31 December 2016 are:

	Percentage of share capital held	Class of share	Country of incorporation
<i>Insurance Broking</i>			
Private Medicine Intermediaries Limited	100%	Ordinary shares of £1 each	United Kingdom
<i>Private Medical Screening</i>			
Corporate Medical Management Limited	100%	Ordinary shares of £1 each	United Kingdom

All above undertakings are directly owned by PMI Health Group Limited. All undertakings operate principally in the country of their incorporation.

	2016 £000	2015 £000
<b>8. Debtors</b>		
<i>Amounts falling due within one year:</i>		
Amounts owed by Group undertakings	1,494	1,487
Amounts owed by Group undertakings in respect of corporation taxation group relief	3	-
	<u>1,497</u>	<u>1,487</u>

	2016 £000	2015 £000
<b>9. Called up share capital</b>		
<b>Allotted, called up and fully paid</b>		
637,978 (2015: 637,978) 'B' ordinary shares of £1 each	638	638
200,000 (2015: 200,000) 'C' ordinary shares of £1 each	200	200
6,505 (2015: 6,505) 'D' ordinary shares of £1 each	7	7
2,000 (2015: 2,000) 'E' ordinary shares of £1 each	2	2
2,500 (2015: 2,500) 'F' ordinary shares of £1 each	2	2
3,000 (2015: 3,000) 'G' ordinary shares of £1 each	3	3
	<u>852</u>	<u>852</u>

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



## **PMI HEALTH GROUP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)**

#### **10. Related party transactions**

FRS 101 (paragraph 8(k)) exempts the reporting of transactions between Group companies in the financial statements of companies that are wholly owned within the Group. The Company has taken advantage of this exemption.

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 £101 was disposed of for a consideration of £101 to Matthew Baldwin, then a director of the Company.

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#### **11. Explanation of transition to FRS 101**

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 101.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 December 2016, the comparative information presented in these financial statements for the 18 month period ended 31 December 2015 and in the preparation of an opening FRS 101 balance sheet at 1 July 2014 (the Company's date of transition).

Management has reviewed the effect on the Company's financial position and financial performance and concluded that no adjustments to the financial statements, previously prepared in accordance with its old basis of accounting (old UK GAAP), were needed.

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