

Company Registration No: 00543180

**PFT LIMITED**

**Annual Report and Financial Statements**

**For the year ended 31 December 2016**



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

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## **DIRECTORS' REPORT**

The directors present their annual report and audited financial statements for PFT Limited (the "Company") for the year ended 31 December 2016. The Directors' Report has been prepared in accordance with the special provisions relating to small companies entitled to the small companies' exemption. The Company's registration number is 00543180.

### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The Company's principal activity is that of acting as trustee of funds held for pension scheme administration within the Mercer Limited group.

In 2016 the Company charged Mercer Limited for services performed in its capacity as Trustee of funds. Mercer Limited charged the Company a management fee for costs incurred on the Company's account to deliver said services.

The Company generated a profit before tax of £11,865 (2015: £12,405). Turnover has decreased by £11,345 to £249,166 in 2016.

### **STRATEGIC REPORT**

The Company qualifies as a small company as defined in S382 of the Companies Act 2006 and is exempt from the preparation of a strategic report as defined by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 No.1970.

### **FINANCIAL RISK MANAGEMENT**

The Company is exposed to financial risk through its financial assets. Due to the nature of the Company's statement of financial position the only financial risks the directors consider relevant to the Company is liquidity/cash flow risk. These risks are mitigated by the nature of the debtor balances owed, with these due from other group companies who are able to repay these if required. The Company's statement of financial position consists of intercompany debtors and the Company is not reliant on funding from third parties.

#### **Liquidity/cash flow risk**

Liquidity and cash flow risk is the risk that cash may not be available to pay obligations when due. The Company has group support to enable it to meet its cash requirements. The Company engages with central treasury and finance functions working for the Marsh & McLennan Companies, Inc. Group to monitor and control its cash flows and working capital requirements.

### **GOING CONCERN**

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

### **MEMBERSHIP**

The Company is a single member company pursuant to Section 123 (2)-(5) of the Companies Act 2006.

### **DIRECTORS**

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

F S Dunsire  
R Tuff  
D N Williams

**DIRECTORS' REPORT (continued)**

**RESULTS AND DIVIDENDS**

The results of the Company for the financial year ended 31 December 2016 are set out on page 6.

The profit after tax for the financial year is £11,865 (2015: £12,405 profit).

The directors do not recommend a payment of a dividend in relation to 2016 (2015: nil).

No interim dividends were paid in the year (2015: nil).

**FUTURE DEVELOPMENTS**

The directors remain confident that the Company will continue upon existing lines over the next 12 month period; however, it is expected that the Company's level of activity will reduce as clients are given the opportunity to transition to alternative Trustee arrangements

**INDEMNITY**

The Company has put in place an indemnity to indemnify directors and officers of the Company against losses or liabilities sustained in the execution of their duties of office. The indemnity is a qualifying third party indemnity provision under s232 and 234 of the Companies Act 2006.

**DISCLOSURE OF INFORMATION TO AUDITOR**

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

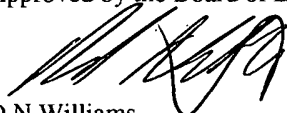
- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor is unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant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

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

**AUDITOR**

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.

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

  
D N Williams  
Director

07 July  
PFT Limited  
1 Tower Place West  
Tower Place  
London  
EC3R 5BU

2017

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year.

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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 PFT LIMITED**

We have audited the financial statements of PFT Limited for the year ended 31 December 2016 which comprises the statement of income and retained earnings, the statement of financial position and the related notes 1 to 12. 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 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland".

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 member 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 member 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 Statement of Directors' Responsibilities, 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, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements..

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PFT 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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' Report or in preparing a Strategic Report.



Timothy Steel (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom

7 July

2017

**STATEMENT OF INCOME AND RETAINED EARNINGS**  
**For the year ended 31 December 2016**

	Notes	2016 £	2015 £
<b>TURNOVER</b>	2	249,166	260,511
Administrative expenses		(237,301)	(248,106)
<b>OPERATING PROFIT</b>		<u>11,865</u>	<u>12,405</u>
<b>PROFIT BEFORE TAXATION</b>	3	11,865	12,405
Tax on profit	6	-	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>11,865</u>	<u>12,405</u>
<b>RETAINED PROFITS AT 1 JANUARY</b>		23,803	11,398
Profit for the financial year		11,865	12,405
<b>RETAINED PROFITS AT 31 DECEMBER</b>		<u>35,668</u>	<u>23,803</u>

All transactions derive from continuing operations.

There were no other items of comprehensive income for 2016 or 2015 other than those included in the statement of income and retained earnings and accordingly no Statement of Comprehensive Income is presented.



**STATEMENT OF FINANCIAL POSITION**  
**As at 31 December 2016**

	Notes	2016 £	2015 £
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	7	36,668	24,803
<b>NET CURRENT ASSETS</b>		<u>36,668</u>	<u>24,803</u>
<b>TOTAL ASSETS</b>		<u>36,668</u>	<u>24,803</u>
 <b>CAPITAL AND RESERVES</b>			
Called up share capital	8	1,000	1,000
Reserves	9	35,668	23,803
<b>SHAREHOLDERS' FUNDS</b>		<u>36,668</u>	<u>24,803</u>

The statement of financial position has been prepared in accordance with the small companies regime under the 2006 Act.

The financial statements of PFT Limited (registered number 00543180) were approved by the Board of directors and authorised for issue on 05 July 2017.

They were signed on its behalf by:



D N Williams  
 Director

07 July

2017

## NOTES TO THE FINANCIAL STATEMENTS

### Year ended 31 December 2016

#### 1. SIGNIFICANT ACCOUNTING POLICIES

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

##### **General information and basis of accounting**

PFT Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 2. The nature of the Company's operations and its principal activities are set out in the Directors' Report on pages 1 and 2.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

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

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

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

The Company has adopted to present a single statement of income and retained earnings in place of the statement of comprehensive income and statement of changes in equity according to section 3.18 under FRS 102.

##### **Going Concern**

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

##### **Turnover**

Turnover comprises fees earned from Mercer Limited for the provision of banking arrangements for pension administration within the Mercer Limited group of companies.

##### **Rendering of services**

Revenue to provide services is recognised in the year in which the services are provided and 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 service at the end of the reporting year can be measured reliably and;
- the costs incurred and the costs to complete the service can be measured reliably.

##### **Financial instruments**

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

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**Year ended 31 December 2016****1. SIGNIFICANT ACCOUNTING POLICIES (continued)****Financial instruments (continued)**

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

**Financial assets and liabilities**

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

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

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

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

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

**Impairment**

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

**Financial assets**

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

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**Year ended 31 December 2016**

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

**Financial assets (continued)**

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

**Taxation**

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

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

**Deferred taxation**

Deferred tax is provided in full on timing differences which result in an obligation at the reporting date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**Critical judgements in applying the Company's accounting policies**

No critical judgments have been applied to the Company's accounting policies during the year.

**2. TURNOVER**

The Company's turnover entirely consists of management fees charged to another group undertaking and are generated in the United Kingdom.

**3. PROFIT BEFORE TAXATION**

	2016	2015
	£	£
<b>Services provided by the Company's auditors:</b>		
Fees payable for the audit of financial statements	<u>5,405</u>	<u>5,300</u>

The audit fee and annual filing fees were borne by a fellow subsidiary undertaking during the year and the prior year.

**4. STAFF COSTS**

The Company has no employees during the year (2015: nil)

**5. INFORMATION REGARDING DIRECTORS**

The majority of the directors are executives of other Group Companies. In such circumstances, it is not practicable to allocate their remuneration between services as executives of other Group Companies and their services as directors of the Company in the current year. Accordingly, we have not disclosed the remuneration of directors who work predominantly for other group companies during the current year.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**Year ended 31 December 2016**

**5. INFORMATION REGARDING DIRECTORS (continued)**

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

**6. TAX ON PROFIT**

The corporation tax rate for the year was 20% (2015: 20.25%).

	2016 £	2015 £
Current tax:		
UK corporation tax on profits for the year	-	-
<b>Total tax on profit</b>	<u>-</u>	<u>-</u>

The tax assessed is lower (2015: lower) than that resulting from applying the standard rate of corporation tax in the UK in 2016 of 20% (2015: 20.25%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>11,865</u>	<u>12,405</u>
Expected tax charge for the year, calculated at 20% (2015: 20.25%) of the profit before tax	2,373	2,512
Effects of:	-	-
Current year group relief received for nil consideration	<u>(2,373)</u>	<u>(2,512)</u>
Actual charge for the year	<u>-</u>	<u>-</u>

The rate of Corporation Tax reduced from 21% to 20% from 1 April 2015, and will reduce from 20% to 19% from 1 April 2017 and from 19% to 17% from 1 April 2020.

**7. DEBTORS**

	2016 £	2015 £
<b>Amounts falling due within one year</b>		
Amounts recoverable from Group undertakings	<u>36,668</u>	<u>24,803</u>

**8. CALLED UP SHARE CAPITAL**

	2016 £	2015 £
Allotted and fully paid		
1,000 ordinary shares of £1 each (2015: 1,000)	<u>1,000</u>	<u>1,000</u>

**9. RESERVES**

**Statement of income and retained earnings:**

Statement of income and retained earnings includes all current and prior year retained profits and losses.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**Year ended 31 December 2016**

**10. RELATED PARTY TRANSACTIONS**

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

**11. GROUP FINANCIAL STATEMENTS**

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

**12. IMMEDIATE AND ULTIMATE PARENT COMPANIES**

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

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

Companies House  
Crown Way  
Cardiff  
CF14 3UZ

and also from:

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