

## **AQUEOUS MANAGEMENT LIMITED**

(Registered Number 09634781)

### **DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD 11 JUNE 2015 to 30 JUNE 2016**

#### **Directors**

PC Chambers (appointed 19 October 2016)  
MS Ford (appointed 19 May 2016)  
D French (appointed 20 July 2015)  
JS Saggi (appointed 23 August 2016)  
Ambant Underwriting Services (appointed 6 April 2016)

#### **Registered Office**

Ambant Limited, 5th Floor Marlow House  
1a Lloyd's Avenue, London EC3N 3AA

#### **Auditor**

Deloitte LLP  
London, UK

FRIDAY



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# AQUEOUS MANAGEMENT LIMITED

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## **AQUEOUS MANAGEMENT LIMITED**

### **DIRECTORS' REPORT FOR THE PERIOD 11 JUNE 2015 TO 30 JUNE 2016**

The Directors present their annual report, together with the audited financial statements, for the period 11 June 2015 to 30 June 2016.

The Directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

#### **Principal activity and review of developments**

The Company was incorporated on 11 June 2015. The Company's principal activity is managing general agent services, focusing specifically on the UK professional indemnity market.

The Company is a subsidiary of Willis Towers Watson 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, consulting, technology and solutions and private exchange services.

The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next period.

#### *Results*

The loss on ordinary activities after taxation amounted to £262,188 as shown in the income statement on page 7.

#### *Employees*

The Company employed no staff during the period. An employee of another subsidiary of Willis Towers Watson plc provided services to the Company during the period.

#### *Going concern*

The Directors have a reasonable expectation that the Company has adequate support from Willis Towers Watson plc 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 10.

#### *Dividends*

No interim dividend was paid during the period.

#### **Directors**

The current Directors of the Company are shown on page 1, which forms part of this report. SL Crabb and JP Howard were appointed as Directors of the Company on 11 June 2015. D French was appointed as Director of the Company on 20 July 2015. JP Howard resigned as Director of the Company on 31 October 2015. SL Crabb resigned as Director of the Company on 14 December 2015. DM Thomas was appointed as Director of the Company on 14 March 2016 and resigned as Director of the Company on 25 April 2016. Ambant Underwriting Services Limited was appointed as a Director of the Company on 6 April 2016. MS Ford was appointed as Director of the Company on 19 May 2016. JS Saggi was appointed as Director of the Company on 23 August 2016. PC Chambers was appointed as Director of the Company on 19 October 2016. There were no other changes in Directors during the period or after the period end.

## **AQUEOUS MANAGEMENT LIMITED**

### **DIRECTORS' REPORT FOR THE PERIOD 11 JUNE 2015 TO 30 JUNE 2016 (continued)**

#### **Statement of Directors' responsibilities 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 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 the 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.

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**

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

JS Saggu  
Director  
51 Lime Street  
London EC3M 7DQ



7 AUGUST

2017

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AQUEOUS MANAGEMENT LIMITED**

We have audited the financial statements of Aqueous Management Limited for the period ended 30 June 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 ERS 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 30 June 2016 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 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 AQUEOUS MANAGEMENT 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; or
- the directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report or from the requirement to prepare a Strategic Report.



Elanor Gill (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, UK

9 MARCH

2017

## AQUEOUS MANAGEMENT LIMITED

### INCOME STATEMENT FOR THE PERIOD 11 JUNE 2015 to 30 JUNE 2016

	Notes	2016 £
Turnover	3	75,293
Operating expenses		<u>(391,182)</u>
<b>Loss on ordinary activities before taxation</b>		<b>(315,889)</b>
Tax credit on loss on ordinary activities	7	<u>53,701</u>
<b>Loss for the period</b>		<b>(262,188)</b>

All activities derive from continuing operations.

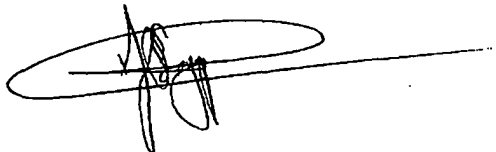
There is no other comprehensive income in the period.

# AQUEOUS MANAGEMENT LIMITED

## BALANCE SHEET AS AT 30 JUNE 2016

	Notes	2016 £
<b>Current assets</b>		
Debtors: amounts falling due within one year	8	98,804
Debtors: amounts falling due after more than one year - deferred tax asset		<u>53,701</u>
		152,505
<b>Current liabilities</b>		
Creditors: amounts falling due within one year	9	<u>(414,692)</u>
<b>Net current liabilities</b>		<u>(262,187)</u>
<b>Total assets less current liabilities</b>		<u>(262,187)</u>
<b>Net liabilities</b>		<u>(262,187)</u>
<b>Equity</b>		
Called up share capital	10	1
Retained earnings		<u>(262,188)</u>
<b>Shareholder's deficit</b>		<u>(262,187)</u>

The financial statements of Aqueous Management Limited, registered company number 09634781, were approved by the Board of Directors and authorised for issue on 9 MARCH 2017 and signed on its behalf by:



JS Saggu  
Director



**AQUEOUS MANAGEMENT LIMITED**

**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 11 JUNE 2015 to 30 JUNE 2016**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
<b>Total comprehensive income for the period</b>			
Loss for the period	-	(262,188)	(262,188)
Issue of shares	1	-	1
<b>Balance at 30 June 2016</b>	<b>1</b>	<b>(262,188)</b>	<b>(262,187)</b>

# AQUEOUS MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 11 JUNE 2015 TO 30 JUNE 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 the certain disclosure exemptions permitted under FRS 101 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 Directors' Report.

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 Acappella Agency Limited; and
- ultimate parent company is Willis Towers Watson plc, a company incorporated in 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) [investor relations]

## **AQUEOUS MANAGEMENT LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 11 JUNE 2015 TO 30 JUNE 2016 (continued)**

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

##### **Revenue recognition**

Revenue includes commissions receivable from insurance carriers. Commission income is recognised at the latter of policy inception date or when the policy placement is completed.

Revenues are stated net of VAT where applicable.

##### **Pension costs**

###### ***Defined contribution scheme***

A defined contribution scheme is a pension scheme under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current or prior periods.

The costs of the defined contribution scheme in which the Company participates are charged to the profit and loss account as part of employee costs in the period in which they fall due. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

##### **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.

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements although, deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related assets are realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities. The deferred income taxes relate to the same tax authority and that authority permits the Company to make a single net payment.

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.

## **AQUEOUS MANAGEMENT LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 11 JUNE 2015 TO 30 JUNE 2016 (continued)**

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

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

Financial assets and financial liabilities include trade debtors and other receivables as well as payables including amounts owed to 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 income or interest expense, as appropriate.

#### **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 period. 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.

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 period.

##### ***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 the period.

##### ***Taxation***

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are given in note 7.

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## AQUEOUS MANAGEMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 11 JUNE 2015 TO 30 JUNE 2016 (continued)

#### 3. Turnover

The table below analyses the Company's fees by the accounting address of the client from whom the business is derived. This does not necessarily reflect the original source or location of the business. Fees are attributable to continuing operations and are invoiced and received in pounds sterling.

Fees	2016 £
United Kingdom	<u>75,293</u>

#### 4. Auditors remuneration

Auditor's remuneration of £3,000 was borne by another Group company.

5. Employee costs	2016 £
Salaries and incentives	87,104
Social security costs	10,910
Other pension costs	9,519
	<u>107,533</u>

Number of employees – average for the period	2016 Number
Client services	<u>1</u>
	<u>1</u>

All staff working for the Company are contractually employed by other subsidiary undertakings of Willis Towers Watson plc. The Company bears the cost of the salaries, social security payments and pension contributions relating to such staff in order to meet its obligations to other Group companies.

#### 6. Directors' remuneration

The Directors of the Company received no remuneration for services rendered to the Company during the period.

Directors were remunerated by other Group companies with no part of their remuneration allocated to the Company. As such, no disclosure of their remuneration has been made.

## AQUEOUS MANAGEMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 11 JUNE 2015 TO 30 JUNE 2016 (continued)

#### 7. Taxation 2016 £

##### (a) Tax credited in the income statement

<b>Deferred tax:</b>	
Unutilised tax losses	(53,701)
Total deferred tax	(53,701)
<b>Tax credit in the income statement (note 7(b))</b>	<b>(53,701)</b>

##### (b) Reconciliation of total tax credit

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 20%. The differences are explained below:

Loss on ordinary activities before taxation	(315,889)
Tax calculated at UK standard rate of corporation tax of 20%	(63,178)
Effects of:	
Rate change on unutilised losses carried forward	9,477
Total tax income reported in the income statement (note 7(a))	(53,701)

##### (c) Change in Corporation tax rates

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 government further announced on 16 March 2016 that the main rate of corporation tax will be reduced to 17% in 2020. As these changes are now substantively enacted they have been reflected in these financial statements.

#### (d) Deferred tax 2016 £

<b>Deferred tax asset</b>	
Tax losses carried forward	53,701
	53,701
<b>Disclosed on the balance sheet</b>	
Deferred tax asset	53,701
	53,701

## AQUEOUS MANAGEMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 11 JUNE 2015 TO 30 JUNE 2016 (continued)

#### 7. Taxation (continued)

Deferred tax assets have been recognised to the extent they are regarded as more likely than not as to be recoverable either against the Company's own future profits or by way of group relief against the future profits of fellow UK Group companies.

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	2016
	£
<b>8. Debtors</b>	
<i>Amounts falling due within one year:</i>	
Trade debtors	75,293
Prepayments	23,511
	<u>98,804</u>

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	2016
	£
<b>9. Creditors: amounts falling due within one year</b>	
Amounts owed to Group undertaking	414,692
	<u>414,692</u>

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	2016
	£
<b>10. Called up share capital</b>	
<b>Allotted, called up and fully paid</b>	
1 ordinary shares of £1 each	<u>1</u>

On 11 June 2015 the company issued ordinary shares of £1 each.

#### 11. Related party transactions

FRS101 (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. There are no other transactions requiring disclosure.

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