

Registered Number: 10299085

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**MMC MIDDLE EAST HOLDINGS LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**MMC MIDDLE EAST HOLDINGS LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

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

**COMPANY SECRETARY**

Marsh Secretarial Services Limited

**REGISTERED NUMBER**

10299085

**REGISTERED OFFICE**

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

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**MMC MIDDLE EAST HOLDINGS LIMITED**

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## MMC MIDDLE EAST HOLDINGS LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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#### INTRODUCTION

The Directors present their Strategic Report for MMC Middle East Holdings Limited ("the Company") for the year ended 31 December 2022. The Company's registration number is 10299085.

#### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is part of the Marsh & McLennan Companies, Inc. Group of Companies ('MMC' or the 'Group'). It enables foreign exchange management for the Group and acts as an intermediate holding company of a group of companies engaged primarily in risk management and insurance consultancy. During 2023 the Company agreed to sell its remaining subsidiary entities and it is expected to become dormant following these sales.

#### FINANCIAL KEY PERFORMANCE INDICATORS

The Company's key financial and other performance indicators during the year were as follows, compared to 2021:

	2022	2021	Movement	Movement
	\$000	\$000	\$000	%
Dividend income	394	15,901	(15,507)	(98)
Profit before tax	121,565	15,901	105,664	665
Shareholders' funds	1,722	346,712	(344,990)	(100)

The significant decrease in dividend income is due to the transfer of a number of investments to another group company during the year. The investments cost \$345,342,000 and were transferred for a fair market value consideration of \$466,507,000. This resulted in a gain of \$121,165,000.

Shareholders' funds decreased by \$344,990,000 as a result of profit for the year of \$118,679,000 less dividends paid of \$463,669,000.

#### 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 20.

Sections 172(1)(b)-(e) do not apply to the Company in its capacity as a non-trading intermediate holding company for the MMC 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.

STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**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 areas where the Company is exposed to credit risk are amounts due from other group companies. These are reviewed as part of a global intercompany process and monitored to reduce the amounts outstanding and obtain prompt settlement.

**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 the US dollar. The most significant currency to which the Company is exposed is 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.

**Impairment risk**

As an intermediate holding entity, the Company is reliant on positive trading results from its active subsidiaries to ensure dividend income is received and impairments in the carrying value of its investments are not required.

The results of the trading subsidiaries are subject to a number of risks, including competition from other providers, outsourcing of key tasks, availability of IT systems, cyber attacks and political events such as the situation in Ukraine. The Company's subsidiary undertakings mitigate these risks through a number of approaches including regular review and enhancement of the offering to clients to mitigate the risk of loss of business to competitors and active communication with Group IT functions and colleague training and awareness campaigns as well as regular patching and security updates to mitigate the risk of availability of IT systems and cyber attack. The risk of outsourcing is mitigated through monitoring of contracts and deliveries against agreements and key performance indicators and political risk is assessed through regional and Group level dedicated incident management forums, aligning the Company's responses to both local governmental and Group corporate guidance. Ongoing risk assessments continue to monitor all the enterprise risk categories to support executive decision making.

**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.

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**MMC MIDDLE EAST HOLDINGS LIMITED**

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**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 cash flows and working capital requirements.

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



J B Broad  
Director

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## MMC MIDDLE EAST HOLDINGS LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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

#### PRINCIPAL ACTIVITIES

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 \$118,679,000 (2021: \$15,904,000).

Dividends of \$463,669,000 were declared in the year (2021: \$43,800,000).

#### DIRECTORS

The directors who served during the year were:

J B Broad

J P D'offay (resigned 11 February 2022)

I R Hadley (resigned 1 February 2022)

S Saxby (resigned 26 May 2023)

The following director was appointed after 31 December 2022:

T F Pearce (appointed 1 June 2023)

#### 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. During 2023 the Company agreed to sell its remaining subsidiary entities and it is expected to become dormant following these sales. For this reason, the financial statements have been presented on a basis other than going concern.

No adjustments were required as a result of the accounts being prepared on a basis other than of a going concern.

#### 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. Where appropriate, stream-lined energy and carbon reporting disclosures are made and can be found in the financial statements of companies it owns as fixed asset investments.

#### 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.

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**MMC MIDDLE EAST HOLDINGS LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**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**

On 2nd February 2023 one of the two remaining subsidiaries was sold to a group company. On 27th July 2023 the directors of the Company agreed to sell its remaining subsidiary to another group company.

**AUDITOR**

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

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



J B Broad  
Director



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**MMC MIDDLE EAST HOLDINGS LIMITED**

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**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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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 MIDDLE EAST HOLDINGS LIMITED

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**Report on the audit of the financial statements**

**Opinion**

In our opinion the financial statements of MMC Middle East Holdings 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.

**Emphasis of matter - Financial statements prepared on a basis other than that of going concern**

We draw attention to note 2.3 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

**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 MIDDLE EAST HOLDINGS LIMITED**

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**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](http://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.

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 tax and 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, reviewing internal audit reports.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MMC MIDDLE EAST HOLDINGS LIMITED

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**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.

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**MMC MIDDLE EAST HOLDINGS LIMITED**

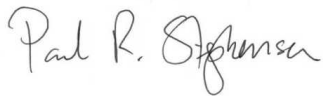
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MMC MIDDLE EAST HOLDINGS LIMITED**

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**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

30 August 2023

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MMC MIDDLE EAST HOLDINGS LIMITED

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STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2022

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		2022	2021
	Note	\$000	\$000
Dividend income	4	<u>394</u>	<u>15,901</u>
<b>Gross profit</b>		<b>394</b>	<b>15,901</b>
Other operating income	5	<u>121,165</u>	<u>–</u>
<b>Operating profit</b>		<b>121,559</b>	<b>15,901</b>
Interest receivable and similar income	8	<u>6</u>	<u>–</u>
<b>Profit before tax</b>		<b>121,565</b>	<b>15,901</b>
Tax on profit	9	<u>(2,886)</u>	<u>3</u>
<b>Profit for the financial year</b>		<b><u>118,679</u></b>	<b><u>15,904</u></b>

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 26 form part of these financial statements.

All transactions derive from discontinued operations.

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**MMC MIDDLE EAST HOLDINGS LIMITED****REGISTERED NUMBER: 10299085**

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**STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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	<b>Note</b>	<b>2022</b>	<b>2021</b>
		<b>\$000</b>	<b>\$000</b>
<b>Fixed assets</b>			
Investments	11	<u>1,484</u>	<u>346,626</u>
		<b>1,484</b>	<b>346,626</b>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	3,304	3
Cash at bank and in hand	13	<u>–</u>	<u>83</u>
		<b>3,304</b>	<b>86</b>
Creditors: amounts falling due within one year	14	<u>(3,066)</u>	<u>–</u>
<b>Net current assets</b>		<u>238</u>	<u>86</u>
<b>Total assets less current liabilities</b>		<b>1,722</b>	<b>346,712</b>
<b>Net assets</b>		<u><u>1,722</u></u>	<u><u>346,712</u></u>
<b>Capital and reserves</b>			
Called up share capital	15	–	345
Share premium account	16	–	283,808
Profit and loss account	16	<u>1,722</u>	<u>62,559</u>
		<u><u>1,722</u></u>	<u><u>346,712</u></u>

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



J B Broad  
Director

The notes on pages 15 to 26 form part of these financial statements.

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MMC MIDDLE EAST HOLDINGS LIMITED

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

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	Called up share capital \$000	Share premium account \$000	Profit and loss account \$000	Total equity \$000
<b>At 1 January 2022</b>	345	283,808	62,559	346,712
<b>Comprehensive income for the year:</b>				
Profit for the year	—	—	118,679	118,679
<b>Total comprehensive income for the year</b>	—	—	118,679	118,679
Capital reduction	(345)	(283,808)	284,153	—
Dividends paid	—	—	(463,669)	(463,669)
<b>Total transactions with owners</b>	<b>(345)</b>	<b>(283,808)</b>	<b>(179,516)</b>	<b>(463,669)</b>
<b>At 31 December 2022</b>	<b>—</b>	<b>—</b>	<b>1,722</b>	<b>1,722</b>

The notes on pages 15 to 26 form part of these financial statements.



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MMC MIDDLE EAST HOLDINGS LIMITED

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

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	Called up share capital \$000	Share premium account \$000	Profit and loss account \$000	Total equity \$000
<i>At 1 January 2021</i>	345	283,808	90,455	374,608
<b>Comprehensive profit for the year:</b>				
Profit for the year	–	–	15,904	15,904
<b>Total comprehensive income for the year</b>	–	–	15,904	15,904
Dividends paid	–	–	(43,800)	(43,800)
<b>Total transactions with owners</b>	–	–	(43,800)	(43,800)
 <i>At 31 December 2021</i>	 345	 283,808	 62,559	 346,712

The notes on pages 15 to 26 form part of these financial statements.

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## MMC MIDDLE EAST HOLDINGS LIMITED

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

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#### 1 GENERAL INFORMATION

MMC Middle East Holdings 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 Middle East Holdings 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 and the directors' report on pages 1 to 5.

#### 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;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

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 the address in note 20.

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

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**2.3 GOING CONCERN**

The directors acknowledge the latest guidance on going concern. The Company continues to monitor the uncertainty in the current economic and business environment. During 2023 the Company agreed to sell its remaining subsidiary entities and it is expected to become dormant following these sales. For this reason, the financial statements have been presented on a basis other than that of a going concern.

No adjustments were required as a result of the accounts being prepared on a basis other than that of a going concern.

**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'.

**2.5 DIVIDEND INCOME**

Represents dividends received from subsidiaries. Dividends are accounted for when declared.

**2.6 INTEREST INCOME**

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

**2.7 FINANCE COSTS**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

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

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## 2.8 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

## 2.9 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 statement of financial position 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.

## 2.10 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.

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.

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

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**2.10 IMPAIRMENT (CONTINUED)**

**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.

**2.11 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.

**2.12 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.

**2.13 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.

**2.14 FINANCIAL INSTRUMENTS**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

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

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**2.14 FINANCIAL INSTRUMENTS (CONTINUED)**

However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**2.15 DIVIDENDS**

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

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**MMC MIDDLE EAST HOLDINGS LIMITED**

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

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**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 on-going 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 critical judgements have been reviewed and (apart from those involving estimations) it is considered 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 statement of financial position 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 DIVIDEND INCOME**

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Dividends receivable	<b>394</b>	<b>15,901</b>
	<b>394</b>	<b>15,901</b>

Analysis of turnover by country of destination:

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
United Kingdom	–	<b>6,900</b>
Rest of the world	<b>394</b>	<b>9,001</b>
	<b>394</b>	<b>15,901</b>

**5 OTHER OPERATING INCOME**

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Other operating income	<b>121,165</b>	–
	<b>121,165</b>	–

During the year, the Company transferred a number of investments which cost \$345,342,000 to another group company, for a fair market value consideration of \$466,507,000. This resulted in a gain of \$121,165,000.

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MMC MIDDLE EAST HOLDINGS LIMITED

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

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6 AUDITOR'S REMUNERATION

	2022	2021
	\$000	\$000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	<u>14</u>	<u>13</u>

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

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

7 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The Company has no employees other than the directors, who did not receive any remuneration (2021 - \$nil).

8 INTEREST RECEIVABLE AND SIMILAR INCOME

	2022	2021
	\$000	\$000
Interest receivable from group undertakings	5	–
Bank interest receivable	1	–
	<u>6</u>	<u>–</u>



**MMC MIDDLE EAST HOLDINGS LIMITED**

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

**9 TAX ON PROFIT**

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
<b>Corporation tax</b>		
Current tax on profits for the year	–	–
Adjustments in respect of previous periods	–	(3)
	<u>–</u>	<u>(3)</u>
<b>Foreign tax</b>		
Foreign tax on income for the year	2,886	–
<b>Total Current Tax</b>	<u><b>2,886</b></u>	<u><b>(3)</b></u>
<b>Deferred tax</b>		
<b>Total deferred tax</b>	<u>–</u>	<u>–</u>
<b>Taxation on profit</b>	<u><b>2,886</b></u>	<u><b>(3)</b></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:

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Profit before tax	<u><b>121,565</b></u>	<u><b>15,901</b></u>
Profit multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	<b>23,097</b>	<b>3,021</b>
<b>Effects of:</b>		
Adjustments to tax charge in respect of prior periods	–	(3)
Non-taxable income	<b>(23,096)</b>	<b>(1,710)</b>
Dividends from UK companies	–	<b>(1,311)</b>
Foreign tax	<b>2,886</b>	–
Group relief for nil consideration	<b>(1)</b>	–
<b>Total tax charge/(credit) for the year</b>	<u><b>2,886</b></u>	<u><b>(3)</b></u>

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MMC MIDDLE EAST HOLDINGS LIMITED

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

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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	2021
	\$000	\$000
Amounts recognised as distributions to equity holders in the year:		
Interim dividend for the year ended 31 December	<u>463,669</u>	<u>43,800</u>

11 FIXED ASSET INVESTMENTS

	Investments in subsidiary companies \$000
<b>Cost or valuation</b>	
At 1 January 2022	346,626
Additions	200
Transfers intra group	(345,342)
<b>At 31 December 2022</b>	<u>1,484</u>
<b>Net book value</b>	
<b>At 31 December 2022</b>	<u>1,484</u>
<i>At 31 December 2021</i>	<u>346,626</u>

During the year, the Company acquired and subsequently disposed of Marsh MEA Limited. Both acquisition and disposal were with group companies at fair market value.

The Company also transferred a number of investments, including Marsh MEA Limited noted above, to another group company. These investments had a cost of \$345,342,000 and were transferred for a fair market value consideration of \$466,507,000. This resulted in a gain of \$121,165,000.

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

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**MMC MIDDLE EAST HOLDINGS LIMITED**

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

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**11 FIXED ASSET INVESTMENTS (CONTINUED)**

Details of the Company's subsidiary undertakings at 31 December 2022 are shown below:

<b>Name</b>	<b>Country of Incorporation</b>	<b>Class of shares</b>	<b>Holding (%)</b>	<b>Registered office</b>
Marsh for Insurance Consulting (formerly Marsh Egypt LLC)*	Egypt	Quotas	100	Nile City, North Tower, Level 17, 2005 C, Cornich ElNile, Cairo 11221, Egypt
MMC Financial Company*	Saudi Arabia	Ordinary	99	King Fahad Road, Riyadh, Saudia Arabia

\*Direct subsidiary

On 2nd February 2023 Marsh for Insurance Consulting was transferred to a group company. On 27th July 2023 the Company agreed to transfer the remaining subsidiary MMC Financial Company, to a group company.

**12 DEBTORS: Amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Amounts owed by group undertakings	<b>3,304</b>	–
Amounts recoverable from group undertakings in respect of taxation	–	3
	<b><u>3,304</u></b>	<b><u>3</u></b>

Amounts owed by group undertakings includes loans of \$3,304,000 which are repayable on demand and had variable interest rates of between 2.015% and 4.015%.

**13 CASH AND CASH EQUIVALENTS**

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Cash at bank and in hand	–	83
	<b><u>–</u></b>	<b><u>83</u></b>

During 2022 certain companies in the UK joined a cash pooling arrangement whereby balances are returned to zero each day as funds are transferred 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.

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**MMC MIDDLE EAST HOLDINGS LIMITED**

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

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**14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2022</b>	<i>2021</i>
	<b>\$000</b>	<i>\$000</i>
Amounts owed to group undertakings	<b>200</b>	–
Foreign tax	<b>2,866</b>	–
	<b>3,066</b>	–

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

**15 SHARE CAPITAL**

	<b>2022</b>	<i>2021</i>
	<b>\$000</b>	<i>\$000</i>
<b>Allotted, called up and fully paid</b>		
1 (2021- 345,152) Ordinary shares of \$1.00 each	–	<i>345</i>

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 shareholders' meetings of the Company.

In March 2022, the Company reduced its share capital to \$1 by cancelling and extinguishing 345,151 ordinary shares of \$1 each and the share premium was reduced to nil.

**16 RESERVES**

**Share premium account**

The share premium account represented the additional consideration received for the issue of shares during the period.

During the year, the Company reduced its share premium to nil (2021: \$283,808,000) and credited the amount of \$283,808,000 to the Company's profit and loss account reserve.

**Profit and loss account**

Profit and loss account includes all current and prior period retained profits and losses.

**17 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 of Companies (the "Group"), where no less than 100% of voting rights are controlled within the Group, whose consolidated financial statements are publicly available. There are no other transactions requiring disclosure.

**18 POST BALANCE SHEET EVENTS**

On 2nd February 2023 Marsh for Insurance Consulting was transferred to a group company. On 27th July 2023 the Company agreed to transfer the remaining subsidiary MMC Financial Company, to a group company.

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**MMC MIDDLE EAST HOLDINGS LIMITED**

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

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**19 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.

**20 CONTROLLING PARTY**

The Company's immediate parent company is Marsh McLennan Regional 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 Middle East Holdings 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