

Registered number: 08728337

MMC CAPITAL SOLUTIONS UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

MMC CAPITAL SOLUTIONS UK LIMITED

COMPANY INFORMATION

DIRECTORS

J B Broad
C W Godwin
J M Pickford

COMPANY SECRETARY

Marsh Secretarial Services Limited

REGISTERED NUMBER

08728337

REGISTERED OFFICE

1 Tower Place West
Tower Place
London
EC3R 5BU
United Kingdom

MMC CAPITAL SOLUTIONS UK LIMITED

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MMC CAPITAL SOLUTIONS UK LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

INTRODUCTION

The directors present their strategic report for MMC Capital Solutions UK Limited (the 'Company') for the year ended 31 December 2023.

PRINCIPAL ACTIVITY

The Company provides certain treasury functions on behalf of Marsh & McLennan Companies, Inc. ('MMC' or 'the Group').

BUSINESS REVIEW

The profit for the year, before taxation, amounted to \$3,958,000 (2022 - \$3,744,000).

The profit for the year relates to interest received on loans to group undertakings.

The results of the Company for the year ended 31 December 2023 are set out in the financial statements on pages 9 - 20.

FINANCIAL KEY PERFORMANCE INDICATORS

Given the straightforward nature of the business, the Company's directors believe that analysis using KPIs for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business.

SECTION 172 (1) OF THE COMPANIES ACT 2006 (THE 'ACT') STATEMENT

This Statement is made pursuant to s. 414CZA of the Companies Act 2006.

The Company forms part of the Marsh & McLennan Companies, Inc. Group of Companies, a global professional services provider, specialising in the areas of risk, strategy and people. It acts as a non-trading intermediate holding company and its activities are aligned to the strategy and risk management and control frameworks of the Group.

The directors of the Company are committed to lead and direct the affairs of the Company in order to promote the long-term sustainable success of the Company, generating value for its shareholder and ensuring sound and prudent management of the firm.

The directors of the Company consider that, both individually and collectively, they have acted in a way, in good faith, that would most likely promote the success of the Company, for the benefit of its members (s. 172(1)), also having regard to the long-term consequences of any decisions taken (172(1)(a)). Distributions to the Company's shareholder are only considered after a full assessment of capital adequacy and the Company's ability to continue as a going concern into the foreseeable future. Further information on dividends is set out in the Notes to the Financial Statements on page 15.

Sections 172(1)(b)-(e) do not apply to the Company in its capacity as a non-trading intermediate holding company for the Group, as it does not have employees, clients or suppliers.

The Greater Good, which is MMC's Code of Conduct, applies to all directors of the Company and it embodies the Group's commitment to maintaining the highest ethical conduct and professional standards. These non-negotiable standards are outlined in the Greater Good, which emphasises the importance of building trust with colleagues, clients and the wider community.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Company are those listed below:

Geopolitical and Macro-economic Risk

The risk that changes within the geopolitical and macroeconomic environment adversely impacts the Company resulting in potential losses and additional costs. The Group continuously monitors and responds to any material external environmental factors, such as: fiscal changes (including inflation and GDP growth), environmental influences (e.g. Russia/Ukraine war, Israel/Palestine conflict, China/Taiwan tensions) and market-wide activity.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Cybersecurity Risk

The risk that the Company is the victim of a cyber-attack resulting in the prolonged inability to provide services, suffering regulatory sanctions and/or damage to its reputation. The continuously changing cyber threat landscape coupled with the world's ongoing use and reliance on technology has made the Company more vulnerable to a cyber-attack. The overall risk trend is an increasing one, driven by global connectivity as sensitive and personal data is increasingly stored in digital assets.

In mitigation, the Company continuously monitors external threat vectors, maintains a robust information technology and cyber infrastructure, regularly updates security and patching, and provides comprehensive colleague awareness and training campaigns. In the event of a heightened cyber threat, the Group has established incident management procedures which are invoked to mitigate any adverse impacts. Attendance at the FCA hosted Cyber Co-ordination Group ensures the business has sight of threats and vulnerabilities affecting the UK.

Financial risk

The Company is exposed to credit risk, the risk that a counterparty will be unable to pay amounts in full when due. The main area where the Company is exposed to credit risk is on amounts recoverable from group undertakings not yet received. There is regular reporting and review of balances by management.

Interest rate risk

The interest rate risk of the Company is managed by treasury staff, in line with guidelines issued by its ultimate parent company. In managing interest rate and currency risks the Company aims to reduce the impact of short-term fluctuations on the Company's earnings. Over the longer term, however, permanent changes in interest rates would have an impact on earnings.

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 engages with central treasury and finance functions working for the Group to monitor and control its cash flows and working capital requirements.

This report was approved by the board and was signed on its behalf on 23 May 2024.



J M Pickford
Director

MMC CAPITAL SOLUTIONS UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their report and the financial statements for the year ended 31 December 2023.

PRINCIPAL ACTIVITY

The principal activities of the Company are set out in the Strategic Report on page 1. The information that fulfils the Companies Act requirements of the business review is included in the Strategic Report on page 1. Details of the principal risks and uncertainties are included in the Strategic Report.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to \$ 3,017,000 (2022 - \$3,069,000).

An interim dividend of \$7,000,000 was paid during the year (2022 - \$nil). The directors do not recommend the payment of a final dividend (2022 - \$nil).

DIRECTORS

The directors who served during the year and up to the date of signing were:

J B Broad

C W Godwin

J M Pickford

GOING CONCERN

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of twelve months from the date of approval of the financial statements and, therefore, continue to adopt the going concern basis in preparing the annual report and financial statements.

The Company has modelled a range of potential future financial outcomes and continues to monitor the uncertainty in the current economic and business environment.

Further details regarding the adoption of the going concern basis can be found in the accounting policies in note 2 to the financial statements.

FUTURE DEVELOPMENTS

The activities of the Company are expected to continue along similar lines for the foreseeable future.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The Company has put in place an indemnity in its Articles of Association to indemnify directors and officers of the Company against losses or liabilities sustained in the execution of their duties of office. The indemnity is a qualifying third party indemnity provision under s232 and s234 of the Companies Act 2006.

DISCLOSURE OF INFORMATION TO AUDITOR

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since the year end.

MMC CAPITAL SOLUTIONS UK LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

AUDITOR

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 487(2) of the Companies Act 2006.

This report was approved by the board and was signed on its behalf on 23 May 2024.



J M Pickford

Director

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023**

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 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MMC CAPITAL SOLUTIONS UK LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of MMC Capital Solutions UK Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MMC CAPITAL SOLUTIONS UK LIMITED
(CONTINUED)**

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the Company's business sector.

We obtained an understanding of the legal and regulatory framework that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MMC CAPITAL SOLUTIONS UK LIMITED
(CONTINUED)**

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

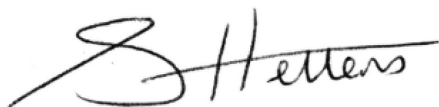
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

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



Sarah Hellens, FCA (Statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Newcastle, United Kingdom

28 May 2024

MMC CAPITAL SOLUTIONS UK LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 \$000	2022 \$000
Interest receivable and similar income	6	<u>3,958</u>	<u>3,744</u>
Profit before tax		3,958	3,744
Tax on profit	7	<u>(942)</u>	<u>(675)</u>
Profit for the financial year		<u>3,016</u>	<u>3,069</u>
Total comprehensive income for the year		<u>3,016</u>	<u>3,069</u>

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of comprehensive income.

All transactions derive from continuing operations.

There was no other comprehensive income for 2023 (2022 - \$nil).

The notes on pages 13 to 20 form part of these financial statements.

MMC CAPITAL SOLUTIONS UK LIMITED

REGISTERED NUMBER: 08728337

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	2023 \$000	2022 \$000
Fixed assets			
Investments	8	<u>141,660</u>	<u>141,660</u>
		141,660	141,660
Current assets			
Debtors: amounts falling due after more than one year	9	104,000	104,000
Debtors: amounts falling due within one year	9	<u>5,960</u>	<u>8,680</u>
		109,960	112,680
Creditors: amounts falling due within one year	10	<u>(3,064)</u>	<u>(1,800)</u>
Net current assets		<u>106,896</u>	<u>110,880</u>
Total assets less current liabilities		248,556	252,540
Net assets		<u><u>248,556</u></u>	<u><u>252,540</u></u>
Capital and reserves			
Called up share capital	11	2	2
Share premium account	12	245,658	245,658
Profit and loss account	12	<u>2,896</u>	<u>6,880</u>
		<u>248,556</u>	<u>252,540</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 May 2024.



J M Pickford

Director

The notes on pages 13 to 20 form part of these financial statements.

MMC CAPITAL SOLUTIONS UK LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Called up share capital \$000	Share premium account \$000	Profit and loss account \$000	Total equity \$000
At 1 January 2023	2	245,658	6,880	252,540
Comprehensive income for the year				
Profit for the year	—	—	3,016	3,016
Total comprehensive income for the year	—	—	3,016	3,016
Dividends paid	—	—	(7,000)	(7,000)
Total transactions with owners	—	—	(7,000)	(7,000)
 At 31 December 2023	 2	 245,658	 2,896	 248,556

The notes on pages 13 to 20 form part of these financial statements.

MMC CAPITAL SOLUTIONS UK LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital \$000	Share premium account \$000	Profit and loss account \$000	Total equity \$000
At 1 January 2022	2	245,658	3,811	249,471
Comprehensive income for the year				
Profit for the year	—	—	3,069	3,069
Total comprehensive income for the year	—	—	3,069	3,069
At 31 December 2022	2	245,658	6,880	252,540

The notes on pages 13 to 20 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1 GENERAL INFORMATION

MMC Capital Solutions UK Limited is a company incorporated in the United Kingdom under the Companies Act and is registered in England and Wales. The address of the registered office is given on the Information page. MMC Capital Solutions UK Limited is a private company limited by shares. The nature of the Company's operations and its principal activities are set out in the Directors' Report on pages 3 to 4.

2 ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 29 Income Tax related to Pillar Two paragraphs 29.28(b), 29.29 and 29.39 to 29.41; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

Where applicable, this information is included in the consolidated financial statements of Marsh & McLennan Companies, Inc. as at 31 December 2023 and these financial statements may be obtained from the address listed in note 16.

2.3 Going concern

The current economic conditions create uncertainty particularly over the exchange rate between US dollar and foreign currencies. The Company continues to monitor the uncertainty in the current economic and business environment. This monitoring and analysis considered our business resilience and continuity plans of the Company's subsidiaries and stress testing of liquidity and financial resources. The analysis modelled the financial impact assuming an increasing severity of impact in relation to income for a 12-month period so that the potential impact on profitability and liquidity could be assessed.

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 Company to continue as a going concern. The directors acknowledge the latest guidance on going concern.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of twelve months from the date of the approval of the financial statements and, therefore, they continue to adopt the going concern basis in preparing the annual financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2 ACCOUNTING POLICIES (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is USD.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to tax balances are presented in the Statement of Comprehensive Income within 'tax on (loss)/profit'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'Interest receivable and similar income' or 'Interest payable and similar expenses'.

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.6 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Statement of Financial Position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.8 Impairment

Assets, other than those measured at fair value, are assessed for indicators of impairment at each statement of financial position date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive 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
FOR THE YEAR ENDED 31 DECEMBER 2023

2 ACCOUNTING POLICIES (continued)

2.8 Impairment (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.

Non-financial assets

At each statement of financial position date, the Company reviews the carrying amounts of its tangible and intangible assets acquired separately to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and the value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Comprehensive Income, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in Statement of Comprehensive Income, unless the relevant asset is carried at a re-valued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Internally generated intangible assets arising from the Company's internal system development projects are considered for impairment on a regular basis and those projects that no longer have a useful purpose either by the result of obsolescence or the Company's decision to migrate to other products, will be recognised in the statement of income in the quarter the asset is no longer in a condition useable by the Company in any capacity.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Dividends

Dividends are the way that the Company makes distributions from the Company's profits to its shareholder.

The Board decides the level of dividend in consultation with, or consideration of, various stakeholders, including the management of the Company's ultimate parent company, Marsh & McLennan Companies, Inc. The amount and timing of a dividend may be changed at any time, and influenced by factors such as:

- the Company's working capital requirements to sustain its business plans;
- the Company's future capital investment needs; and
- the Company's excess financial resources.

Equity dividends are recognised when they become legally payable.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

3 JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The following is the critical judgement that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Impairment review of fixed assets investments

The Company has an annual process of reviewing its fixed asset investments for indicators of impairment. Areas of critical judgement include estimates of future discount rates, future earnings and consideration of whether there is a willing buyer in the market for these investments. Impairment and impairment reversals are measured by comparing the carrying value of the asset with its future discounted cash flow. Any impairments that have subsequently been reversed are capped to their historical acquisition cost.

Key sources of estimation uncertainty

Management have considered key sources of estimation uncertainty. There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4 AUDITORS REMUNERATION

The audit fee and annual filing fees were borne by a fellow subsidiary undertaking during the year. The audit fee relates to the auditing of the financial statements. The audit fee attributable to the Company is \$15,900 (2022 - \$15,000).

The Company has not engaged its auditor for any non-audit services.

5 EMPLOYEES

The Company has no employees other than the directors, who did not receive any remuneration (2022 - \$nil).

6 INTEREST RECEIVABLE AND SIMILAR INCOME

	2023	2022
	\$000	\$000
Interest receivable from group companies	3,958	3,744
	<u>3,958</u>	<u>3,744</u>

MMC CAPITAL SOLUTIONS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

7 TAXATION

	2023	<i>2022</i>
	\$000	<i>\$000</i>
CORPORATION TAX		
Current tax on profits for the year	941	<i>675</i>
	941	<i>675</i>
TOTAL CURRENT TAX	941	<i>675</i>
DEFERRED TAX		
TOTAL DEFERRED TAX	–	<i>–</i>
TAXATION ON PROFIT	941	<i>675</i>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (*2022 - lower than*) the standard rate of corporation tax in the UK of 23.5% (*2022 - 19.0%*). The differences are explained below:

	2023	<i>2022</i>
	\$000	<i>\$000</i>
Profit before tax	3,958	<i>3,744</i>
Profit multiplied by standard rate of corporation tax in the UK of 23.5% (<i>2022 - 19%</i>)	931	<i>711</i>
EFFECTS OF:		
Other differences leading to an increase (decrease) in the tax charge	11	<i>(36)</i>
TOTAL TAX CHARGE FOR THE YEAR	942	<i>675</i>

Factors that may affect future tax charges

The UK Corporation Tax rate increased from 19% to 25% with effect from 1 April 2023.

The international tax reform released by the Organisation for Economic Cooperation and Development (OECD), known as Pillar Two, is a framework for the introduction of a global minimum effective tax rate of 15%, which could impact the tax charge of the Company in future periods in the jurisdiction where the Company operates. The legislation was enacted by Finance (No. 2) Act 2023, which received Royal Assent on 20 June 2023, and will be effective from 1 January 2024.

MMC CAPITAL SOLUTIONS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

8 FIXED ASSET INVESTMENTS

	Investments in subsidiary companies \$000
Cost	
At 1 January 2023	141,660
At 31 December 2023	<u>141,660</u>

Subsidiary undertaking

The following is a subsidiary undertaking of the Company:

Name	Registered Office	Class of shares	Holding
Oliver Wyman Services Limited	1 Tower Place West, Tower Place, London, EC3R 5BU	Ordinary	100 %

In the opinion of the directors the value of investment in the Company's subsidiary is not less than the amount at which it is included in the Statement of Financial Position.

9 DEBTORS

	2023 \$000	2022 \$000
Due after more than one year		
Amounts owed by group undertakings	<u>104,000</u>	<u>104,000</u>
	<u>104,000</u>	<u>104,000</u>
Due within one year		
Amounts owed by group undertakings	4,511	7,552
Amounts owed by group undertakings in respect of taxation	<u>1,449</u>	<u>1,128</u>
	<u>5,960</u>	<u>8,680</u>

Amounts owed by group undertakings due after more than one year is a loan of \$104,000,000 which attracts an interest rate of 3.5% and is repayable on 1 January 2025.

Amounts owed to group undertakings due within one year are unsecured, interest free and repayable on demand.

10 CREDITORS: Amounts falling due within one year

	2023 \$000	2022 \$000
Amounts owed to group undertakings	1,385	500
Corporation tax	<u>1,679</u>	<u>1,300</u>
	<u>3,064</u>	<u>1,800</u>

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

MMC CAPITAL SOLUTIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

11 SHARE CAPITAL

	2023	2022
	\$000	\$000
Allotted, called up and fully paid		
2,000 (2022 - 2,000) Ordinary shares of \$1.00 each	<u>2</u>	<u>2</u>

The share capital of the Company consists of fully paid Ordinary Shares with a par value of \$1 per share.

All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at shareholders' meetings of the Company.

12 RESERVES

Share premium account

The share premium account contains the premium arising on issue of shares.

Profit and loss account

Profit and loss account represents cumulative profits and losses, net of dividends paid.

13 RELATED PARTY TRANSACTIONS

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

14 GROUP FINANCIAL STATEMENTS

Group financial statements have not been prepared as the Company has taken an exemption in accordance with Section 401 of the Companies Act 2006, from the requirement to prepare group financial statements.

The 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.

15 POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since the year end.

MMC CAPITAL SOLUTIONS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

16 CONTROLLING PARTY

The Company's immediate parent company is MMC Capital Solutions US LLC, incorporated in the state of Delaware, United States of America. 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 MMC Capital Solutions UK Limited are consolidated is that headed by Marsh & McLennan Companies, Inc. whose registered address is 1166 Avenue Of The Americas, New York, Ny 10036, United States. The consolidated financial statements of Marsh & McLennan Companies, Inc. are available to the public and may be obtained from:

Companies House
Crown Way
Cardiff
CF14 3UZ

and also from:

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