Registered number: 00439526

# MARSH CORPORATE SERVICES LIMITED

## ANNUAL REPORT AND FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2021

# MARSH CORPORATE SERVICES LIMITED

## COMPANY INFORMATION

| | |
|---|---|
| **DIRECTORS** | D J Bruce<br>R M Cocks<br>A J Croft<br>A J Henderson (resigned 28 February 2022)<br>S Miah (appointed 4 May 2022)<br>T O'Dwyer<br>C R Read (appointed 4 August 2022)<br>S R Woodhouse |
| **COMPANY SECRETARY** | E A Nicholls |
| **REGISTERED NUMBER** | 00439526 |
| **REGISTERED OFFICE** | 1 Tower Place West<br>Tower Place<br>London<br>EC3R 5BU |

## CONTENTS

## STRATEGIC REPORT
## FOR THE YEAR ENDED 31 DECEMBER 2021

### INTRODUCTION

The directors present their Strategic Report for Marsh Corporate Services Limited ("the Company") for the year ended 31 December 2021. The Company's registration number is 00439526.

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

Marsh Corporate Services Limited is a service company which is part of NYSE listed Marsh & McLennan Companies, Inc. ('MMC Group' or 'the Group') and provides services to UK group companies. Its turnover is made up of service charges and rents received from MMC Group companies and recognises a mark-up on internally generated costs. The Company acts as the procuring entity for a number of the Group's UK companies.

The Company pays the majority of non-payroll expenses on behalf of Marsh Limited and other group companies. In addition, the Company is the owner/named lessee for property, plant and equipment utilised by the group in the UK and it also acts as managing agent for properties owned by other group companies. The Company has no employees. Any reference to employees or property in these financial statements relates to the staff and property provided by other MMC Group companies.

The Company's activities are mainly reliant on its major customers, Marsh Limited and Mercer Limited. The directors are satisfied that the services of the Company will continue to be required in the future.

The Company operates in the UK. Part of its transaction processing and accounting support functions are provided by a third party supplier in India.

On 1 May 2020 the Company acquired the trade and assets of JLT Management Services Limited ("JLTMS"). On 1 January 2020 the employees of JLTMS transferred under a Transfer of Undertakings (Protection of Employment) ("TUPE") arrangement to Marsh Services Limited, along with the pension scheme liabilities.

### FINANCIAL KEY PERFORMANCE INDICATORS

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

| | **2021** | *2020* | Movement | Movement |
|---|---|---|---|---|
| | **£M** | *£M* | £M | % |
| Turnover | **367** | *372* | (5) | (1) |
| Administration expenses | **(362)** | *(367)* | 5 | 1 |
| Other operating income | **1** | *1* | - | |
| Profit after tax | **11** | *5* | 6 | 120 |
| Shareholders' funds | **82** | *71* | 11 | 15 |

Turnover for the year remained consistent to the prior year decreasing by £5 million due to decreased recharges to Marsh Limited.

Administrative expenses also remained consistent to the prior year decreasing by £5 million on the prior year to £362 million. Although incremental administrative expenditure has increased due to the first full year of expenses related to JLTMS. The effect of this has been negated by the one-off JLTMS integration costs in 2020.

Shareholders' funds have increased by £11 million. The Company made a profit after tax of £11 million (2020 - £5 million).

**Section 172 (1) of the Companies Act 2006 (the “Act”) Statement**

The Wates Corporate Governance Principles for Large Private Companies (which can be found at www.wates.co.uk/who-we-are/corporate-governance) serves as the framework to demonstrate how Directors have had regard for the matters set out in section 172(1) (a) to (f) of the Act when performing their duties, including how Directors have engaged with and considered the interests of stakeholders including UK employees, suppliers, customers and those in a principal business relationship with the Company.

**Corporate Governance Statement**

The Directors have set out below an explanation of how the Wates Principles have been applied during the 2021 year.

**Principle 1 - Purpose and Leadership**

**Purpose**

The Company forms part of the MMC Group, a global professional services provider specialising in the areas of risk, strategy and people. These services are delivered through four businesses, namely Marsh, Mercer, Guy Carpenter and Oliver Wyman.

The Company is a service company providing services mainly to UK MMC group companies. The Company acts as the procuring entity for a number of the Group’s UK companies and pays the majority of non-payroll expenses on behalf of Marsh Limited and other group companies. In addition, the Company is the owner/named lessee for property, plant and equipment utilised by the group in the UK and it also acts as managing agent for properties owned by other group companies.

**Values and Culture**

The Greater Good, which is the Group´s Code of Conduct, applies to all Directors and employees of the Company and it embodies the Group´s commitment to maintaining the highest level of 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 Board and the Executive Team are committed to ensuring that the Company makes a positive difference for its clients, its colleagues, its communities and society at large.

During the year, the Group worked with an external provider to deliver a programme designed to deliver an inclusive culture across a diverse workforce. This included an all employee survey on culture, training on diversity and inclusion delivered to over 900 managers and the setting of diversity and inclusion and culture metrics goals.

**Strategy**

The impact of the global Covid-19 pandemic and the hybrid working environment continued to present challenges to the business in the 2021 financial year.

The Board retained its focus on ensuring the safety and wellbeing of colleagues which included the safety of offices. The principal focus of the Company during 2021 continued to be that of a service company for mainly UK group companies. The Board also receives updates from a management committee considering health and safety matters.

**Section 172 (1) of the Companies Act 2006 (the "Act") Statement (continued)**

**Principle 2 - Composition**

**Chair**

The Chair is responsible for the leadership of the Board and its effective operation. Following the year end, the Board appointed a new chair. The directors have equal voting rights, except the Chair, who has the casting vote. All Directors have access to the advice and services of the Company Secretary and may, if they wish, take professional advice at the Company's expense.

**Balance and Diversity & Size and Structure**

During 2021, the Board comprised the Chair and five other directors. Following the year end, the composition of the Board changed and now comprises the Chair and six other directors. Of the Board of seven, two are female. Its composition remains appropriate in terms of expertise.

**Effectiveness**

Directors have access to induction materials on appointment. In addition, they are able to keep their skills, knowledge and familiarity with the Company up to date by meeting with other members of senior management, and by attending a schedule of Group board training events and appropriate external seminars and training courses. Individual training can also be arranged by the Company Secretary on specific request.

**Principle 3 - Director Responsibilities**

**Accountability**

The Board operates a programme of four scheduled meetings a year, with ad hoc meetings held as and when required. In 2021, the Board met a total of six times and considered the matters outlined in Principle One.

**Integrity of Information**

The Board receives reports on matters within its remit, which includes an update on outsourcing matters at each scheduled Board meeting.

**Principle 4 - Opportunity and Risk**

**Opportunity**

The Board assists the Marsh Limited and Guy Carpenter Boards in fulfilling the responsibility for ensuring that sound risk management and internal control systems operate within the Company's areas of responsibility. The Board has received updates from a number of key vendors and will continue to do this going forward.

As part of the new operational resilience work, the outsourcing framework is being enhanced and it is intended that the Board will receive more comprehensive and structured information.

**Section 172 (1) of the Companies Act 2006 (the "Act") Statement (continued)**

**Principle 5 - Remuneration**

**Policies**

The Remuneration Committee is a mechanism to provide regional governance and oversight of remuneration matters within the Marsh UK and Guy Carpenter businesses. The Remuneration Committee is chaired by the Chair of the Marsh Limited Board, and is responsible for ensuring that the Remuneration Policy and compensation practices of the Company are consistent with, and promote, sound and effective risk management, encourage fair treatment of clients, include measures to avoid conflicts of interest, are in line with business strategy, objectives, values, culture, and the long term interests of the Company.

In carrying out its responsibilities, the Committee considers:

a) the success and appropriateness of the risk and reward mechanisms available to the business to align the success of individual colleagues with the success of the business in a risk adjusted context;
b) benchmarks, at a market level, against the stated employee value propositions referencing both remuneration and benefits strategies; and
c) the extent to which remuneration structures support the business and development plans and succession planning needs.

The remuneration packages of all executive directors, members of the Executive Team, and all other colleagues falling within the top 50 based upon remuneration, (including base salary, bonuses, performance-related payments, discretionary payments, long-term incentive awards, share options and pension contributions) are reviewed and approved by the Remuneration Committee in order to ensure that executive performance is remunerated based on a balanced set of measures including financial performance as well as customer and conduct measures.

As part of the annual compensation process, the Committee reviews and challenges management on total remuneration and performance data for all colleagues with a view to ensuring that remuneration proposals for the workforce as a whole are balanced, proportionate and aligned with the Company´s commitment to building a diverse and inclusive workforce.

A Gender Pay Gap Report on an annual basis, which is carefully scrutinised and discussed by the Board. The Organisation is committed to continue improving the Company´s Gender Pay Gap. For further details in this regard, please refer to Marsh Ltd´s latest Gender Pay Gap Report which can be found at https://www.marsh.com/uk/about/about-marsh/diversity-and-inclusion-marsh/insights/uk-gender-pay-gap.html

**Principle 6 - Stakeholder Relationships and Engagement**

**Shareholder**

As a wholly owned subsidiary, the Board duly considers the views of its ultimate shareholder, Marsh & McLennan Companies Inc., and the interests of the Group as a whole as part of any major decisions and transactions undertaken by the Company.

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 and to ensure investment in the future growth of the Company, balanced with stable and sustainable returns to the shareholder. Further information on dividends is set out in the Notes to the Financial Statements on page 35.

The Chair of the Board provides the primary channel of communication between the Company, its shareholder and the wider Group.

**Section 172 (1) of the Companies Act 2006 (the "Act") Statement (continued)**

**Clients**

The Company is a service company. This includes paying the majority of non-payroll expenses on behalf of other group companies in the UK and being the named owner/lessee for property.

**Colleagues**

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

The Directors recognise that the Covid-19 pandemic has had a significant impact, not only on colleagues' work environment but also on a personal level. The Chief Executive Officers and the Executive Teams increased engagement with colleagues through regular virtual Townhall meetings and in ensuring the provision of mental health support. This has continued as offices have gradually re-opened.

Regular colleague engagement surveys are conducted and results are carefully scrutinised to identify and implement actions for improvement. Emerging people risks and trends are highlighted to the Boards of several of the Company's sister companies, together with proposed action plans. The Organisation remains committed to reinforcing a wholly inclusive culture across a truly diverse workforce. One aspect of this is demonstrated through the Organisation's commitment to the Women in Finance Charter to increase the number of females in senior grades to 25% by the end of 2023. We have seen an increase in our senior female representation during 2021, resulting in 23.3% of our senior management population now being female. This shows significant progress towards our 2023 target. The 2021 Women in Finance Charter is published annually and can be found at https://www.marsh.com/uk/about/about-marsh/women-in-finance.html

The Organisation has established a number of Colleague Resource Groups to help it better understand and support a wide range of inclusive constituents of our workforce. These groups include, AccessABILITIES, Balance, Mental Health, Military, Multi-Cultural, Pride and Young Professionals group. The Marsh Group has also continued to have in place an Employee Consultative Forum representing employees from all offices and lines of business in discussions with executive management. Representatives from these groups are invited to attend a Board meeting of the Company's sister company's, Marsh Services Ltd (MSL). MSL also assist in reviewing and monitoring employee benefits, supports the year end review and total compensation processes and inputs to the Group's review of D&I matters and commitment to building a diverse and inclusive workforce. MSL also engages with the Trustee Board of the UK pension schemes.

The Group and the Company remain committed to ensuring a safe and healthy workplace and working environment for colleagues, contractors and visitors by providing adequate welfare facilities and maintaining suitable plant and safe systems of work. A further statement on Health, Safety and Environment is set out on page 8 of the Strategic Report

**Section 172 (1) of the Companies Act 2006 (the "Act") Statement (continued)**

**Community**

The Company, and the Group as a whole, recognises that in a world facing increasing risk and uncertainty, supporting our communities is more important than ever before. To this end, the Group has established a committee, comprised of representatives from across its businesses in the UK, to focus on our Social Impact efforts in the UK. Given the Group´s expertise in risk, strategy and people, our social impact efforts are focused on 'building resilient communities through mentoring and disaster response & rebuilding.'

By aligning its Social Impact programmes with the business priorities and experience, the Group is able to demonstrate its commitment to its communities in the UK while supporting the business. The Group partners with select strategic global non-profit organisations, including; the Cherie Blair Foundation for Women, Junior Achievement, Missing Maps and the British Red Cross in the UK and encourages colleagues to volunteer with its non-profit partners, for local causes that are important to them and their clients. Following a successful partnership with the British Red Cross, the charity partner is now Ambitious about Autism.

The Group has developed climate initiatives which represent a tangible step towards building a more sustainable environment for colleagues, clients, shareholders and future generations. More information on the initiatives may be found in the Streamline Energy and Carbon Report on page 13.

**Suppliers**

The Company's business with suppliers is managed through the 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'. This document outlines the key tenants of our anti-fraud, anti-slavery, bribery and corruption policy, diversity and inclusion practices, hiring practices, and more. Suppliers and supplier personnel are expected to comply with the relevant provisions of such as part of our contractual agreements.

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. We recognize that by partnering with diverse suppliers, we can create more value for our clients, and the communities we 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; and
- Monitoring progress on the effectiveness of our supplier diversity efforts.

The Company monitors its relationship with its suppliers on a regular basis. Representatives of key suppliers are invited to attend a Board meeting to update the Directors on activities and discuss any areas of concern. In addition, summaries of the Board meeting minutes are shared with, amongst others, the Marsh Limited, and Guy Carpenter Boards to aid communication.

**Section 172 (1) of the Companies Act 2006 (the “Act”) Statement (continued)**

**Suppliers (continued)**

The Company is committed to ensuring that slavery and human trafficking is not taking place in any of the Company’s 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 the Company’s induction programme.

All suppliers are required to comply with modern slavery legislation under the standard terms and conditions of our contracting agreements and 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. The Board is updated on response rates and the outcome of questionnaires on an annual basis. The Company’s Modern Slavery Statement is published annually and can be found at https://www.marsh.com/uk/modern-slavery-statement.html.

The Company reports on its supplier payment practices on a bi-annual basis, and results are monitored by the Marsh Audit Committee at its quarterly meetings. The Company´s latest results can be found at https://check-payment-practices.service.gov.uk/report/54316

## PRINCIPAL RISKS AND UNCERTAINTIES

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

### 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 client, and colleague, servicing requirements and to ensure that the business operates in line with 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 continue 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, co-ordinated 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.

### Asset risk

The Company is the custodian of the majority of property, plant and equipment used by other MMC Group companies in the UK. Any loss of or damage to those assets would threaten the ability of the Company to provide its services. The Company mitigates this risk through use of insurance and business continuity planning. The Company is also subject to impairment risk in relation to those fixed assets. The Company continually reviews its depreciation rates to ensure assets are depreciated over the correct periods. In addition, the Company also reviews its tangible assets to ensure that they are not impaired. The Company holds intangible assets relating to projects currently under development, which are subject to annual impairment tests.

### 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. 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.

### Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company’s receivables from customers. The Company has a credit risk policy in place and the exposure to credit risk is monitored on an ongoing basis by management who perform monthly balance reviews. The majority of the Company's receivables are from Group companies. Management does not expect any counterparty to fail to meet its obligations. When considering whether balances are impaired the Company considers any known financial difficulty of the customers and previous settlement history. The Company provides for bad debts if it considers there is a risk of impairment.

### Currency risk

The Company is exposed to currency risk in respect of its assets and liabilities denominated in currencies other than pounds sterling. The most significant currencies to which the Company is exposed are Euros and US Dollars. 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.

**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 regulator-led and industry wide forums ensures the business has sight of threats and vulnerabilities affecting the UK.

**Health, Safety and Environment risk**

The Company is responsible for the health, safety and welfare of its employees and contractors whilst working on behalf of the Company and for ensuring that its operations do not unnecessarily harm the environment. The Company provides a Greenhouse Gas Emissions, Energy Consumption and Energy Efficiency Action report on page 11 of the Directors Report.

Where reasonably practicable, the Company pursues progressive improvements in health & 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 & safety standards.

**Interest rate risk**

The Company has bank overdrafts. 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 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.

**Operational resilience risk**

The Company has established processes, controls and oversight mechanisms in place to mitigate the risk that operational disruptions could result in customer detriment, regulatory intervention and/or adverse commercial impacts. No systemic issues were experienced through the period resulting in customer detriment, and/or the ability to maintain the servicing of the Company's important business services.

**PRINCIPAL RISKS AND UNCERTAINTIES (continued)**

**Outsourcing (including Intra Group Arrangements) 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. The outsourcing risk is affected by the pandemic risk, described above.

**People risk**

The willingness of competitors to offer key staff higher remuneration and benefits packages continues to be a risk to the Group’s ability to attract and retain key people.

Periodic benchmarking of salaries is carried out to ensure the Company remains competitive.

**Political risk**

The Company is indirectly subjected 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 Group’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 MMC Group level dedicated incident management forums, aligning the Company`s responses to both local governmental and MMC 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.

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

A J Croft
Director

Date: 16 September 2022

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

The directors present their report and audited 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 9. This includes details of the Company's principal risks and uncertainties.

### RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £11 million *(2020 - £5 million)*.

The Company paid a dividend in year of £nil. (2020: £nil). The directors do not recommend the payment of a final dividend.

### DIRECTORS

The directors who served during the year were:

D J Bruce
R M Cocks
A J Croft
A J Henderson (resigned 28 February 2022)
T O'Dwyer
S R Woodhouse

The following directors were appointed after 31 December 2021:
S Miah (appointed 4 May 2022)
C R Read (appointed 4 August 2022)

### 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. Following this evaluation they are satisfied that any obligations can be met. These financial statements are therefore presented on a going concern basis.

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 required by the main customer, Marsh Limited.

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

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.

### FUTURE DEVELOPMENTS

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

As part of the Marsh & McLennan Companies, Inc. Group legal entity optimisation project, the Company is expected to take on additional services on behalf of other Group companies.

## 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.

## MODERN SLAVERY ACT

The Company has a longstanding commitment to conducting business in a responsible and ethical way, in accordance with its Code of Conduct, 'The Greater Good'. The Company is also committed to fulfilling its obligations under the Modern Slavery Act 2015. In support of this the Company has a communications programme to raise awareness amongst all UK Colleagues to ensure that they are mindful of the risks of modern day slavery.

Global Procurement has implemented specific vetting checks, in addition to existing processes, to support this initiative. The Modern Slavery statement can be found on the Company website https://www.marsh.com/uk/modern-slavery-statement.html. The statement is reviewed by the Directors annually.

## 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.

## GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENT ACTION

The Company, as part of the MMC Group, recognises its obligations to be good stewards of the environment and continues to look at ways to minimise its carbon footprint and impact on the environment.

The approach to the environment and environmental reporting is managed at a Group level and constantly under review. In 2021 the Group announced it was a CarbonNeutral © certified business. Across many parts of our global businesses, including in the UK, there are initiatives underway that are focused on improving the efficiency of our operations as these relate to greenhouse gas emissions, energy consumption and the impact our business has on the environment. These initiatives include:

- Property optimisation - across a portfolio of approximately 700 locations, containing more than 12 million square feet globally, the Group is identifying ways to quantify and reduce its carbon footprint through green leasing and unique space solutions;
- Technology - six world class data centres are maintained by the Group and are home to more than 17,000 physical and virtual servers that host thousands of applications and systems, with a focus on energy efficiency. In addition, an End of Life Electronic Recycling Program is utilised by the Group, allowing an expansion of the Group's recycling footprint;
- Corporate travel – the Group is focusing on opportunities to strengthen relationships and assess the environmental considerations and options around corporate air travel and hotel accommodation; and
- Education – increasing awareness of environmentally friendly corporate travel options available.

## CARBON TRUST UPDATE

All MMC Group UK operations are part of an accredited carbon assessment scheme (operated by the Carbon Trust) since 2017. The recertification process is performed for the Trust's reporting period 1 October to 30 September and in arrears of the Company's financial reporting period. Additionally key performance indicators are for two year average periods to reduce spikes in results, mainly as a result of Covid-19 and political uncertainties.

**GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENT ACTION (continued)**

**CARBON TRUST UPDATE (continued)**

The assessment for the Trust identified a 15.2% reduction in absolute emissions of UK operations for Marsh, Mercer and Guy Carpenter and placed the MMC UK operations in the 55th percentile within the sector and 20th percentile against all certifications. Performance change versus the previous certification reflects a combination of factors including the inclusion of estimated utility kWh consumption (natural gas and electricity) for landlord managed office space, the increased access to actual energy consumption information and the production of a more UK centred sustainability policy. Recertification covering 2021 is scheduled for 2023.

In 2020, Marsh’s Global Power & Energy Group launched the first integrated global renewable energy industry practice in insurance broking. Marsh is also helping clients measure and manage the risks to their assets and operations from hurricanes, floods and other natural perils in a changing climate.

The impact of the pandemic on business operations is still being felt, with reduced occupancy in our offices, and lower levels of international air travel especially, contributing to reduced consumption of energy and lower Greenhouse Gas ('GHG') emissions than would ordinarily be expected.

**Streamlined Energy and Carbon Reporting**

The Company is required to report on energy consumption and greenhouse gas emissions under the Streamlined Energy and Carbon Reporting regulations. The information below sets out the Company’s emissions from gas, electricity and transport fuel, analysed by Scope 1, 2 and 3 emissions.

**Methodology**

The Group has taken guidance from the UK Governmental Reporting Guidelines, Greenhouse Gas Protocol reporting standard and UK Government Greenhouse Gas (GHG) Conversion Factors for calculating carbon emissions.

Utility energy consumption information (natural gas and electricity) has been obtained directly from the Group’s energy suppliers and half hourly automated meter reading (HH / AMR) data, where available for those suppliers with HH/AMR meters. Where data was not available for a full 12 months, an intensity metric estimation methodology (kilowatt hours (kWh) per square metre floor area) was used to calculate consumption for the full compliance period.

Fuel energy consumption (company-controlled vehicles) has been obtained from mileage information provided by Group travel management services and employee expenses and converted using fuel type and vehicle size information. Where fuel type or vehicle size information is not available, average vehicle size and unknown fuel type emission factors were used.

All GHG emission are represented as carbon dioxide equivalent ($CO_2e$).

An intensity ratio divides the total emissions by a normalising factor, in order to give comparable data between organisations and between periods. The Company has chosen as its intensity measurement Tonnes of $CO_2e$ ($TCO_2e$) per employee working in the business.

**Scope 1**

Scope 1 emissions are direct emissions stemming from business operations, primarily emissions generated by on-site combustion and fleet vehicles. These emissions are related to activities owned or controlled by the Group which release emissions into the atmosphere, examples of Scope 1 emissions are combustion from owned or controlled boilers and company vehicles.

**GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENT ACTION (continued)**

**Streamlined Energy and Carbon Reporting (continued)**

**Natural Gas**

Data reported in the financial statements for 2020 related only to the consumption for sites where gas is sourced by the Group rather than a third party landlord. This was due to the limited data available in respect of gas fired or electric heating for supplied sites. The Group's facilities team have now have obtained additional data from third party landlords and are therefore able to provide a more complete view of gas usage across the UK portfolio; this results in a higher level of gas consumption being reported relative to that reported in 2020. The data comprises actual metered consumption for sites where the Group sources the supply, and estimates of consumption for the landlord supplied sites using an intensity metric of Kwh/m2 taken from the metered sites.

**Company Vehicles & Fleet**

The data for company vehicles captures the emissions from fuel consumed for business use in company cars, fleet and private cars where employees are reimbursed for business mileage.

| | **2021 (excluding offshore)** | **2020 (excluding offshore)** | **Variance (%)** | **Comment** |
|---|---|---|---|---|
| Emissions from combustion of gas (Scope 1 - tonnes of CO2e) | 72 | 75 | (4) | See A Below |

A - Estate rationalisation (reduced number of offices) has resulted in decreased consumption as has seasonal heating demand variations. Lifting of Covid-19 restrictions and re-occupation of offices estate during 2021 has counteracted some of the decrease.

**Scope 2**

Scope 2 emissions are indirect from electricity purchased by the Group and the Group's landlords for use in our offices. These are emissions released into the atmosphere associated with consumption of purchased electricity, heat and cooling and are indirect emissions that are a consequence of the Group's activities, but which occur at a source the Group does not own or control.

The Group has been focusing on Scope 2 emissions for a number of years and in 2012 set a Scope 2 emissions reduction goal to reduce electricity usage by 20% by 2017. This goal was achieved two years ahead of target in 2015.

**Electricity**

The Group continues to rationalise its property portfolio and look for ways to make more effective use of its office space. The rollout of the 'agile' workplace program has continued throughout the year. The information collated from landlords about the source of electricity being supplied to our offices shows that our market based carbon emissions are lower than reported in the previous year.

The real-time consumption of electricity is metered in 13 of our UK buildings, with Day+1 data being used by the site operations teams to optimise the running of the building systems relative to occupancy. Building gas and electricity consumption data has been used to benchmark offices against a set of industry intensity measures and in doing so identify which offices are less efficient. This is helping inform conversations about capital investments.

**GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENT ACTION (continued)**

**Streamlined Energy and Carbon Reporting (continued)**

The Location based metrics present the consumption of energy in Kwh into equivalent carbon emissions. Market based data follows the same conversion methodology but also accounts for the Company's use of renewable energy, resulting in a lower emissions value.

| | 2021<br>Location Based | 2020<br>Location Based | Variance (%) | Comment |
|---|---|---|---|---|
| Emissions from electricity purchased for own use, including for the purpose of transport (Scope 2 - tonnes of CO2e) | 416 | 551 | (25) | See B Below |

| | 2021<br>Market Based | 2020<br>Market Based | Variance (%) | Comment |
|---|---|---|---|---|
| Emissions from electricity purchased for own use, including for the purpose of transport (Scope 2 - tonnes of CO2e) | 97 | 133 | (27) | See C Below |

B - The decrease in emissions achieved through estate rationalisation and general improvements to efficiency controls have been partially offset by lifting of Covid-19 restrictions and re-occupation of offices.

C - Assessment of electricity procurement criteria (MMC and landlord controlled) has identified further REGO certified renewable electricity tariffs across the office estate.

**Scope 3**

Emissions include indirect emissions from sources not owned or controlled by the Company, but that we indirectly impact in our value chain. The Scope 3 emissions for the Company include our colleagues' commercial air travel, rail travel and business travel in personal vehicles.

**Transport**

Scope 3 emissions for the UK based businesses amounted to approximately 65% of total emissions in 2019 (pre Covid-19 restrictions). Given the reduction in international travel over the last 2 years the extent of the Company's travel related emissions also reduced significantly. As travel restrictions are lifted around the world there is some return to business travel; however the Group continues to invest in technology and tools to support remote working and the use of online meetings where practicable.

| | 2021 | 2020 | Variance (%) | Comment |
|---|---|---|---|---|
| Emissions from business travel by air, rail and in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3 - tonnes of CO2e) | 70 | 426 | (84) | See D Below |

D - Covid-19 travel restrictions and utilisation of information technologies has resulted in alternatives to business travel.

**GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENT ACTION (continued)**

**Streamlined Energy and Carbon Reporting (continued)**

**Total emissions - Scope summary**

| | **2021** | **2021** | 2020 | 2020 |
|---|---|---|---|---|
| | **(Tonnes of CO2e)** | **(Tonnes of CO2e)** | (Tonnes of CO2e) | (Tonnes of CO2e) |
| | **Location Based** | **Market Based** | Location Based | Market Based |
| Scope 1 – Direct | 72 | 72 | 75 | 75 |
| Scope 2 – Indirect | 416 | 97 | 551 | 133 |
| | **488** | **169** | **626** | **208** |
| Scope 3 - Indirect | 70 | 70 | 426 | 426 |
| **Total** | **558** | **239** | **1,052** | **634** |

| | **2021** | **2021** | 2020 | 2020 |
|---|---|---|---|---|
| | **(Tonnes of CO2e) Location based** | **(Tonnes of CO2e) Market based** | (Tonnes of CO2e) Location based | (Tonnes of CO2e) Market based |
| Total TCO2e on Scopes 1 & 2 above | **488** | **169** | 626 | 208 |
| | **Electricity (Kwh)** | **Gas (Kwh)** | Electricity (Kwh) | Gas (Kwh) |
| Energy consumption used to calculate emissions (Kwh) | 1,957,807 | 394,145 | 2,365,196 | 410,064 |
| | **Total** | **2,351,952** | **Total** | **2,775,260** |
| **Intensity measurement (TCO2e per employee)** | **0.56** | **0.19** | 0.65 | 0.22 |
| Headcount as at 31 December | | 870 | | 958 |

Note
The Company's UK facilities are largely operated on a shared basis with the other operating companies within the Group. The portfolio is predominantly leased and is managed centrally. The supply of gas and electricity for a property can either be sourced by the Company or the supply managed via a building landlord. In 2021 UK landlords were contacted to confirm whether supplies or electricity were from renewable or non-renewable sources. This additional data has allowed Location versus Market based emissions data reported for 2020 to be updated. Additionally, some adjustments have been made to cater for meter readings received post reporting.

## MATTERS COVERED IN THE STRATEGIC REPORT

The information that fulfils the Companies Act requirements of the business review is included in the Strategic Report on pages 1 to 9. This includes a review of the development of the business of the Company during the year and of likely future developments in its business. Details of the principal risks and uncertainties are included in the Strategic Report.

## DISCLOSURE OF INFORMATION TO AUDITOR

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

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

## POST BALANCE SHEET EVENTS

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

## AUDITOR

The auditor, Deloitte LLP, have expressed their willingness to continue in office as auditors and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting. The auditor is deemed to be reappointed under section 487(2) of the Companies Act 2006).

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

A J Croft
Director

16 September 2022

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

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

Company law requires the directors to prepare audited 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 audited 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 the Annual Report and the 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARSH CORPORATE SERVICES LIMITED

### Report on the audit of the financial statements

**Opinion**
In our opinion the financial statements of Marsh Corporate Services 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; and
- the related notes 1 to 25.

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 MARSH CORPORATE SERVICES 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.

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, pensions legislation and tax legislations and the regulations of the Financial Conduct Authority ('FCA'); 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. This includes the company's regulatory permissions and environmental regulations.

We discussed among the audit engagement team including relevant internal specialists such as tax, valuations, pensions, IT 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 and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of Board meetings of those charged with governance; reviewing internal audit reports and reviewing correspondence with HMRC.

**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 MARSH CORPORATE SERVICES 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.

Malav Bhagdev

Malav Bhagdev, FCA (Senior statutory auditor)

for and on behalf of

**Deloitte LLP**

Statutory Auditor

London
United Kingdom

Date: 19 September 2022

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

| | Note | 2021 £M | 2020 £M |
|---|---|---|---|
| Turnover | 4 | **367** | *372* |
| **Gross profit** | | **367** | *372* |
| Administrative expenses | | **(362)** | *(367)* |
| Other operating income | | **1** | *1* |
| **Operating profit** | 5 | **6** | *6* |
| Interest payable and similar expenses | | **(1)** | *(1)* |
| **Profit before tax** | | **5** | *5* |
| Tax on profit | 9 | **6** | - |
| **Profit for the financial year** | | **11** | *5* |

All transactions derive from continuing activities.

The notes on pages 28 to 51 form part of these financial statements.

## STATEMENT OF FINANCIAL POSITION
## AS AT 31 DECEMBER 2021

| | Note | | 2021 £M | | 2020 £M |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Intangible assets | 10 | | **18** | | *25* |
| Tangible assets | 11 | | **43** | | *61* |
| Investments | 12 | | **-** | | - |
| | | | **61** | | *86* |
| **Current assets** | | | | | |
| Debtors: amounts falling due after more than one year | 13 | **32** | | *19* | |
| Debtors: amounts falling due within one year | 13 | **366** | | *409* | |
| | | **398** | | *428* | |
| Creditors: amounts falling due within one year | 14 | **(262)** | | *(429)* | |
| **Net current assets/(liabilities)** | | | **136** | | *(1)* |
| **Total assets less current liabilities** | | | **197** | | *85* |
| Creditors: amounts falling due after more than one year | 15 | | **(100)** | | - |
| **Provisions for liabilities** | | | | | |
| Deferred tax | 17 | **(2)** | | *(2)* | |
| Provisions | 18 | **(13)** | | *(12)* | |
| | | | **(15)** | | *(14)* |
| **Net assets** | | | **82** | | *71* |

## STATEMENT OF FINANCIAL POSITION (CONTINUED)
## AS AT 31 DECEMBER 2021

| | Note | 2021 £M | *2020 £M* |
|---|---|---|---|
| **Capital and reserves** | | | |
| Called up share capital | 19 | **-** | *-* |
| Revaluation reserve | 20 | **9** | *9* |
| Profit and loss account | 20 | **73** | *62* |
| | | **82** | *71* |

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on by:

**A J Croft**
Director
16 September 2022
The notes on pages 28 to 51 form part of these financial statements.

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

| | Called up share capital | Revaluation reserve | Profit and loss account | Total equity |
|---|---|---|---|---|
| | £M | £M | £M | £M |
| At 1 January 2021 | - | 9 | 62 | 71 |
| **Comprehensive income for the year** | | | | |
| Profit for the year | - | - | 11 | 11 |
| **Total comprehensive income for the year** | - | - | 11 | 11 |
| **At 31 December 2021** | - | 9 | 73 | 82 |

The notes on pages 28 to 51 form part of these financial statements.

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

| | Called up share capital | Revaluation reserve | Profit and loss account | Total equity |
|---|---|---|---|---|
| | £M | £M | £M | £M |
| At 1 January 2020 | - | 9 | 57 | 66 |
| **Comprehensive income for the year** | | | | |
| Profit for the year | - | - | 5 | 5 |
| **Total comprehensive income for the year** | - | - | 5 | 5 |
| **At 31 December 2020** | - | 9 | 62 | 71 |

The notes on pages 28 to 51 form part of these financial statements.

## 1. GENERAL INFORMATION

Marsh Corporate Services 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. Marsh Corporate Services 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 9.

## 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 the address listed in note 25.

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.3 GOING CONCERN

The Company’s business activities, together with the factors likely to affect its future development, performance and position are set out in the business review, which forms part of the Strategic Report. The Strategic Report also describes the financial position of the Company; and its exposure to credit risk and liquidity risk.

The Company meets its day to day working capital requirements from an overdraft facility. The current economic conditions create uncertainty particularly over (a) the level of demand for the Company’s services; and (b) 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 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.

### 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'.

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.5 REVENUE

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

Revenue 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 revenue 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 OPERATING LEASES: THE COMPANY AS LESSOR

Rental income from operating leases is credited to profit or loss on a straight line basis over the lease term.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

### 2.7 OPERATING LEASES: THE COMPANY AS LESSEE

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard on 01 January 2019 to continue to be charged over the period to the first market rent review rather than the term of the lease.

### 2.8 LEASED ASSETS: THE COMPANY AS LESSEE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.9 RESEARCH AND DEVELOPMENT

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

### 2.10 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.

### 2.11 BORROWING COSTS

All borrowing costs are recognised in the statement of comprehensive income in the year in which they are incurred.

### 2.12 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

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

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.13 INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following basis:

| | |
|---|---|
| Computer Software Development - | 14% - 33.33% per annum |

Development costs have been capitalised in accordance with FRS 102 Section 18 Intangible Assets other than Goodwill and are therefore not treated, for dividend purposes, as a realised loss.

Software development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- The technical feasibility of completing the software so that it will be available for use or sale.
- The intention to complete the software or to sell it.
- The ability to use the software or to sell it.
- How the software will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the software.
- The ability to measure reliably the expenditure attributable to the software during its development.

Management review intangibles and estimate the useful lives based on estimates of the future cash flows.

### 2.14 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

Depreciation is provided on the following basis:

| | |
|---|---|
| Freehold property | - 2% per annum |
| Short-term leasehold property | - 3.33% - 10% per annum |
| Office equipment | - 20% - 33.33% per annum |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.15 REVALUATION OF TANGIBLE FIXED ASSETS

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

### 2.16 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.

### 2.17 IMPAIRMENT OF FIXED ASSETS

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit ('CGU') to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.18 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 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 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 income, unless the relevant asset is carried at a re-valued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.19 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.

### 2.20 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.

### 2.21 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.

### 2.22 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, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, 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.

### 2.23 ONEROUS LEASES

Where the unavoidable costs of a lease exceed the economic benefit expected to be received from it, a provision is made for the present value of the obligations under the lease.

### 2.24 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

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.24 FINANCIAL INSTRUMENTS (continued)

at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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

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

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

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

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

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

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.25 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.

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

In the application of the Company’s accounting policies, 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 judgment, apart from those involving estimations (which are dealt with separately below), 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 of trade and other receivables

The impairment of trade and other receivables is considered by the Company’s management on a regular basis. The majority of the Company's receivables are from Group companies. Provision is made on the basis of an assessment of the credit risk associated with the counterparty, including consideration of their trading status, aged analysis of the recoverable amounts involved, previous recovery performance and assessment of the extent to which the Company would suffer an actual loss in the event of non-payment.

**Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Tangible fixed assets

The Company tests annually whether its tangible fixed assets has experienced any event or changes that indicate that the carrying value of the asset has suffered any impairment.

The recoverable amount of tangible fixed assets is determined based on value in use calculations prepared on the basis of management’s assumptions and estimates. This determination requires significant judgement. In making this judgement, the Company evaluates, amongst other factors, the duration and extent to which the fair value of the tangible fixed assets is less than its cost; and the financial health of and near-term business outlook for the investment, including factors such as industry and sector performance, changes in regional economies, and operating and operational and financing cash flow.

## 3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Property provisions

During the ordinary course of business the Company can be subject to obligations in respect of its property activities and commitments.

A provision is established in respect of dilapidations and property abandonment when it is probable that the liability has been incurred and the amount of the liability can be reasonably estimated.

The Company analyses its property exposures based on available information, including legal and professional consultation, where appropriate, to assess its potential liability.

The outcome of the currently pending and future property provision requirements cannot be predicted with certainty. Therefore, an adverse decision in a current or future negotiation could result in additional costs that are in excess of the presently established provisions. It is possible that the financial position, current operations or cash-flow could be materially affected by the outcome of unfavourable negotiations.

## 4. TURNOVER

The whole of the turnover compromises services rendered to other group companies.

| | **2021** | *2020* |
|---|---|---|
| | **£M** | *£M* |
| United Kingdom | **367** | *372* |
| | **367** | *372* |

## 5. OPERATING PROFIT

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

| | **2021** | *2020* |
|---|---|---|
| | **£M** | *£M* |
| Other operating lease rentals | **26** | *21* |
| Foreign exchange gain | **-** | *(1)* |
| Tangible fixed assets - depreciation | **27** | *19* |
| Intangible fixed assets - amortisation | **11** | *12* |

## 6. AUDITOR'S REMUNERATION

| | 2021 £M | *2020 £M* |
|---|---|---|
| Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements | **3** | *2* |

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

The audit fees are borne by the Company on behalf of fellow subsidiaries and subsequently recharged.

The audit fee attributable to Marsh Corporate Services Limited is £0.2 million (2020: £0.2 million).

## 7. EMPLOYEES

Staff costs were as follows:

| | 2021 £M | *2020 £M* |
|---|---|---|
| Wages and salaries | **81** | *80* |
| Social security costs | **10** | *10* |
| Cost of defined contribution scheme | **5** | *5* |
| | **96** | *95* |

The Company does not employ staff. Members of staff carrying out work on behalf of the Company are employed and paid by a fellow Group company, Marsh Services Limited. This includes the directors of the Company. 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 which is accounted for in Marsh Services Limited.

Marsh Services Limited operates a pension scheme ('the Fund') in the United Kingdom with defined benefit and defined contributions sections. The Marsh defined benefit section was closed to new employees of the Company with effect from 1 July 2004. Following consultation, Marsh Services Limited determined in January 2014 to close the existing sections of the Fund to all future benefit accrual with effect from 1 August 2014.

Marsh Services Limited is the participating employer in the MMC UK group's pension scheme, and therefore makes contributions to the fund and bears the pension liabilities. The FRS 102 Section 28 disclosures for the defined contribution section can be found within the financial statements of Marsh Services Limited. At 31 December 2021, Marsh Services Limited disclosed in its financial statements that the pension scheme valuation is an asset of £938 million (31 December 2020: asset £668 million) using an FRS 102 valuation basis. Further detail can be found in the financial statements of Marsh Services Limited.

## 8. DIRECTORS' REMUNERATION

The majority of the directors are executives of other Group Companies. In such circumstances, it is not practicable to allocate their remuneration between services as executives of other Group Companies and their services as directors of the Company in the current year. Accordingly, we have not disclosed the remuneration of directors who work predominantly for other group companies during the current year.

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. TAX ON PROFIT

| | **2021** **£M** | *2020* *£M* |
|---|---|---|
| **Corporation tax** | | |
| Current tax on profits for the year | **6** | *5* |
| Adjustments in respect of previous periods | **1** | - |
| | **7** | *5* |
| **Total current tax** | **7** | *5* |
| **Deferred tax** | | |
| Origination and reversal of timing differences | **(6)** | *(4)* |
| Changes to tax rates | **(6)** | *(1)* |
| Adjustments in respect of previous periods | **(1)** | - |
| **Total deferred tax** | **(13)** | *(5)* |
| **Tax on profit** | **(6)** | - |

## 9. TAX ON PROFIT (CONTINUED)

### FACTORS AFFECTING TAX (CREDIT)/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% *(2020 - 19%)*. The differences are explained below:

| | **2021** | *2020* |
|---|---|---|
| | **£M** | *£M* |
| Profit before tax | **5** | *5* |
| Profit multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%) | **1** | *1* |
| **Effects of:** | | |
| Other differences leading to an increase (decrease) in the tax charge | **(1)** | - |
| Changes to tax rates | **(6)** | *(1)* |
| **Total tax (credit)/charge for the year** | **(6)** | - |

### 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%.

## 10. INTANGIBLE ASSETS

| | Development costs; pre completion £M | Development costs; completed £M | Total £M |
|---|---|---|---|
| **Cost** | | | |
| At 1 January 2021 | **7** | **108** | **115** |
| Additions | **4** | **-** | **4** |
| Additions - internal | **(7)** | **7** | **-** |
| At 31 December 2021 | **4** | **115** | **119** |
| **Amortisation** | | | |
| At 1 January 2021 | **-** | **90** | **90** |
| Charge for the year on owned assets | **-** | **11** | **11** |
| At 31 December 2021 | **-** | **101** | **101** |
| **Net book value** | | | |
| At 31 December 2021 | **4** | **14** | **18** |
| *At 31 December 2020* | *7* | *18* | *25* |

Pre-completion intangible assets relate to computer software development costs of the Company's projects under the course of construction. These projects are under development and therefore are not amortised until they are complete.

Development costs have been capitalised in accordance with FRS 102 Section 18 Intangible Assets other than Goodwill and are therefore not treated, for dividend purposes, as a realised loss.

During the year £7 million project costs were transferred from pre-completion to completed development costs.

As at 31 December 2021 there were no amounts payable in relation to contracted commitments for the acquisition of intangible assets.

Amortisation is charged to the statement of comprehensive income and resides within administrative expenses.

## 11. TANGIBLE FIXED ASSETS

| | Freehold property £M | Short-term leasehold property £M | Office equipment £M | Total £M |
|---|---|---|---|---|
| **Cost or valuation** | | | | |
| At 1 January 2021 | **11** | **57** | **237** | **305** |
| Additions | **-** | **3** | **9** | **12** |
| Transfers intra group | **-** | **1** | **(4)** | **(3)** |
| Disposals | **-** | **(2)** | **(4)** | **(6)** |
| At 31 December 2021 | **11** | **59** | **238** | **308** |
| **Depreciation** | | | | |
| At 1 January 2021 | **5** | **33** | **206** | **244** |
| Charge for the year on owned assets | **-** | **14** | **13** | **27** |
| Transfers intra group | **-** | **1** | **(2)** | **(1)** |
| Disposals | **-** | **(2)** | **(3)** | **(5)** |
| At 31 December 2021 | **5** | **46** | **214** | **265** |
| **Net book value** | | | | |
| At 31 December 2021 | **6** | **13** | **24** | **43** |
| *At 31 December 2020* | *6* | *24* | *31* | *61* |

If the Freehold land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

| | 2021 £M | *2020 £M* |
|---|---|---|
| Cost | **5** | *5* |
| Accumulated depreciation | **(3)** | *(3)* |
| **Net book value** | **2** | *2* |

## 11. TANGIBLE FIXED ASSETS (CONTINUED)

If the Leasehold land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

| | **2021 £M** | *2020 £M* |
|---|---|---|
| Cost | **56** | *54* |
| Accumulated depreciation | **(45)** | *(33)* |
| **Net book value** | **11** | *21* |

Freehold and Leasehold property was revalued in 2001 on the basis of an open market valuation by an independent valuer.

## 12. FIXED ASSET INVESTMENTS

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** |
|---|---|---|---|---|
| JLT Management Services Limited | United Kingdom | Ordinary | 100 | The St Botolph Building, 138 Houndsditch, London, EC3A 7AW |

The Company's only investment is directly owned by the company.

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

## 13. DEBTORS

| | 2021 £M | *2020 £M* |
|---|---|---|
| **Due after more than one year** | | |
| Deferred tax asset | **32** | *19* |
| | **32** | *19* |

| | 2021 £M | *2020 £M* |
|---|---|---|
| **Due within one year** | | |
| Amounts owed by group undertakings | **177** | *288* |
| Other debtors | **15** | *13* |
| Prepayments and accrued income | **18** | *19* |
| Tax recoverable | **156** | *89* |
| | **366** | *409* |

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

## 14. CREDITORS: Amounts falling due within one year

| | 2021 £M | *2020 £M* |
|---|---|---|
| Bank overdrafts | **83** | *115* |
| Amounts owed to group undertakings | **46** | *214* |
| Amounts owed to group undertakings for tax | **50** | *26* |
| Other taxation and social security | **3** | *3* |
| Obligations under finance lease | **2** | *-* |
| Other creditors | **7** | *8* |
| Accruals and deferred income | **71** | *63* |
| | **262** | *429* |

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

## 15. CREDITORS: Amounts falling due after more than one year

| | 2021 £M | *2020 £M* |
|---|---|---|
| Amounts owed to group undertakings | **100** | - |
| | **100** | - |

Amounts owed to group undertakings is a loan of £100,000,000 which attracts an interest rate of 0.9% and is repayable 16 December 2024.

## 16. HIRE PURCHASE AND FINANCE LEASES

Minimum lease payments under hire purchase fall due as follows:

| | 2021 £M | *2020 £M* |
|---|---|---|
| Within one year | **2** | - |
| | **2** | - |

Finance lease payments represent rentals payable by the company for certain items of office equipment. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

## 17. DEFERRED TAX

| | 2021 £M | *2020 £M* |
|---|---|---|
| At beginning of year | **17** | *12* |
| Credited to profit or loss | **13** | *5* |
| **At end of year** | **30** | *17* |

## 17. DEFERRED TAX (CONTINUED)

The deferred tax balance is made up as follows:

| | 2021 £M | *2020 £M* |
|---|---|---|
| Accelerated capital allowances | **32** | *19* |
| Property revaluation | **(2)** | *(2)* |
| | **30** | *17* |
| **Comprising:** | | |
| Asset - due after one year | **32** | *19* |
| Liability | **(2)** | *(2)* |
| | **30** | *17* |

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%.

Deferred tax timing differences have been provided for at the enacted tax rate at the balance sheet date.

There are no unrecognised deferred tax balances.

## 18. PROVISIONS

| | Abandoned property provision £M | Property dilapidation provision £M | Total £M |
|---|---|---|---|
| At 1 January 2021 | 4 | 8 | 12 |
| Transferred from other group undertakings | 3 | - | 3 |
| Utilised in year | (1) | (1) | (2) |
| **At 31 December 2021** | **6** | **7** | **13** |

The property provision includes:

Costs of abandoned properties relating to obligations under onerous historical leases where the properties have been vacated; and

Dilapidation costs relating to the legal obligation to restore lease provisions to their original condition at lease expiry.

## 19. SHARE CAPITAL

| | 2021 £M | *2020 £M* |
|---|---|---|
| **Allotted, called up and fully paid** | | |
| 1,001 *(2020: - 1,001)* Ordinary shares of £1 each | - | - |

The Company has one class of ordinary shares which carry no right to fixed income.

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.

## 20. RESERVES

**Share premium account**

Share premium represents the premium received above the par value on ordinary share capital transactions.

**Revaluation reserve**

The revaluation reserve arose on an historic revaluation of land and buildings that occurred in the past, whilst the Company was reporting under UK GAAP. There have been no subsequent revaluations reflected in these financial statements.

**Profit and loss account**

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

## 21. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

| | 2021 £M | 2020 £M |
|---|---|---|
| **Land and buildings** | | |
| Not later than 1 year | **8** | *6* |
| Later than 1 year and not later than 5 years | **30** | *23* |
| Later than 5 years | **27** | *25* |
| | **65** | *54* |

| | 2021 £M | 2020 £M |
|---|---|---|
| **Other** | | |
| Not later than 1 year | **10** | *11* |
| Later than 1 year and not later than 5 years | **2** | *4* |
| | **12** | *15* |

Leases of land and buildings are typically subject to rent reviews at specified intervals and provide for the lessee to pay all insurance, maintenance and repair costs.

Operating lease payments represent rentals and service contracts payable by the Company for certain of its office properties. Generally, leases are negotiated for an average number of 10 years and rentals are fixed for an average of five years with an option to extend for a further five years at the prevailing market rate. There are exceptions to this where market conditions differ.

### The Company as a lessor

At 31 December 2021 the Company had contracted with tenants for the following future minimum lease payments:

| | 2021 £M | 2020 £M |
|---|---|---|
| **Land and buildings** | | |
| Not later than 1 year | **1** | *1* |
| Later than 1 year and not later than 5 years | **4** | *4* |
| Later than 5 years | **2** | *3* |
| | **7** | *8* |

## 22. RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption under FRS 102 Section 33.1A not to disclose transactions between entities within the Marsh & McLennan Companies, Inc. Group (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.

## 23. POST BALANCE SHEET EVENTS

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

## 24. GROUP FINANCIAL STATEMENTS

Group financial statements are not prepared in line with Section 401 of the Companies Act 2006 as 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.

## 25. CONTROLLING PARTY

The Company's immediate parent company is MMC UK Group 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 the Company 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
Marsh & McLennan Companies UK Limited
1 Tower Place West
Tower Place
London
EC3R 5BU