
MMC HOLDINGS (UK) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

MMC HOLDINGS (UK) LIMITED

COMPANY INFORMATION

DIRECTORS

J B Broad
J P D'Offay (resigned 11 February 2022)
T F Pearce (appointed 1 June 2023)
S Saxby (resigned 26 May 2023)

COMPANY SECRETARY

Marsh Secretarial Services Limited

REGISTERED NUMBER

09831612

REGISTERED OFFICE

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

MMC HOLDINGS (UK) LIMITED

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MMC HOLDINGS (UK) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

INTRODUCTION

The directors present their Strategic Report for MMC Holdings (UK) Limited ('the Company') for the year ended 31 December 2022. The Company's registration number is 09831612.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The Company is part of the Marsh & McLennan Companies, Inc. group of companies ('MMC' or 'the Group').

The Company acted as an intermediate holding company. During the year the Company's activities were reviewed as part of a legal entity optimisation project. It was decided that the Company would dispose of its investments to another Group company. The Company undertook the following transactions during the year.

- In December 2022, the Company contributed a loan note receivable of \$1,153 million to Marsh & McLennan Companies UK Limited in exchange for 1,000 shares of £1 each issued at a premium of \$1,153 million.
- In December 2022, the Company transferred its investment in Marsh & McLennan Companies UK Limited to another group company at fair market value in exchange for a loan note.

At 31 December 2022 the Company had disposed of all of its investments and management were reviewing the settlement of other debtors and creditors and its future activities in the Group.

The Company's key performance indicators during the year were as follows

	2022	<i>2021</i>	Movement	Movement
	\$M	<i>\$M</i>	\$M	%
Dividend income	200	<i>1,131</i>	(931)	(82)
Other operating income	1,658	<i>-</i>	1,658	-
Profit before tax	1,863	<i>1,131</i>	732	65
Shareholders' funds	11	<i>11,727</i>	(11,716)	(100)

The Company received dividends from subsidiary undertakings of \$200 million (2021: \$1,131 million). Higher dividends were received in the prior year as a result of a review of the 2021 capital requirements of subsidiary undertakings.

Other operating income of \$1,658 million represents a gain on the sale of a subsidiary undertaking.

Shareholders' funds decreased by \$11,716 million as a result of profit for the year of \$1,862 million, shares issued at a premium \$1,153 million less dividends paid of \$14,731 million.

The Company has sold its investments in the year. As a result, in the future, these key performance indicators will change to reflect its operations.

MMC HOLDINGS (UK) LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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 to ensure investment in the future growth of the Company, balanced with stable and sustainable returns to the shareholder. Further information on dividends is set out in the Notes to the Financial Statements on page 18.

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 the Group'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:

Credit risk

Credit risk is 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 cash.

The Company mitigates its credit risk for cash by only depositing money in institutions with a sufficiently high credit rating. The credit rating required is that demanded by our ultimate parent company. In addition, the Company has investment guidelines that restrict the amount of the investment portfolio that can be placed with a single institution.

Currency risk

The Company is exposed to currency risk in respect of investment income (which includes dividends received) as well as assets and liabilities denominated in currencies other than US dollar. The most significant currency to which the Company is exposed is the Great British Pound. The Company seeks to mitigate the risk as far as possible by matching the estimated foreign currency denominated liabilities with assets denominated in the same currency.

MMC HOLDINGS (UK) LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Impairment risk

The Company's principal assets are shares in subsidiary undertakings. There is a risk of loss if the valuations of these subsidiary undertakings were to be impaired for any reason. Factors that may indicate the need for such impairment include changes in financial performance, the loss of business or the loss of key staff.

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 Marsh & McLennan Companies, Inc. 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 29 August 2023.



Justin Broad
Director

MMC HOLDINGS (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

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 pages 1 to 3. This includes a review of the development of the business of the Company during the year and of likely future developments in its business. 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 \$1,862 million (2021 - \$1,131 million).

The Company paid an interim dividend of \$14,731 million (2021 - \$1,111 million) in the year. The directors do not recommend the payment of a final dividend.

DIRECTORS

The directors who served during the year were:

J B Broad
J P D'Offay (resigned 11 February 2022)
S Saxby (resigned 26 May 2023)

The following director was appointed after 31 December 2022:

T F Pearce (appointed 1 June 2023)

There being no provision in the Company's Articles of Association for the retirement of directors by rotation, the present directors will continue in office.

GOING CONCERN AND FUTURE DEVELOPMENTS

The directors acknowledge the latest guidance on going concern. The Company continues to monitor the uncertainty in the current economic and business environment. The Company has ceased trading and is now settling existing debtor and creditor balances. It is expected that this activity will continue. The Company also has adequate financial resources for the foreseeable future. These financial statements are therefore presented on a going concern basis. Accordingly the directors continue to adopt the going concern basis in preparing the financial statements.

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY ACTION

The Company consumed less than 40MWh in the UK for the 12 months ended 31 December 2022. As a result of meeting that criteria, the Company itself is not required to make the detailed energy and carbon reporting disclosures included within the Environmental Reporting Guidelines.

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.

MMC HOLDINGS (UK) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

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.

AUDITOR

The auditor, Deloitte LLP, has indicated their willingness to continue in office and will be deemed to be reappointed under Section 487 (2) of the Companies Act 2006.

This report was approved by the board and was signed on its behalf on 29 August 2023.



Justin Broad
Director

United Kingdom

MMC HOLDINGS (UK) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

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 to 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.

MMC HOLDINGS (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MMC HOLDINGS (UK) LIMITED

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 December 2022 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 20.

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.

MMC HOLDINGS (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MMC HOLDINGS (UK) LIMITED (CONTINUED)

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.

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 and internal audit about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

MMC HOLDINGS (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MMC HOLDINGS (UK) LIMITED (CONTINUED)

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 valuations 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.

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.

MMC HOLDINGS (UK) LIMITED

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

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.



Paul Stephenson BA, FCA (Senior statutory auditor)

For and on behalf of

Deloitte LLP

Statutory Auditor

London
United Kingdom

Date: 30 August 2023

MMC HOLDINGS (UK) LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 \$m	2021 \$m
Dividend income	4	200	1,131
Gross profit		200	1,131
Other operating income	5	1,658	-
Operating profit		1,858	1,131
Interest receivable and similar income	8	5	-
Profit before tax		1,863	1,131
Tax on profit	9	(1)	-
Profit for the financial year		1,862	1,131

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2022 (2021:\$nil).

The notes on pages 15 to 24 form part of these financial statements.

All transactions derive from continuing operations.

MMC HOLDINGS (UK) LIMITED
REGISTERED NUMBER: 09831612

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 \$m	2021 \$m
Fixed assets			
Investments	11	-	11,720
		<u>-</u>	<u>11,720</u>
Current assets			
Debtors: amounts falling due within one year	12	12	-
Cash at bank and in hand	13	-	7
		<u>12</u>	<u>7</u>
Creditors: amounts falling due within one year	14	(1)	-
		<u>11</u>	<u>7</u>
Net current assets		11	7
Total assets less current liabilities		11	11,727
Net assets		11	11,727
Capital and reserves			
Called up share capital	15	-	7
Share premium account	16	-	10,535
Capital redemption reserve	16	-	-
Profit and loss account	16	11	1,185
		<u>11</u>	<u>11,727</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 August 2023.



Justin Broad
 Director

The notes on pages 15 to 24 form part of these financial statements.

MMC HOLDINGS (UK) LIMITED

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

	Called up share capital	Share premium account	Profit and loss account	Total equity
	\$m	\$m	\$m	\$m
At 1 January 2022	7	10,535	1,185	11,727
Comprehensive income for the year				
Profit for the year	-	-	1,862	1,862
Total comprehensive income for the year	-	-	1,862	1,862
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(14,731)	(14,731)
Shares issued during the year	-	1,153	-	1,153
Capital reduction	(7)	(11,688)	11,695	-
Total transactions with owners	(7)	(10,535)	(3,036)	(13,578)
At 31 December 2022	-	-	11	11

The notes on pages 15 to 24 form part of these financial statements.

MMC HOLDINGS (UK) LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Share premium account	Profit and loss account	Total equity
	\$m	\$m	\$m	\$m
At 1 January 2021	7	10,535	1,179	11,721
Comprehensive income for the year				
Profit for the year	-	-	1,131	1,131
Total comprehensive income for the year	-	-	1,131	1,131
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(1,111)	(1,111)
Purchase of own shares	-	-	(14)	(14)
Total transactions with owners	-	-	(1,125)	(1,125)
At 31 December 2021	7	10,535	1,185	11,727

The notes on pages 15 to 24 form part of these financial statements.

MMC HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. GENERAL INFORMATION

MMC Holdings (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 Company information page. MMC Holdings (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 Strategic Report on pages 1 to 3.

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 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23; 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 2022 and these financial statements may be obtained from these financial statements may be obtained from the address in note 20.

MMC HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.3 GOING CONCERN

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the business review, which forms part of the Strategic Report.

The Company meets its day-to-day working capital requirements from revolving loan facilities. 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 and the directors are satisfied that the Company's services will continue to be attractive to clients. 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 revenue and certain costs, 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.

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 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'.

MMC HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.5 DIVIDEND INCOME

Dividends from subsidiary undertakings are accounted for when declared.

2.6 INTEREST INCOME

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.7 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.

2.8 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

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 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.11 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.

MMC HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.12 DIVIDENDS

Dividends are the way that the Company makes distributions from the Company's profits to its shareholder. The dividend is determined in US dollar, the economic currency of the Company. The Directors may choose to declare dividends in any currency provided that a US dollar equivalent is announced.

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 plan;
- the Company's future capital investment needs; and
- the Company's excess financial resources.

Equity dividends are recognised when they become legally payable.

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 directors have reviewed the critical judgements (apart from those involving estimations) in applying the Company's accounting policies and consider that there are no critical accounting judgements.

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.

MMC HOLDINGS (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

4. DIVIDEND INCOME

An analysis of turnover by class of business is as follows:

	2022	<i>2021</i>
	\$m	<i>\$m</i>
Dividends receivable	200	<i>1,131</i>

Analysis of turnover by country of destination:

	2022	<i>2021</i>
	\$m	<i>\$m</i>
United Kingdom	200	<i>1,131</i>

5. OTHER OPERATING INCOME

	2022	<i>2021</i>
	\$m	<i>\$m</i>
Profit on disposal of investments	1,658	<i>-</i>

6. AUDITOR'S REMUNERATION

The audit fee and annual filing fees were borne by a fellow subsidiary undertaking during the period. The audit fee attributable to the Company is \$14,000 (2021: \$13,000). No other services were provided to the Company by the Company's auditor in the year.

7. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

No remuneration was paid or is payable to the directors of MMC Holdings (UK) Limited in respect of their services to the Company during the year. The directors are remunerated for their services to other companies in the Marsh McLennan Companies, Inc., Group and their remuneration is dealt with in the financial statements of those companies. The Company had no other employees during the period.

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 Marsh Services Limited, the group's UK principal employing company.

MMC HOLDINGS (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2022	<i>2021</i>
	\$m	<i>\$m</i>
Interest receivable from group companies	5	-
	<u>5</u>	<u>-</u>

9. TAX ON PROFIT

	2022	<i>2021</i>
	\$m	<i>\$m</i>
Corporation tax		
Current tax on profits for the year	1	-
	<u>1</u>	<u>-</u>
Total current tax	1	-
	<u>1</u>	<u>-</u>
Taxation on profit	1	-
	<u>1</u>	<u>-</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (*2021 - lower than*) the standard rate of corporation tax in the UK of 19.0% (*2021 - 19.0%*). The differences are explained below:

	2022	<i>2021</i>
	\$m	<i>\$m</i>
Profit before tax	1,863	<i>1,131</i>
	<u>1,863</u>	<u>1,131</u>
Profit before tax multiplied by standard rate of corporation tax in the UK of 19.0% (<i>2021 - 19.0%</i>)	354	<i>215</i>
Effects of:		
Non-taxable income	(315)	-
Dividends from UK companies	(38)	<i>(215)</i>
	<u>1</u>	<u>-</u>
Total tax charge for the year	1	-
	<u>1</u>	<u>-</u>

MMC HOLDINGS (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. TAX ON PROFIT (CONTINUED)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

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

The OECD's 'Pillar 2' is a framework for the introduction of a global minimum effective tax rate of 15%, applicable to large multinational groups, which could impact the tax charge of the Company in future periods. Within Finance (No. 2) Act 2023, which received Royal Assent on 11 July 2023, the UK Government has included legislation governing how Pillar 2 is intended to operate in the UK. The UK Government has committed to the implementation of these rules for accounting periods beginning on or after 31 December 2023. The legislation includes a qualified domestic minimum top-up tax, which will impose a top-up tax in the UK on low-taxed UK profits. The Group continues to review the legislation to better understand the impact. This legislation was not substantively enacted at 31 December 2022, and therefore has no impact upon the Company's income statement or balance sheet.

10. DIVIDENDS

	2022 \$m	2021 \$m
Amounts recognised as distributions to equity holders in the year: Interim dividend for the year ended 31 December	<u>14,731</u>	<u>1,111</u>

11. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies \$m
At 1 January 2022	11,720
Additions	1,153
Disposals	(12,873)
At 31 December 2022	<u>-</u>

Additions:

In December 2022, the Company contributed a loan note receivable of \$1,153 million to Marsh & McLennan Companies UK Limited in exchange for 1,000 shares of £1 each issued at a premium of \$1,153 million.

Disposals:

In December 2022, the Company transferred its investment in Marsh & McLennan Companies UK Limited to another group company at fair market value in exchange for a loan note.

The Company has no subsidiary undertakings at 31 December 2022.

MMC HOLDINGS (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. DEBTORS: Amounts falling due within one year

	2022	<i>2021</i>
	\$m	<i>\$m</i>
Amounts owed by group undertakings	12	<i>-</i>

Amounts owed by group undertakings includes an inter company balance of \$12 million which is unsecured, interest free and repayable on demand. Also included is a loan of \$10,000 which is repayable on demand and had variable interests rate of between 2.015% and 4.54%.

13. CASH AND CASH EQUIVALENTS

	2022	<i>2021</i>
	\$m	<i>\$m</i>
Cash at bank and in hand	-	<i>7</i>

During 2022 certain companies in the UK joined a cash pooling arrangement whereby balances were regularly returned to zero and the funds moved to a central account held by MMC International Treasury Centre Limited, a fellow UK Group subsidiary. Balances held in this pool arrangement are disclosed as amounts owed by group undertakings in note 12.

14. CREDITORS: Amounts falling due within one year

	2022	<i>2021</i>
	\$m	<i>\$m</i>
Corporation tax	1	<i>-</i>

15. SHARE CAPITAL

	2022	<i>2021</i>
	\$m	<i>\$m</i>
Allotted, called up and fully paid		
1 (2021 - 6,662,661) Ordinary share of \$1.00	-	<i>7</i>

In October 2022, the Company issued 1,000 ordinary shares of \$1 each, at a premium of \$1,153 million.

In December 2022, the Company reduced its share capital to \$1 by cancelling and extinguishing 6,663,660 ordinary shares of \$1 each.

The share capital of the Company consists of fully paid ordinary shares with a par value of \$1.00 per share.

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

MMC HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

16. RESERVES

Share premium account

In October 2022, the Company issued 1,000 ordinary shares of \$1 each, at a premium of \$1,153 million.

In December 2022, the Company reduced its share premium account to nil and credited the amount of \$11,688 million to the Company's profit and loss account reserve.

Capital redemption reserve

In 2021, 6,000 ordinary shares were bought back from the Company's immediate parent company, Calm Treasury Holdings Limited. The nominal value of the shares of \$6,000 has been credited to the capital redemption reserve.

Profit and loss account

The profit and loss account represents cumulative profits and losses, net of dividends paid and other adjustments.

17. 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.

18. 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, where no less than 100% of voting rights are controlled within the Marsh & McLennan Companies, Inc. Group, whose consolidated financial statements are publicly available. There are no other transactions requiring disclosure.

MMC HOLDINGS (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

19. POST BALANCE SHEET EVENTS

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

20. CONTROLLING PARTY

The Company's immediate parent company is Calm Treasury Holdings 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, USA.

The smallest and largest group in which the results of MMC Holdings (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
United Kingdom