
**MMC SECURITIES LIMITED (FORMERLY MMC SECURITIES (EUROPE)
LIMITED)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

MMC SECURITIES LIMITED (FORMERLY MMC SECURITIES (EUROPE) LIMITED)

COMPANY INFORMATION

DIRECTORS	W A Beecroft T Colraine C H Hum D Pedlow
COMPANY SECRETARY	M Daoud-O'Connell
REGISTERED NUMBER	01116930
REGISTERED OFFICE	1 Tower Place West Tower Place London EC3R 5BU

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MMC SECURITIES LIMITED (FORMERLY MMC SECURITIES (EUROPE) LIMITED)

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

INTRODUCTION

The directors present their Strategic Report for MMC Securities Limited (the 'Company') (formerly MMC Securities (Europe) Limited) for the year ended 31 December 2021. The Company's registration number is 01116930.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

During the year under review, the Company's principal activities were to advise on and arrange transactions in investments for eligible counterparty and professional clients in the (re)insurance (mostly non-life) or private equity sectors. The Company operates under the trading names of GC Securities or Oliver Wyman Corporate Finance and may work with other affiliated companies within the Marsh & McLennan Companies, Inc. Group ('MMC Group' or 'the Group'). The Company earns fees in relation to advising on, or arranging, such transactions that are generally earned on a contingent basis, that is, where they are only payable on the completion of a transaction.

The Company continues to be regulated by the Financial Conduct Authority (FCA).

Staff and other costs related to regulated activities are recharged from other companies in the Marsh & McLennan Companies, Inc. Group.

FINANCIAL KEY PERFORMANCE INDICATORS

	2021	2020	Movement	Movement
	£000	£000	£000	%
Turnover	1,721	7,117	(5,396)	(76)
Administration expenses	(2,843)	(2,559)	(284)	(11)
(Loss)/ Profit after tax	(933)	3,698	(4,631)	(125)
Shareholders' funds	4,879	5,812	(933)	(16)

Turnover decreased by £5,396,000 (76%) to £1,721,000 during the year (2020 - £7,117,000). Turnover can vary significantly year on year due to the timing of the transactions which the Company advises on and arranges, and the recognition of revenue in relation to these.

Administrative expenses increased by £284,000 (11%) to £2,843,000 during the year (2020 - £2,559,000). This increase was mainly due to higher staff costs.

The Company's result after tax for the year, £933,000 loss, has decreased by £4,631,000 compared to 2020 (2020 - profit of £3,698,000).

Shareholders' funds decreased by £933,000 (16%) to £4,879,000 during the year (2020 - £5,812,000) due to the loss for the year.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

The Company forms part of the MMC Group, a global professional services provider, specialising in the areas of risk, strategy and people. Its activities are aligned to the strategy and risk management and control frameworks of the MMC 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.

The Greater Good, which is the MMC Group's Code of Conduct, applies to all directors of the Company and it embodies the MMC 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.

Colleagues

As a professional services firm, employees are at the heart of the Company's business and, throughout 2021, the health, wellbeing and safety of employees has continued to be a key priority. In July 2021, the Company, in line with Government advice, welcomed back colleagues to its offices on a phased approach and in accordance with strict safety measures to ensure the safety and well-being of all colleagues.

Environment

The MMC Group remains committed to integrating Environmental, Social and Governance (ESG) considerations into its decisions and strategy, and building a more sustainable environment for everyone. The Group delivered on its pledge to be carbon neutral in 2021, through the reduction of greenhouse gas emissions in our own operations and the purchase of verifiable offsets. The Group also strengthened its commitment to a better, sustainable future for all by implementing enterprise-wide Client Engagement Principles that support sustainable development goals in vital areas such as affordable healthcare, gender equality and climate-change mitigation.

Clients

The Company is committed to ensuring all customers are treated fairly and that client interest is considered as part of decision making at every level within the Company including decisions to launch any new product or service.

Suppliers

The Group's business with suppliers is managed through MMC Group's Global Sourcing and Procurement department. The relationships with suppliers are governed either by a specific contractual agreement or a standard terms and conditions agreement with the supplier, both of which oblige all suppliers to uphold and comply with the MMC Group corporate code of conduct: 'The Greater Good'. The Greater Good outlines the key tenets of our anti-fraud, anti-slavery, bribery and corruption policy, diversity and inclusion practices, hiring practices, and more. Suppliers and supplier personnel are required to comply with the relevant provisions of such as part of our contractual agreements.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

SECTION 172 (1) OF THE COMPANIES ACT 2006 (THE "ACT") STATEMENT (continued)

Suppliers (continued)

The Group actively seeks to encourage and assist diverse suppliers interested in competing for opportunities to supply goods and services and encourages all of our suppliers to take similar action. The Group recognises that by partnering with diverse suppliers, the Group can create more value for its clients, and the communities in which they serve. As a commitment to delivering value and leadership through diversity, the MMC Group is doing the following:

- Utilising purchasing strategies, processes, and behaviours consistent with diversity and inclusiveness;
- Actively and routinely seeking out qualified, diverse suppliers that can provide competitive and high-quality goods and services;
- Encouraging participation and support of supplier diversity by major suppliers to the MMC Group;
- Collaborating with our clients and suppliers on innovative ways to promote supplier diversity;
- Creating opportunities to assist in the development and recognition of diverse supplier groups through instruction, mentoring, and other outreach activities;
- Monitoring progress on the effectiveness of our supplier diversity efforts.
- MMC Group is committed to ensuring that slavery and human trafficking is not taking place in any of its subsidiaries supply chains or any part of its business and has in place a Modern Slavery Policy which has been rolled out to all colleagues and incorporated into induction programmes.

All suppliers are required to comply with modern slavery legislation under the standard terms and conditions of our contracting agreements, the Group's Global Sourcing and Procurement team issue an annual modern slavery supplier questionnaire to certain suppliers (selected on a risk based approach) to monitor compliance.

PRINCIPAL RISKS AND UNCERTAINTIES

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

Availability of IT systems risk

The Company has a number of Information Technology (IT) systems in order to carry out its day-to-day business and service its clients' requirements, and meet regulatory obligations. There is a risk that any of these systems, as part of the overall IT infrastructure, could fail, individually or collectively, with an adverse effect on the Company's operations. The Company is part of the MMC Group global IT structure and there are business continuity plans in place.

Competitive risks

The Company competes in a highly competitive UK and global marketplace. Aggressive strategies from competitors and from insurers and overseas insurance hubs for our international business puts significant challenge on the Company to retain existing business and to win new business. The Company mitigates this risk by continuing to enhance its value proposition to its clients and other core stakeholders.

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 clients and insurers in respect of fees and brokerage not yet received.

The Company mitigates its credit risk for cash and investments by only depositing money with entities with a sufficiently high credit rating. The credit rating required is that demanded by the 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 counterparty.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Cyber risk

The Cyber control framework is managed by the MMC Group Information Security team who monitor and maintain the supporting IT infrastructure, tools and technologies to safeguard the organisation, and its clients, from the rapidly changing cyber threat environment. The Company proactively de-risks its operations through regular patching and security upgrades and supports this with colleague awareness and training campaigns. In the event of heightened Cyber threat, the MMC Group has established incident management procedures which are invoked to mitigate any adverse impacts. Attendance at the FCA hosted Cyber Co-ordination Group ensures the business has sight of local UK threats and vulnerabilities.

Exchange rate risk

The Company is exposed to exchange rate risk in respect of revenue as well as assets and liabilities denominated in currencies other than Pounds Sterling. The most significant currencies to which the Company is exposed are the US Dollar and Euro. 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.

Errors and omissions and other claims

The Company is subject to claims and litigation in the ordinary course of its business, principally in connection with the Company's investment advisory business. The Company mitigates this risk through regular review of company processes and, ultimately, securing appropriate insurance cover.

Environmental, Social and Governance ('ESG') risk

The Company is responsible for managing its sustainability, ethical practices and corporate governance in line with its risk appetite, providing proportionate accountability and stakeholder transparency. The Company is subject to changing regulatory obligations, and external standards, carrying with it the associated reputational risk in the event that it fails to operate in line with emerging Environmental, Social and Governance stakeholder expectations. The Company seeks to mitigate this risk through the development and delivery of the UK ESG Programme, and through alignment with the MMC Group ESG strategy.

Health and Safety risk

The Company is responsible for the health, safety and welfare of its employees and contractors whilst working on behalf of the Company.

Where reasonably practicable, the Company pursues progressive improvements in health and safety performance and ensures that the business is compliant with all applicable legislation. Directors and individual managers accept responsibility for people and areas under their control and integrate health and safety into everyday activities. They are committed to ensuring the competence of all employees through selection, instruction, training and supervision.

Management of health and safety standards is ensured through effective audit and action resolution and is supported by bespoke software to allow monitoring. Incident reporting, investigation and trend analysis ensures identified workplace hazards are corrected to prevent reoccurrence. Colleague consultation plays a key role and is achieved through the Group's UK Health and Safety Committee, comprised of representatives from across the businesses in the UK, including a representative of the Company. This committee reviews the Company's arrangements in place on a regular basis and works towards continuous improvement of health and safety standards. See also Pandemic risk

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

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 risk 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 maintains significant holdings in liquid funds to mitigate against this risk. The Company includes the use of forecasts and budgets to monitor and control its cash flows and working capital requirements.

Market Concentration risk

The Company is exposed to the financial and operational performance of investors and clients. This is mitigated by managing the spread of business across carriers and regular third party due diligence.

Operational Resilience risk

The Company has established processes, controls and oversight mechanisms in place to prevent, adapt, respond to, recover from and learn from operational disruptions in order to mitigate the risk of client detriment, regulatory intervention and/or adverse commercial impacts. The Company's Operational Resilience Programme has been established to address the regulatory requirements arising from the FCA guidance in this area.

Outsourcing risk

The Company outsources a number of its services to third party organisations, including intra group arrangements. The ability of the Company to perform efficiently is directly impacted by the services of the third party arrangements. Outsourcing contracts and providers are respectively reviewed against performance expectations and key performance indicators. See also Operational Resilience risk.

Pandemic risk

The Company continues to be exposed to pandemic risk resulting from the impacts of Covid-19 and its associated strains. The systemic nature of the pandemic requires operational changes to be successfully implemented to support both client and colleague servicing requirements, and to ensure the business operates in line with its client and regulatory expectations.

The Company has taken a considered approach to minimising and managing the impact of the pandemic and has well formulated contingency plans, which continues to evolve as changes to circumstances occur.

The Company has proactively sought to minimise Covid-19 impacts on the mental health and well-being of its employees through centrally established support programmes, coordinated communications and monitoring of sickness rates. The UK Crisis Management Team continues to develop the Company's response to changing government policy and colleague requirements.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

People risks

The willingness of competitors to offer key staff higher remuneration and benefits packages continues to be a risk to the Company's ability to attract and retain key people. Periodic benchmarking of salaries is carried out to ensure the Company remains competitive.

Regulatory risk

The risk of non-compliance with rules set out by the FCA and other relevant regulatory bodies could lead to financial penalties or the withdrawal of permissions. The risk of breaches is mitigated by dedicated colleague training programmes, continuing professional development and the employment of experienced and dedicated compliance resources who are tasked with enabling and monitoring compliance across all areas of the business. Senior management are keen to promote the established compliant culture. The Company oversees its third party arrangements through established governance mechanisms to de-risk any potential exposures.

Political risk

The Company is subject to local and international political risk and is susceptible to any significant instability in the political landscape. Factors such as new governments; government mandates (e.g. Brexit) and changes in government policy all have the potential to negatively impact on strategy and the Company's business model.

The Company proactively manages this risk through horizon scanning and monitoring of the political and economic environment as part of its ongoing forecasting and strategic planning processes. In the event of political change affecting the Company, this will be managed by multi discipline subject matter experts to ensure that any revised legal and/or regulatory requirements are addressed, to adapt business strategy as required, and to ensure that we continue to serve in the best interests of our clients and colleagues.

As at the date of this report, the escalating tensions in Eastern Europe continue to be assessed through regional, and MMC Group level dedicated incident management forums, aligning the Company's responses to both local governmental and MMC Group corporate guidance. The Company has strong controls in place to monitor and respond to the changing sanctions environment and a full risk assessment is underway against all the enterprise risk categories to support executive decision making.

This report was approved by the Board and signed on its behalf by:



D Pedlow
Director

Date: 25th April 2022

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their report and the financial statements for the year ended 31 December 2021.

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 are included in the Strategic Report on pages 1 to 6. This includes a review of the development of the business of the Company during the year. Details of the financial risk management objectives and policies are included as part of principal risks and uncertainties disclosed in the Strategic Report.

CHANGE OF NAME

The Company changed its name from MMC Securities (Europe) Limited to MMC Securities Limited on 22 October 2021.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £933,000 (2020 - *profit* £3,698,000).

The Company's turnover can vary significantly year on year due to the timing of the transactions which the Company advises on and arranges, and the recognition of revenue in relation to these. Further details of the Company's revenue recognition policy can be found in note 2.5 of the financial statements.

No interim dividend was paid during the year (2020 - £5,000,000). The directors do not recommend the payment of a final dividend.

DIRECTORS

The directors who served during the year were:

W A Beecroft
T Colraine
C H Hum
D Pedlow
D L Potter (resigned 30 September 2021)

FUTURE DEVELOPMENTS

It is anticipated that the Company will continue upon existing lines, developing new client relationships and services.

GOING CONCERN

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

The Company continues to monitor the uncertainty in the current economic and business environment including the impact of the Covid-19 pandemic, and the directors are satisfied that the Company's services will continue to be attractive to clients.

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

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

EMPLOYEES

The majority of contracts of employment and the remuneration of employees are maintained by a fellow subsidiary company, Marsh Services Limited. Further details regarding employee involvement is given in the Directors' Report of Marsh Services Limited.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

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

DISCLOSURE OF INFORMATION TO AUDITOR

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

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

POST BALANCE SHEET EVENTS

There are no post balance sheet events.

AUDITOR

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the Board and signed on its behalf by:



D Pedlow
Director

Date: 25th April 2022

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors are responsible for preparing 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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;
- 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MMC SECURITIES LIMITED (FORMERLY
MMC SECURITIES (EUROPE) LIMITED)**

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of MMC Securities Limited (the 'Company') (formerly MMC Securities (Europe) Limited):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss 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 19.

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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MMC SECURITIES LIMITED (FORMERLY
MMC SECURITIES (EUROPE) 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MMC SECURITIES LIMITED (FORMERLY
MMC SECURITIES (EUROPE) 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, tax legislation and the Financial Conduct Authority; 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 regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

- In accordance with ISA 240, during the year ended 31 December 2021, we identified a risk of fraud in revenue recognition, specific to revenue being recorded in the incorrect period, where management is incentivised to meet certain targets and therefore may inappropriately accelerate or defer revenue. In response to the risk identified, we reviewed management's process for recording revenue and obtained an understanding of the relevant controls. In addition, we evaluated corroborating third party evidence to support revenue transactions pre and post year-end, on a sample basis, to ensure that the revenue was recorded in the correct period.

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 has been prepared in accordance with applicable legal requirements.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MMC SECURITIES LIMITED (FORMERLY
MMC SECURITIES (EUROPE) LIMITED) (CONTINUED)

Matters on which we are required to report by exception

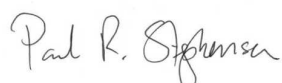
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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: 26 April 2022

MMC SECURITIES LIMITED (FORMERLY MMC SECURITIES (EUROPE) LIMITED)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £000	2020 £000
Turnover	4	1,721	7,117
Gross profit		<u>1,721</u>	<u>7,117</u>
Administrative expenses		(2,843)	(2,559)
Other operating charges		(30)	(8)
Operating (loss)/profit	5	<u>(1,152)</u>	<u>4,550</u>
Interest receivable and similar income		-	13
(Loss)/profit before tax		<u>(1,152)</u>	<u>4,563</u>
Tax on (loss)/profit	9	219	(865)
(Loss)/profit for the financial year		<u><u>(933)</u></u>	<u><u>3,698</u></u>

All transactions derive from continuing operations.

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2021 (2020: £NIL).

The notes on pages 18 to 28 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Current assets			
Debtors: amounts falling due within one year	11	581	3,371
Cash at bank and in hand	12	7,997	8,741
		8,578	12,112
Creditors: amounts falling due within one year	13	(3,699)	(6,300)
Net current assets		4,879	5,812
Total assets less current liabilities		4,879	5,812
Net assets		4,879	5,812
Capital and reserves			
Called up share capital	14	375	375
Profit and loss account	15	4,504	5,437
		4,879	5,812

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25th April 2022



D Pedlow
 Director

The notes on pages 18 to 28 form part of these financial statements.

MMC SECURITIES LIMITED (FORMERLY MMC SECURITIES (EUROPE) LIMITED)

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

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2021	375	5,437	5,812
Comprehensive expense for the year			
Loss for the year	-	(933)	(933)
At 31 December 2021	<u>375</u>	<u>4,504</u>	<u>4,879</u>

The notes on pages 18 to 28 form part of these financial statements.

MMC SECURITIES LIMITED (FORMERLY MMC SECURITIES (EUROPE) LIMITED)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2020	375	6,739	7,114
Comprehensive income for the year			
Profit for the year	-	3,698	3,698
Dividends paid	-	(5,000)	(5,000)
At 31 December 2020	375	5,437	5,812

The notes on pages 18 to 28 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. GENERAL INFORMATION

MMC Securities 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 Securities 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 6.

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 GOING CONCERN

The Company meets its day-to-day working capital requirements from corporate cash balances. The current economic conditions create uncertainty particularly over (a) the level of demand for the Company's services; (b) the exchange rate between sterling and foreign currencies; and (c) the Company's cost base. The Company continues to monitor the uncertainty in the current economic and business environment including the impact of the COVID-19 pandemic, 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, financial modelling 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 approval of the financial statements and, therefore, they continue to adopt the going concern basis in preparing the annual financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. ACCOUNTING POLICIES (CONTINUED)

2.3 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 2021 and these financial statements may be obtained from the address listed in note 17.

2.4 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is GBP.

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 borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES (CONTINUED)

2.5 TURNOVER

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 INTEREST INCOME

Interest income is recognised in profit or loss 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 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.

2.9 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.

2.10 CREDITORS

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. ACCOUNTING POLICIES (CONTINUED)

2.11 DIVIDENDS

Dividends are the way that the Company makes distributions from the Company's profits to its shareholder. The dividend is determined in sterling, 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 taking consideration of, various stakeholders, including the management and delegation advisers of the Company's ultimate parent company, Marsh & McLennan Companies, Inc.. The amount and timing of a dividend may vary from time to time, and is influenced by factors such as:

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

Interim dividends on Ordinary Shares are recognised in equity in the period in which they are paid. Final dividends on Ordinary Shares are recognised when they have been approved by the shareholders.

2.12 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation. The expenditure required to settle the obligation is measured at the best estimate at the Statement of Financial Position date, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 do not consider there to be any critical judgements which have been made in the process of applying the Company's accounting policies that have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

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

4. TURNOVER

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

	2021	<i>2020</i>
	£000	<i>£000</i>
Client service revenue	1,721	<i>7,117</i>
	1,721	<i>7,117</i>
	1,721	<i>7,117</i>

Analysis of turnover by country of destination:

	2021	<i>2020</i>
	£000	<i>£000</i>
United Kingdom	678	<i>3,549</i>
North America	94	<i>161</i>
Rest of the world	949	<i>3,407</i>
	1,721	<i>7,117</i>
	1,721	<i>7,117</i>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

5. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging:

	2021	<i>2020</i>
	£000	<i>£000</i>
Exchange differences	30	<i>8</i>
	<u>30</u>	<u><i>8</i></u>

6. AUDITOR'S REMUNERATION

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

The audit fee relates to the auditing of the financial statements. The audit fee attributable to the Company is £17,000 (2020 - £17,000).

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

7. EMPLOYEES

	2021	<i>2020</i>
	£000	<i>£000</i>
Wages and salaries	2,354	<i>2,169</i>
Social security costs	383	<i>271</i>
Cost of defined contribution scheme	70	<i>51</i>
	<u>2,807</u>	<u><i>2,491</i></u>
	<u>2,807</u>	<u><i>2,491</i></u>

The Company has no employees. The majority of contracts of employment are with, and the remuneration of employees and directors is paid by, a fellow Group company, Marsh Services Limited. The Company is charged and bears the cost for the remuneration and other associated benefits paid on its behalf, with the exception of the share-based payments charge.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8. DIRECTORS' REMUNERATION

	2021 £000	2020 £000
Directors' emoluments	1,201	1,487
Company contributions to defined contribution pension schemes	-	26
	<u>1,201</u>	<u>1,513</u>

During the year retirement benefits were accruing to no directors (2020 - 1) in respect of defined contribution pension schemes.

During the year, 2 directors received shares under the long term incentive schemes (2020 -2).

The highest paid director received remuneration of £957,000 (2020 - £950,000). The highest paid director was granted 2,766 stock awards during the year (2020 - 477). The highest paid director has exercised no share options in the year (2020 - Nil).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £nil (2020 - £26,000).

9. TAXATION

	2021 £000	2020 £000
CORPORATION TAX		
Current tax on profits for the year	(219)	853
	<u>(219)</u>	<u>853</u>
TOTAL CURRENT TAX	<u>(219)</u>	<u>853</u>
Origination and reversal of timing differences	-	12
	<u>-</u>	<u>12</u>
TAXATION ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES	<u>(219)</u>	<u>865</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

9. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is the same as (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021	2020
	£000	£000
(Loss)/profit on ordinary activities before tax	(1,152)	4,563
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(219)	867
EFFECTS OF:		
Adjustments to tax charge in respect of prior periods	-	(1)
Other timing differences leading to an increase (decrease) in taxation	-	(1)
TOTAL TAX CHARGE FOR THE YEAR	(219)	865

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Following enactment of the Finance Bill 2021 on 10 June 2021, the UK Corporation Tax rate (from 1 April 2023) has been increased to 25%.

MMC SECURITIES LIMITED (FORMERLY MMC SECURITIES (EUROPE) LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. DIVIDENDS

	2021	<i>2020</i>
	£000	<i>£000</i>
Interim dividend for the year ended 31 December	-	5,000
	<u>-</u>	<u>5,000</u>
	<u>-</u>	<u>5,000</u>

11. DEBTORS

	2021	<i>2020</i>
	£000	<i>£000</i>
Other debtors	279	<i>2,890</i>
Prepayments and accrued income	83	<i>400</i>
Amounts recoverable from group undertakings in respect of taxation	219	<i>81</i>
	<u>581</u>	<u><i>3,371</i></u>
	<u>581</u>	<u><i>3,371</i></u>

12. CASH AND CASH EQUIVALENTS

	2021	<i>2020</i>
	£000	<i>£000</i>
Bank current accounts	7,236	<i>7,980</i>
Corporate cash- Restricted funds	761	<i>761</i>
	<u>7,997</u>	<u><i>8,741</i></u>
	<u>7,997</u>	<u><i>8,741</i></u>

Corporate cash restricted funds represents funds which are required to be held outside of the corporate cash pooling arrangements, as agreed with the Financial Conduct Authority.

Therefore, this amount is not subject to the potential exposure explained at note 16 with regard to the Company's corporate cash pooling arrangements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. CREDITORS: Amounts falling due within one year

	2021	<i>2020</i>
	£000	<i>£000</i>
Amounts owed to group undertakings	1,552	<i>2,840</i>
Amounts owed to group undertakings for tax	854	<i>1,518</i>
Corporation tax	-	<i>854</i>
Accruals	1,293	<i>1,088</i>
	3,699	<i>6,300</i>
	3,699	<i>6,300</i>

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

14. SHARE CAPITAL

	2021	<i>2020</i>
	£000	<i>£000</i>
Allotted, called up and fully paid		
375,000 (<i>2020 - 375,000</i>) Ordinary Shares shares of £1.00 each	375	<i>375</i>
	375	<i>375</i>

The share capital of the Company consists of fully paid ordinary shares with a par value of £1 per share. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at shareholders' meetings of the Company.

15. RESERVES

Profit and loss account

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

16. CONTINGENT LIABILITIES

The Company participates in cash pooling arrangements with banks. Each member of the pool guarantees against all losses incurred as a result of the failure of any other pool member. The maximum exposure to the Company is the total amount of its pooled funds at any point in time. As at 31 December 2021, the Company had a total amount of £7,236,000 (2020: £7,980,102) in the pool. All other members of the pooling arrangements are companies owned ultimately by Marsh & McLennan Companies, Inc.

17. RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption under FRS 102 Section 33 "Related Party Disclosures" not to disclose transactions between entities within the Marsh & McLennan Companies, Inc. Group (the "Group"), where no less than 100% of voting rights are controlled within the Group, whose consolidated financial statements are publicly available. There are no other transactions requiring disclosure.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

18. POST BALANCE SHEET EVENTS

There are no post balance sheet events.

19. CONTROLLING PARTY

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

The smallest and largest Group in which the results of MMC Securities Limited are consolidated is that headed by Marsh & McLennan Companies, Inc. 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
MMC Treasury Holdings (UK) Limited
1 Tower Place West
Tower Place
London
EC3R 5BU