
MMC UK GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

MMC UK GROUP LIMITED

COMPANY INFORMATION

Directors	J B Broad C J Lay D N Williams
Company secretary	C M Valentine
Registered number	03704258
Registered office	1 Tower Place West Tower Place London EC3R 5BU

MMC UK GROUP LIMITED

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MMC UK GROUP LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

INTRODUCTION

The directors present their Strategic Report for MMC UK Group Limited (the "Company") for the year ended 31 December 2021. The Company's registration number is 03704258.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

During the year under review, the Company acted as an intermediate holding company of a group of companies engaged primarily in insurance broking, reinsurance broking and employee benefits.

The Company is part of the Marsh & McLennan Companies, Inc group ('MMC' or 'the Group'). The Company's key financial and other performance indicators during the year were as follows:

	2021 £000	2020 £000	Movement £000	Movement %
Dividend income	1,302,190	436,479	865,711	198
Other operating charges	-	(30,350)	30,350	100
Amounts written back on investments	14,837	3	14,834	494,467
Amounts written off investments	(3,511)	(121,675)	118,164	97
Profit before tax	1,313,701	282,926	1,030,775	364
Shareholders' funds	5,333,566	4,781,080	552,486	12

The Company's profit before tax increased by £1,030,775,000. Following a review of the capital requirements of subsidiary undertakings, additional dividends were received by the Company in the year. As a consequence, the Company also paid a higher dividend in 2021 to its shareholder.

Following the annual impairment review of investments a £14,837,000 impairment reversal has been applied against fixed asset investments that were impaired in previous years. A further £3,511,000 has been provided against the carrying value of the remaining investments.

In 2021, in order to simplify the share capital structure of MMC UK Group Limited, the Company completed a share buy back transaction. 7,000 shares were bought back from the Company's immediate parent, MMC International Limited.

Shareholders funds have increased by £552,486,000 as a result of profit for the year of £1,313,391,000 less share buy back £905,000 and dividend paid of £760,000,000.

**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 Marsh & McLennan Companies, Inc. Group of companies, a global professional services provider, specialising in 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 decision 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.

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

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

The Group Achievement, Missing Maps and Ambitious About Autism in the UK and encourages colleagues to volunteer with its non-profit partners, for local causes that are important to them and their clients. Alongside this the company also supports a number of grassroots charities addressing a range of cause areas including; food/hunger, older people, mental health and social mobility. In 2020 and into 2021, COVID-19 significantly impacted fundraising, with in-person events suspended. To mitigate this, virtual fundraising campaigns and events were held.

The Group has developed climate initiatives which represent a tangible step towards building a more sustainable environment for colleagues, clients, shareholders and future generations. In 2021 the Group announced that it was a CarbonNeutral © certified business.

PRINCIPAL RISKS AND UNCERTAINTIES

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

Availability of IT systems

The Company has a number of Information Technology (IT) systems in order to carry on its day-to-day business. 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 Group's global IT structure and there are business continuity plans in place.

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

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

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

The Company mitigates its credit risk in respect of inter-company items mentioned above by monitoring the debts created and ability to pay.

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 Pounds Sterling. The Company seeks to mitigate currency risk as far as possible by matching the estimated foreign currency denominated liabilities with assets denominated in the same currency and placing appropriate forward contracts as required.

Impairment risk

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

Interest rate risk

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

Liquidity/cash flow risk

Liquidity and cash flow risk is the risk that cash may not be available to pay obligations when due. The Company maintains adequate holdings in liquid funds to mitigate against this risk. The Company includes the use of forecast and budgets to monitor and control its cash flows and working capital requirements.

Outsourcing risk

The Company outsources a number of its services to third-party organisations. The ability of the Company to perform efficiently is directly impacted by the services of the third-party providers. Outsourcing contracts and providers are respectively reviewed against performance expectations and key performance indicators.

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

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Pandemic risk

The Group 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 client, and colleague, servicing requirements of the Company's direct and indirect subsidiaries, and to ensure that their businesses operate in line with client and regulatory expectations.

As a non-trading entity with no employees, the Company itself is not directly impacted by pandemic risk.

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 Group 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 Group, 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 Group level dedicated incident management forums, aligning responses to both local governmental and Group corporate guidance. The Group has strong controls in place to monitor and respond to the changing sanctions environment and the key associated risks have been assessed to support executive decision making.

As a non-trading entity, the impact of political risk on the Company is expected to be minimal.

This report was approved by the board and signed on its behalf on 16 August 2022.



J B Broad
Director

MMC UK GROUP LIMITED

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 is included in the Strategic Report on pages 1 to 4. Details of the principal risks and uncertainties are included in the Strategic Report.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,313,391,000 (2020 - £282,893,000).

Dividends of £760,000,000 were paid in the year (2020 - £398,679,000).

The directors do not recommend the payment of a final dividend (2020 - £nil).

DIRECTORS

The directors who served during the year were:

J B Broad
C J Lay
D N Williams

FUTURE DEVELOPMENTS

The activities of the Company as an intermediate holding company are expected to continue for the foreseeable future.

GOING CONCERN

The directors have no plans for a change in the principal activities of the Company or any intention to liquidate the Company in the foreseeable future. The directors have considered that on the balance sheet, the Company's net current asset position is £50.5 million (2020 net current liability position: £78.9 million). After adjusting for a receivable due after more than one year, the directors acknowledge the net current liability position at 31 December 2021 is £249.5 million and have evaluated funding options available to the Company. Following this evaluation they are satisfied that any obligations can be met. These financial statements are therefore presented on a going concern basis.

As the Company does not trade and acts as an intermediate holding company in the MMC Group, the directors do not consider that the ongoing Covid-19 pandemic has a material impact on their assessment of the Company as a going concern.

The Company continues to monitor the uncertainty in the current economic and business environment including the conflict in Eastern Europe.

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 2021. 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.

MMC UK GROUP LIMITED

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

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The Company has put in place an indemnity 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 234 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 EVENT

After the Statement of Financial Position date, in the first half of 2022 the Company received dividends amounting to £142.3 million from its investments. In June 2022, the Company declared a dividend to its parent company of £180.0 million.

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 on 16 August 2022.



J B Broad
Director

MMC UK GROUP LIMITED

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

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MMC UK GROUP LIMITED

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of MMC UK Group Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 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;
- the related notes 1 to 24; and
- Appendix 1

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

MMC UK GROUP LIMITED

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

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislations; 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 specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

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

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

MMC UK GROUP LIMITED

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

Matters on which we are required to report by exception

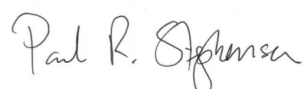
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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: 16 August 2022

MMC UK GROUP LIMITED

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

		2021 £000	2020 £000
Dividend income	4	1,302,190	436,479
Gross profit		1,302,190	436,479
Administrative expenses		(8)	(20)
Other operating income	5	250	96
Other operating charges	7	-	(30,350)
Operating profit		1,302,432	406,205
Amounts written back on investments	9, 14	14,837	3
Amounts written off investments	9, 14	(3,511)	(121,675)
Interest receivable and similar income	10	2,270	2,583
Interest payable and similar expenses	11	(2,327)	(4,190)
Profit before tax		1,313,701	282,926
Tax on profit	12	(310)	(33)
Profit for the financial year		1,313,391	282,893

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

All transactions derive from continuing operations.

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

The notes on pages 16 to 40 form part of these financial statements.

MMC UK GROUP LIMITED
REGISTERED NUMBER: 03704258

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

		2021 £000		2020 £000
Fixed assets				
Investments	14	5,283,053		4,860,006
		5,283,053		4,860,006
Current assets				
Debtors: amounts falling due after more than one year	15	300,000	-	
Debtors: amounts falling due within one year	15	88,189	319,041	
Cash at bank and in hand	16	45,034	-	
		433,223	319,041	
Creditors: amounts falling due within one year	17	(382,710)	(397,967)	
Net current assets/(liabilities)		50,513		(78,926)
Total assets less current liabilities		5,333,566		4,781,080
Net assets		5,333,566		4,781,080
Capital and reserves				
Called up share capital	18	80,270		80,277
Share premium account	19	3,907,342		3,907,342
Capital redemption reserve	19	39,858		39,851
Other reserves	19	254,667		254,667
Profit and loss account	19	1,051,429		498,943
		5,333,566		4,781,080

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 August 2022.



J B Broad
 Director

The notes on pages 16 to 40 form part of these financial statements.

MMC UK GROUP LIMITED

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

	Called up share capital	Share premium account	Capital redemption reserve	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000	£000	£000
At 1 January 2021	80,277	3,907,342	39,851	254,667	498,943	4,781,080
Comprehensive income for the year						
Profit for the year	-	-	-	-	1,313,391	1,313,391
Total comprehensive income for the year	-	-	-	-	1,313,391	1,313,391
Dividends: Equity capital	-	-	-	-	(760,000)	(760,000)
Transfer to capital redemption reserve	-	-	7	-	(7)	-
Redemption of shares	(7)	-	-	-	(898)	(905)
Total transactions with owners	(7)	-	7	-	(760,905)	(760,905)
At 31 December 2021	80,270	3,907,342	39,858	254,667	1,051,429	5,333,566

The notes on pages 16 to 40 form part of these financial statements.

MMC UK GROUP LIMITED

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

	Called up share capital	Share premium account	Capital redemption reserve	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000	£000	£000
At 1 January 2020	80,275	3,609,360	39,851	254,667	614,729	4,598,882
Comprehensive income for the year						
Profit for the year	-	-	-	-	282,893	282,893
Total comprehensive income for the year	-	-	-	-	282,893	282,893
Dividends: Equity capital	-	-	-	-	(398,679)	(398,679)
Shares issued during the year	2	297,982	-	-	-	297,984
Total transactions with owners	2	297,982	-	-	(398,679)	(100,695)
At 31 December 2020	80,277	3,907,342	39,851	254,667	498,943	4,781,080

The notes on pages 16 to 40 form part of these financial statements.

MMC UK GROUP LIMITED

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

1. GENERAL INFORMATION

MMC UK Group Limited is a company incorporated in the United Kingdom under the Companies Act and registered in England and Wales. The address of the registered office is given on the Company Information page. MMC UK Group 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 4.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

2.2 FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 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.

Where applicable, 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 Companies House, Crown Way, Cardiff CF14 3UZ.

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

2. ACCOUNTING POLICIES (CONTINUED)

2.3 GOING CONCERN

These financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006.

The Company meets its day-to-day working capital requirements from corporate cash balances. The current economic conditions create uncertainty particularly over the exchange rate between US dollar and foreign currencies. The Company continues to monitor the uncertainty in the current economic and business environment including the impact of the Covid-19 pandemic. This monitoring and analysis considered our business resilience and continuity plans of the Company's subsidiaries and stress testing of liquidity and financial resources. The analysis modelled the financial impact assuming an increasing severity of impact in relation to revenue and certain costs, for a 12-month period so that the potential impact on profitability and liquidity could be assessed.

Having assessed the responses to their enquiries and considered the available funding options for the Company's net current liability position after adjusting for a receivable due after more than one year of £249.5 million (2020: £78.9 million) 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 have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of twelve months from the date of the approval of the financial statements and, therefore, they continue to adopt the going concern basis in preparing the annual financial statements.

2.4 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is 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.

All 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.

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

2. ACCOUNTING POLICIES (CONTINUED)

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.

2.8 BORROWING COSTS

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.9 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.

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.

2.10 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

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

2.11 ASSOCIATES AND JOINT VENTURES

Associates and Joint Ventures are held at cost less impairment.

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

2. ACCOUNTING POLICIES (CONTINUED)

2.12 IMPAIRMENT

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income as described below.

(i) 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.

(ii) 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.

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

2. ACCOUNTING POLICIES (CONTINUED)

2.13 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.

2.14 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.

2.15 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.

2.16 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. 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.

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

2. ACCOUNTING POLICIES (CONTINUED)

2.16 FINANCIAL INSTRUMENTS (CONTINUED)

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.

2.17 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 or with 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.

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

Impairment review of fixed assets investments

The Company has an annual process of reviewing its fixed asset investments for indicators of impairment. Areas of critical judgement include estimates of future discount rates and future earnings.

Impairment and impairment reversals are measured by comparing the carrying value of the asset with its future discounted cash flow. Any impairments that have subsequently been reversed are capped to their historical acquisition cost.

Key sources of estimation uncertainty

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

MMC UK GROUP LIMITED

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

4. DIVIDEND INCOME

	2021 £000	2020 £000
Dividends receivable	1,302,190	436,479
	<u>1,302,190</u>	<u>436,479</u>
	2021 £000	2020 £000
United Kingdom	1,292,059	425,532
Rest of Europe	8,902	9,895
Rest of the world	1,229	1,052
	<u>1,302,190</u>	<u>436,479</u>

5. OTHER OPERATING INCOME

	2021 £000	2020 £000
Sundry income	222	7
Profit on disposal of investments	28	89
	<u>250</u>	<u>96</u>

In 2021, sundry income includes the release of excess accruals in relation to the disposal of a subsidiary undertaking in 2020.

In 2021 there was a profit on disposal of shares in a subsidiary undertaking following a share buy back. In March 2020, the Company transferred an investment to another group company at fair market value which resulted in a gain.

6. AUDITOR'S REMUNERATION

	2021 £000	2020 £000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	25	25

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

MMC UK GROUP LIMITED

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

7. OTHER OPERATING CHARGES

	2021 £000	2020 £000
Loss on disposal of subsidiaries	-	30,350

In January 2020, the Company transferred Marsh Ireland Holdings Limited to another group company at fair market value, which resulted in a loss.

In May 2020, the Company sold GCube Underwriting Limited and Renewable Energy Loss Adjusters Limited for agreed consideration, which resulted in a loss.

8. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

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

Where the Company's directors are in receipt of share-based payments and awards as part of their overall remuneration, these are disclosed in the financial statements of Marsh Services Limited, the Group's principal employing company.

9. AMOUNTS WRITTEN OFF INVESTMENTS

In 2021, a £14,837,000 impairment reversal was applied against fixed asset investments that were impaired in previous years. A further £3,511,000 was provided against the carrying value of remaining investments.

In 2020 there was an amount written off investments in the year of £121,675,000. Distributions received as part of the liquidation of subsidiaries of £5,896,000 were offset against the impairment charge in 2020 of £127,571,000, giving a net amount written off investments of £121,675,000.

10. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021 £000	2020 £000
Interest receivable from group companies	2,270	2,583

MMC UK GROUP LIMITED

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

11. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021 £000	2020 £000
Other interest payable	40	168
Interest payable to group undertakings	2,256	3,954
Foreign exchange losses	31	68
	<u>2,327</u>	<u>4,190</u>

12. TAX ON PROFIT

	2021 £000	2020 £000
Corporation tax		
Current tax on profits for the year	(3)	(282)
Adjustments in respect of previous periods	9	-
	<u>6</u>	<u>(282)</u>
Foreign tax		
Foreign tax on income for the year	304	315
	<u>304</u>	<u>315</u>
Total current tax	<u>310</u>	<u>33</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit	<u>310</u>	<u>33</u>

MMC UK GROUP LIMITED

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

12. TAX ON PROFIT (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2020 - *lower than*) the standard rate of corporation tax in the UK of 19.0% (2020 - 19.0%). The differences are explained below:

	2021	<i>2020</i>
	£000	<i>£000</i>
Profit before tax	1,313,701	<i>282,926</i>
Profit multiplied by standard rate of corporation tax in the UK of 19.0% (2020 - 19.0%)	249,603	<i>53,756</i>
Effects of:		
Non-taxable reversal of impairment of investments	(2,819)	<i>(1)</i>
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	9	<i>5,770</i>
Non-tax deductible amortisation of goodwill and impairment	667	<i>24,239</i>
Adjustments to tax charge in respect of prior periods	9	<i>-</i>
Non-taxable income	(1,972)	<i>(2,098)</i>
Dividends from UK companies	(245,491)	<i>(81,971)</i>
Foreign tax	304	<i>315</i>
Other differences leading to an increase in the tax charge	-	<i>23</i>
Total tax charge for the year	310	<i>33</i>

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%.

13. DIVIDENDS

	2021	<i>2020</i>
	£000	<i>£000</i>
Amounts recognised as distributions to equity holders in the year:		
Interim dividend for the year ended 31 December	760,000	<i>398,679</i>

MMC UK GROUP LIMITED

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

14. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £000	Investments in associates £000	Other fixed asset investments £000	Total £000
Cost or valuation				
At 1 January 2021	5,102,695	2,005	2,500	5,107,200
Additions	411,722	-	-	411,722
Disposals	(1)	-	-	(1)
At 31 December 2021	<u>5,514,416</u>	<u>2,005</u>	<u>2,500</u>	<u>5,518,921</u>
Impairment				
At 1 January 2021	247,194	-	-	247,194
Charge for the period	3,511	-	-	3,511
Reversal of impairment losses	(14,837)	-	-	(14,837)
At 31 December 2021	<u>235,868</u>	<u>-</u>	<u>-</u>	<u>235,868</u>
Net book value				
At 31 December 2021	<u>5,278,548</u>	<u>2,005</u>	<u>2,500</u>	<u>5,283,053</u>
At 31 December 2020	<u>4,855,501</u>	<u>2,005</u>	<u>2,500</u>	<u>4,860,006</u>

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

14. FIXED ASSET INVESTMENTS (CONTINUED)

An impairment review has been carried out and as a result a £14,837,000 impairment reversal has been applied against fixed asset investments that were impaired in previous years. A further £3,511,000 was provided against the carrying value of the remaining investments.

Additions:

In May 2021, the Company made a capital injection to Guy Carpenter Middle East Limited.

In July 2021, the Company acquired a further 1,000 shares in Mercer Limited.

In September 2021, the Company acquired a further 20,000 shares in Marsh Corporate Services Malta Limited.

In December 2021, the Company made a capital injection to Marsh Services Limited and Marsh Treasury Services Limited.

Disposals:

In December 2021, Marsh Limited bought back 1,000 shares.

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

Details of the shares in subsidiary, associate and significant undertakings are shown in appendix 1 which forms part of these financial statements.

MMC UK GROUP LIMITED

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

15. DEBTORS: Amounts falling due within one year

	2021	<i>2020</i>
	£000	<i>£000</i>
Due after more than one year		
Amounts owed by group undertakings	300,000	-
	<u>300,000</u>	<u>-</u>
	2021	<i>2020</i>
	£000	<i>£000</i>
Due within one year		
Amounts owed by group undertakings	87,440	<i>315,567</i>
Amounts recoverable from group undertakings in respect of taxation	481	<i>1,008</i>
Other debtors	268	<i>2,466</i>
	<u>88,189</u>	<u>319,041</u>

Within amounts owed by group undertakings due after more than one year is a £200,000,000 loan which attracts an interest rate of 1.52368% and is repayable 16 December 2024 and a £100,000,000 loan which attracts an interest rate of 0.9348% and is repayable 16 December 2024.

Within amounts owed by group undertakings due within one year is a loan of £76,400,000 which attracts an interest rate of 2.4749% and is repayable 29 November 2022. All other amounts owed by group undertakings are unsecured, interest free and repayable on demand.

16. CASH AND CASH EQUIVALENTS

	2021	<i>2020</i>
	£000	<i>£000</i>
Cash at bank and in hand	45,034	-
Less: bank overdrafts	-	<i>(46,902)</i>
	<u>45,034</u>	<u>(46,902)</u>

MMC UK GROUP LIMITED

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

17. CREDITORS: Amounts falling due within one year

	2021 £000	2020 £000
Bank overdrafts	-	46,902
Amounts owed to group undertakings	382,523	349,687
Corporation tax	24	170
Other creditors	163	1,118
Accruals and deferred income	-	90
	<u>382,710</u>	<u>397,967</u>

Within amounts owed to group undertakings are two loans, one of £220,869,000 which attracts an interest rate of 0.32538% and is repayable upon demand and another of £115,800,000 which attracts an interest rate of 2.1569% and is repayable 5 December 2022. All other amounts owed to group undertakings are unsecured, interest free and repayable on demand.

18. SHARE CAPITAL

	2021 £000	2020 £000
Allotted, called up and fully paid		
80,269,948 (2020 - 80,276,948) Ordinary shares of £1.00 each	<u>80,270</u>	<u>80,277</u>

The share capital of the Company consists of fully paid ordinary shares with a par value of £1 per share.

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

In 2021, in order to simplify the share capital structure of MMC UK Group Limited, the Company completed a share buy back transaction. 7,000 shares were bought back from the Company's immediate parent, MMC International Limited. The nominal value of the shares of £7,000 has been credited to the capital redemption reserve.

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

19. RESERVES

Share premium account

The share premium account represents the additional consideration received for the issue of shares during the year.

Capital redemption reserve

In 2009, the Company redeemed part of its share capital resulting in £39.9 million transferring from the profit and loss reserve to a capital redemption reserve.

In 2021, 7,000 ordinary shares were bought back from the Company's immediate parent company, MMC International Limited. The nominal value of the shares of £7,000 has been credited to the capital redemption reserve.

The capital redemption reserve is undistributable.

Other reserves

The other reserve arose in previous years out of a capital contribution which was made by another group company. This capital contribution was used to subscribe for additional shares in a subsidiary, and amounted to £150.7 million.

During previous years, the Company received dividend income from Marsh Management Services (Luxembourg) S.A. and Marsh (Insurance Services) Limited of £198.8 million. Following an impairment review of Marsh Management Services (Luxembourg) S.A., £67.5 million was provided against the carrying value of the company, leaving £131.3 million in the other reserve. Those dividends and impairment arose from inter group fair market revaluations and, therefore, were transferred to the other reserve.

Also, during previous years, the Company bought back shares from its minority interest shareholder for USD 871.5 million. As a result of this transaction, there was a reduction in share capital of £17.8 million and a reduction of £27.3 million against the other reserve.

The other reserve is deemed to be undistributable.

Profit and loss account

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

MMC UK GROUP LIMITED

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

20. CONTINGENT LIABILITIES

a. The Company participates in cash pooling agreements with banks. Each member of the pool indemnifies against all losses incurred as a result of the failure of any other pool member, limited to any net cash balance held in the pool. As at 31 December 2021, the Company had a balance of £45.0 million (2020 - total overdrawn balance of £47.0 million) in the pool. The other members of the pooling arrangements are companies fully owned by Marsh & McLennan Companies, Inc.

b. The Company has given a guarantee to Amex Saudi Arabia Limited to allow employees of Mercer Consulting Limited Saudi Arabia Branch to utilise credit card facilities. The guarantee is capped at 750,000 Saudi Riyals (£147,000).

c. Since the year end, the Company has given letters of comfort to its subsidiary Mercer Consulting Ltd and its Saudi Arabian branch to enable them to meet their liabilities over the next 12 months as and when they fall due.

21. RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption under FRS 102 s33.1A 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.

22. 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.

23. POST BALANCE SHEET EVENT

After the Statement of Financial Position date, in the first half of 2022 the Company received dividends amounting to £142.3 million from its investments. In June 2022, the Company declared a dividend to its parent company of £180.0 million.

MMC UK GROUP LIMITED

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

24. CONTROLLING PARTY

The Company's immediate parent company is MMC International 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 UK Group 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
United Kingdom

MMC UK GROUP LIMITED

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

Appendix 1

Details of the Company's subsidiary undertakings at 31 December 2021 are shown below:

Name	Country of Incorporation	Description of shares	% of issued shares held by the Company	Registered Office address
Aldgate Investments Limited*	Bermuda	Ordinary	100	Power House, 7 Par-la-Ville Road, Hamilton HM 11, Bermuda
Aldgate Trustees Ltd	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, United Kingdom, EC3R 5BU
Bluefin Insurance Services Limited	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
Burke Ford Trustees (Leicester) Limited	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, United Kingdom, EC3R 5BU
Carpenter Turner Cyprus Ltd*	Cyprus	Ordinary	48.5	Chrysorogiatisis & Kolokotroni, 3040, Limassol, Cyprus
Carpenter Turner S.A.	Greece	Ordinary	100	7 Granikou Str., Maroussi, Athens, P.C. 15125, Greece
Central Insurance Services Limited	United Kingdom	Ordinary	100	Crown House, Prospect Road, Arnhall Business Park, Westhill, Aberdeenshire, AB32 6FE, United Kingdom
Chartwell Healthcare Limited	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, United Kingdom, EC3R 5BU
Clark Thomson Insurance Brokers Limited	United Kingdom	Ordinary	100	Lochside House, 7 Lochside Avenue, Edinburgh, Scotland, EH12 9DJ, United Kingdom
CPRM Limited	United Kingdom	Ordinary	100	Lochside House, 7 Lochside Avenue, Edinburgh, Scotland, EH12 9DJ, United Kingdom
Darwin Technologies SG Pte. Ltd (formerly Thomsons Online Benefits Pte Ltd.)	Singapore	Ordinary	100	81 Clemenceau Avenue #18-01, UE Square Singapore 239917, Singapore
Darwin Technologies Holdings Ltd (formerly The Benefit Express Limited)	United Kingdom	Ordinary	100	Gordon House, 10 Greencoat Place, London, SW1P 1PH, United Kingdom
Darwin Technologies Limited (formerly Thomsons Online Benefits Limited)	United Kingdom	Ordinary	100	Gordon House, 10 Greencoat Place, London, SW1P 1PH, United Kingdom
Darwin Technologies S.R.L. (formerly Thomsons Online Benefits S.R.L)	United Kingdom	Ordinary	100	Cluj-Napoca, Building The Office, 21 Decembrie 1989 Blvd. , no. 77, penthouse floor, room F.6.1, Cluj county, Romania
English Pension Trustees Limited	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom

MMC UK GROUP LIMITED

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

Gresham Pension Trustees Limited	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
Guy Carpenter & Company Limited	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
Guy Carpenter (Middle East) Limited*	United Arab Emirates	Ordinary	100	Gate Village 7 , Level 3, Office No 301, DIFC, PO Box 506572, Dubai, United Arab Emirates
Guy Carpenter & Company GmbH	Germany	Ordinary	40.6	Muellerstrasse 3, 80469 Munich, Germany
Hamilton Bond Limited	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
Hayward Aviation Limited (in liquidation)	United Kingdom	Ordinary	100	The St Botolph Building, 138 Houndsditch, London, EC3A 7AW, England
INSIA a.s.*	Czech Republic	Ordinary	80	Vinohradska 151, Praha 3, 130 00, Czech Republic
InSolutions Limited*	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
Jelf Commercial Finance Limited	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
Jelf Financial Planning Limited	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
Jelf Insurance Brokers Limited	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
Jelf Risk Management Limited	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
JLT Advisory Limited (in liquidation)	United Kingdom	Ordinary	100	The St Botolph Building, 138 Houndsditch, London, EC3A 7AW, England
JLT Benefit Solutions Limited	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
JLT Consultants & Actuaries Limited	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
JLT EB Holdings Limited	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
JLT EB Services Limited	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
JLT Insurance Group Holdings Ltd	United Kingdom	Ordinary	100	The St Botolph Building, 138 Houndsditch, London, EC3A 7AW, England

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JLT Investment Management Limited	United Kingdom	Ordinary	100	The St Botolph Building, 138 Houndsditch, London, EC3A 7AW, England
JLT Management Services Limited	United Kingdom	Ordinary	100	The St Botolph Building, 138 Houndsditch, London, EC3A 7AW, England
JLT Pension Trustees Limited	United Kingdom	Ordinary	100	The St Botolph Building, 138 Houndsditch, London, EC3A 7AW, England
JLT Pensions Administration Limited	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
JLT Re Limited	United Kingdom	Ordinary	100	The St Botolph Building, 138 Houndsditch, London, EC3A 7AW, England
JLT Reinsurance Brokers Limited	United Kingdom	Ordinary	100	The St Botolph Building, 138 Houndsditch, London, EC3A 7AW, England
JLT Specialty Limited	United Kingdom	Ordinary	100	The St Botolph Building, 138 Houndsditch, London, EC3A 7AW, England
JLT Trustees (Southern) Limited	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
JLT Trustees Limited	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
JLT Wealth Management Limited	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
Kepler Associates Limited	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
Lynch Insurance Brokers Limited	Barbados	Ordinary	28.4	Musson Building, Hincks Street, BRIDGETOWN, Barbados
Mangrove Insurance Solutions PCC Limited	Isle of Man	Ordinary	100	1st Floor, Goldie House, 1-4 Goldie Terrace, Upper Church Street, Douglas, IM1 1EB, Isle of Man
Marine, Aviation & General (London) Limited	United Kingdom	Ordinary	25	1 Minster Court, Mincing Lane, London, EC3R 7AA
Marsh (Malawi) Limited*	Malawi	Ordinary	60	MDC House, Glyn Jones Road, Blantyre, Malawi
Marsh Advisory Services S.R.L.	Romania	Ordinary	100	Bucuresti, Floreasca Business Park, 169A Calea Floreasca, corp A1, etaj 3, Biroul 1, Sector 1, Romania Romania
Marsh Botswana (Proprietary) Limited*	Botswana	Ordinary	100	PricewaterhouseCoopers (Pty) Ltd, Plot 50371, Fairground Office Park, Gaborone, Botswana
Marsh Broker de Asigurare-Reasigurare S.R.L.*	Romania	Ordinary	42.2	Bucharest Floreasca Business Park, Calea Floreasca no.169A, Unit A1, 3rd Floor, 1st District, Bucharest, 014459

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Marsh Brokers Limited* (Dissolved 12 April 2022)	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
Marsh Corporate Services Limited*	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
Marsh Corporate Services Malta Limited*	Malta	Ordinary	100	The Hedge Business Centre - Level 3, Triq ir-Rampa Ta' San Giljan, Balluta Bay, St. Julians, STJ 1062, Malta
Marsh FJC International Insurance Brokers Limited	Nigeria	Ordinary	60	9th Floor, Broking House, 1 Alhaji Jimoh Odutola Road, P.M.B. 5035, Ibadan, Nigeria
Marsh Insurance Brokers* (Dissolved 8 April 2022)	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
Marsh Insurance Brokers Limited	Cyprus	Ordinary	100	Michail Michailidi, 1, Limassol, Cyprus
Marsh Limited*	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
Marsh Management Services Isle of Man Limited*	Isle of Man	Ordinary	100	1st Floor, Goldie House, 1-4 Goldie Terrace, Upper Church Street, Douglas, IM1 1EB, Isle of Man
Marsh Management Services Luxembourg S.a.r.l.*	Luxembourg	Ordinary	100	74 Rue de Merl, L-2146, Luxembourg
Marsh Management Services Malta Limited*	Malta	Ordinary	100	The Hedge Business Centre - Level 3, Triq ir-Rampa Ta' San Giljan, Balluta Bay, St. Julians, STJ 1062, Malta
Marsh McLennan Global Services India Private Ltd (formerly Jardine Lloyd Thompson India Private Limited)	India	Ordinary	90	1001-A, Supreme Business Park, Supreme City, Hiranandani Gardens, Powai, Mumbai, Maharashtra, 400076, India
Marsh SA	Belgium	Ordinary	36.821	Boulevard du Souverain, 2, B - 1170 Brussels, Belgium
Marsh s.r.o.*	Czech Republic	Not applicable	100	Atrium Flora, vchod B, 130 00 Praha 3 - Vinohrady, Czech Republic, Czech Republic
Marsh Secretarial Services Limited*	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
Marsh Services Limited*	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
Marsh Treasury Services Limited*	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
Marsh Uganda Limited*	Uganda	Ordinary	100	Alexander Forbes House, Plot 7, Bandali Rise, PO Box 3190, Kampala, Uganda

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Marsh Zambia Limited*	Zambia	Ordinary	73.33	175 Parirenyatwa Road, PO Box 34139, Lusaka, Zambia
Marsh, Lda.*	Portugal	Quota	66.66	R. Antonio Pedro 111, 1150-045 Lisboa, Portugal
Mercer Consulting Limited*	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
Mercer Employee Benefits Limited*	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
Mercer ICC Limited	Guernsey	Ordinary	100	PO Box 155, Mill Court, La Charroterie, St Peter Port, Guernsey, GY1 4ET
Mercer Limited*	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
Mercer Master Trustees Limited	Ireland	Ordinary	50	Charlotte House, Charlemont Street, Dublin 2, Ireland
Mercer Outsourcing, S.L.U.*	Spain	Ordinary	100	Paseo de la Castellana 216, 28046 Madrid, Spain
Mercer Trustees Limited	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
MMC Finance (Australia) Limited	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
MMC Finance (Europe) Limited	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
MMC Finance (Singapore) Limited	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
MMC Finance (US) Limited	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
MMC Finance Holdings (US) Limited	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
MMC Funding (US) Limited	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
MMC International Treasury Centre Limited*	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
MMC Securities Limited	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
Moola Systems Limited	United Kingdom	Ordinary	100	The St Botolph Building, 138 Houndsditch, London, EC3A 7AW, England
Mountlodge Limited	United Kingdom	Ordinary	100	Lochside House, 7 Lochside Avenue, Edinburgh, Scotland, EH12 9DJ

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Pension Trustees Limited	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
Personal Pension Trustees Limited	United Kingdom	Ordinary	100	The St Botolph Building, 138 Houndsditch, London, EC3A 7AW, England
PFT Limited	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
Portsoken Trustees (No. 2) Limited	United Kingdom	Ordinary	100	The St Botolph Building, 138 Houndsditch, London, EC3A 7AW, England
Portsoken Trustees Limited	United Kingdom	Ordinary	100	The St Botolph Building, 138 Houndsditch, London, EC3A 7AW, England
Premier Pension Trustees Limited	United Kingdom	Ordinary	100	The St Botolph Building, 138 Houndsditch, London, EC3A 7AW, England
Profund Solutions Limited	United Kingdom	Ordinary	100	The St Botolph Building, 138 Houndsditch, London, EC3A 7AW, England
Sedgwick Financial Services Limited	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
Sedgwick Group (Bermuda) Limited*	Bermuda	Common	100	Power House, 7 Par-la-Ville Road, Hamilton HM11, Bermuda
Sedgwick Group (Zimbabwe) Limited*	Zimbabwe	Ordinary	100	Beverly Court, 100 Nelson Mandela Avenue, HARARE, Zimbabwe
Sedgwick Group Limited*	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
Sedgwick Management Services (Barbados) Limited	Barbados	Common	66.6	Musson Building, Hincks Street, BRIDGETOWN, Barbados
Sedgwick Management Services (Singapore) Pte Limited*	Singapore	Ordinary	100	8 Marina View #09-02, Asia Square Tower 1, Singapore, 018960, Singapore
Sedgwick Noble Lowndes (UK) Limited	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
Sedgwick Noble Lowndes Group Limited (Dissolved 6 January 2022)	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
Sedgwick Noble Lowndes Limited	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
Sedgwick Overseas Investments Limited*	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
Sedgwick Trustees Limited	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom

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Sedgwick Ulster Pension Trustees Limited	United Kingdom	Ordinary	100	Clarendon House, 23 Clarendon Road, Belfast, BT1 3BG, N. Ireland
Settlement Trustees Limited	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
SME Insurance Services Limited	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
The Benefit Express Holdings Limited	United Kingdom	Ordinary	100	Gordon House, 10 Greencoat Place, London, SW1P 1PH, United Kingdom
The Positive Ageing Company Limited	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
Tower Hill Limited*	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
Tower Place Developments (West) Limited*	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom
Tower Place Developments Limited*	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom

* Directly owned