
MMC INTERNATIONAL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

MMC INTERNATIONAL LIMITED

COMPANY INFORMATION

Directors	J B Broad C J Lay D N Williams
Company secretary	A Ramseyer
Registered number	03699550
Registered office	1 Tower Place West Tower Place London EC3R 5BU

MMC INTERNATIONAL LIMITED

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MMC INTERNATIONAL LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

INTRODUCTION

The directors present their Strategic Report for MMC International Limited (the "Company") for the year ended 31 December 2022. The Company's registration number is 03699550.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

The Company acted as an intermediate holding company and had two subsidiaries MMOW Limited, a holding company for Oliver Wyman Limited which provides management consultancy services and MMC UK Group Limited, a holding company of a group of companies engaged primarily in insurance broking, reinsurance broking and employee benefits.

As part of the broader Marsh & McLennan Companies, Inc. Group legal entity optimisation project, the Company undertook the following transactions during the year.

- In October 2022, the Company acquired Oliver Wyman Limited from another group company at fair market value in exchange for a loan note. The Company subsequently transferred Oliver Wyman Limited to another group company at fair market value in exchange for shares and share premium.
- In December 2022, the Company transferred its investment in MMC UK Group Limited to another group company at fair market value in exchange for a loan note.

At the end of the year the Company holds an investment in MMOW Limited which has no subsidiary investments.

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

	2022	2021	Movement
	\$M	\$M	\$M
Turnover	1,219.7	1,025.5	194.2
Other operating income	5,388.8	1.2	5,387.6
Profit before tax	6,601.2	1,026.7	5,574.5
Profit after tax	6,601.2	1,026.7	5,574.5
Shareholders' funds	7.5	6,454.3	(6,446.8)

The Company received dividends from subsidiary undertakings of \$1,219.7 million (2021: \$1,025.5 million).

Other operating income of \$5,388.8 million represents a gain on the sale of a subsidiary undertaking.

Shareholders' funds decreased by \$6,446.8 million as a result of profit for the year of \$6,601.2 million, less dividends paid of \$13,048.0 million.

It is anticipated that the activities of the Company will continue along similar lines for the next financial year.

MMC INTERNATIONAL LIMITED

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

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

This Statement is made pursuant to s. 414CZA of the Companies Act 2006.

The Company forms part of the Marsh & McLennan Companies, Inc. Group of Companies, a global professional services provider, specialising in the areas of risk, strategy and people. It acts as a non-trading intermediate holding company and its activities are aligned to the strategy and risk management and control frameworks of the Group.

The directors of the Company are committed to lead and direct the affairs of the Company in order to promote the long-term sustainable success of the Company, generating value for its shareholder and ensuring sound and prudent management of the firm.

The directors of the Company consider that, both individually and collectively, they have acted in a way, in good faith, that would most likely promote the success of the Company, for the benefit of its members (s. 172(1)), also having regard to the long-term consequences of any decisions taken (172(1)(a)). Distributions to the Company's shareholder are only considered after a full assessment of capital adequacy and the Company's ability to continue as a going concern into the foreseeable future to ensure investment in the future growth of the Company, balanced with stable and sustainable returns to the shareholder. Further information on dividends is set out in the Notes to the Financial Statements on page 19.

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

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The main areas where the Company is exposed to credit risk are amounts due from other group companies.

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

Currency risk

The Company is exposed to currency risk in respect of bank balances denominated in currencies other than US Dollar. The most significant currency to which the Company is exposed to is Pounds Sterling. The Company seeks to mitigate the risk as far as possible by matching the estimated foreign currency denominated liabilities with assets denominated in the same currency.

Impairment risk

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

MMC INTERNATIONAL LIMITED

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

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

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 regular contact with its inter-company creditors to ensure that any obligations that fall due can be met from existing cash resources or from alternative sources of inter-company financing.

This report was approved by the board and signed on his behalf on 21 August 2023.



C J Lay
Director

MMC INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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

PRINCIPAL ACTIVITY

The principal activities of the Company are set out in the Strategic Report on pages 1 to 3. The information that fulfils the Companies Act requirements of the business review and details of the principal risks and uncertainties are included in the Strategic Report.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to \$6,601.2 million (2021 - \$1,026.7 million).

Dividends of \$13,048.0 million were paid in the year (2021 - \$1,130.5 million).

The directors do not recommend the payment of a final dividend (2021 - \$nil).

DIRECTORS

The directors who served during the year were:

J B Broad
C J Lay
D N Williams

FUTURE DEVELOPMENTS

The activities of the Company are expected to continue along similar lines for the next financial year.

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, continue to adopt the going concern basis in preparing the annual report and financial statements.

The Company has modelled a range of potential future financial outcomes and continues to monitor the uncertainty in the current economic and business environment including the conflict in Eastern Europe.

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.

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY ACTION

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

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The Company has put in place an indemnity to indemnify directors and officers of the Company against losses or liabilities sustained in the execution of their duties of office. The indemnity is a qualifying third-party indemnity provision under s232 and 234 of the Companies Act 2006.

MMC INTERNATIONAL LIMITED

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

DISCLOSURE OF INFORMATION TO AUDITOR

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

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

POST BALANCE SHEET EVENTS

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

AUDITOR

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

This report was approved by the board and signed on its behalf on 21 August 2023.



C J Lay

Director

MMC INTERNATIONAL LIMITED

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

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

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

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

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

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

MMC INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MMC INTERNATIONAL LIMITED

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the related notes 1 to 21.

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

MMC INTERNATIONAL LIMITED

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and internal audit about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

MMC INTERNATIONAL LIMITED

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

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

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

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

MMC INTERNATIONAL LIMITED

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

Matters on which we are required to report by exception

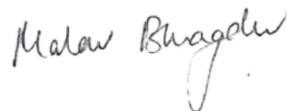
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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, FCA (Senior statutory auditor)

for and on behalf of Deloitte LLP

Deloitte LLP

Senior statutory auditor

London
United Kingdom

Date: 22 August 2023

MMC INTERNATIONAL LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 \$m	2021 \$m
Turnover	4	1,219.7	1,025.5
Gross profit		1,219.7	1,025.5
Other operating income	5	5,388.8	1.2
Operating profit		6,608.5	1,026.7
Amounts written off investments	12	(6.8)	-
Interest receivable and similar income	8	0.9	-
Interest payable and similar expenses	9	(1.4)	-
Profit before tax		6,601.2	1,026.7
Tax on profit	10	-	-
Profit for the financial year		6,601.2	1,026.7

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

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

The notes on pages 15 to 27 form part of these financial statements.

MMC INTERNATIONAL LIMITED
REGISTERED NUMBER: 03699550

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 \$m	2021 \$m
Fixed assets			
Investments	12	-	6,451.1
		<u>-</u>	<u>6,451.1</u>
Current assets			
Debtors: amounts falling due within one year	13	7.5	-
Bank and cash balances	14	-	3.4
		<u>7.5</u>	<u>3.4</u>
Creditors: amounts falling due within one year	15	-	(0.2)
		<u>7.5</u>	<u>3.2</u>
Net current assets		7.5	3.2
Total assets less current liabilities		7.5	6,454.3
Net assets		7.5	6,454.3
Capital and reserves			
Called up share capital	16	-	90.2
Share premium account	17	-	5,055.0
Other reserves	17	-	23.7
Profit and loss account	17	7.5	1,285.4
		<u>7.5</u>	<u>6,454.3</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 August 2023.


C J Lay

Director

The notes on pages 15 to 27 form part of these financial statements.

MMC INTERNATIONAL LIMITED

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

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	\$m	\$m	\$m	\$m	\$m
At 1 January 2022	90.2	5,055.0	23.7	1,285.4	6,454.3
Comprehensive income for the year					
Profit for the year	-	-	-	6,601.2	6,601.2
Total comprehensive income for the year	-	-	-	6,601.2	6,601.2
Contributions by and distributions to owners					
Dividends paid	-	-	-	(13,048.0)	(13,048.0)
Transfer to/from profit and loss account	-	-	(23.7)	23.7	-
Capital reduction	(90.2)	(5,055.0)	-	5,145.2	-
Total transactions with owners	(90.2)	(5,055.0)	(23.7)	(7,879.1)	(13,048.0)
At 31 December 2022	-	-	-	7.5	7.5

The notes on pages 15 to 27 form part of these financial statements.

MMC INTERNATIONAL LIMITED

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

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	\$m	\$m	\$m	\$m	\$m
At 1 January 2021	90.2	5,055.0	23.7	1,389.2	6,558.1
Comprehensive income for the year					
Profit for the year	-	-	-	1,026.7	1,026.7
Total comprehensive income for the year	-	-	-	1,026.7	1,026.7
Contributions by and distributions to owners					
Dividends paid	-	-	-	(1,130.5)	(1,130.5)
Total transactions with owners	-	-	-	(1,130.5)	(1,130.5)
At 31 December 2021	90.2	5,055.0	23.7	1,285.4	6,454.3

The notes on pages 15 to 27 form part of these financial statements.

MMC INTERNATIONAL LIMITED

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

1. GENERAL INFORMATION

MMC International Limited is a company incorporated in the United Kingdom under the Companies Act and registered in England and Wales. The address of the registered office is given on the Company Information page. MMC International Limited is a private company limited by shares. The nature of the Company's operations and its principal activities are set out in the Strategic Report on pages 1 to 3.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

2.2 FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Marsh & McLennan Companies, Inc. as at 31 December 2022 and these financial statements may be obtained from the address in note 21.

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

2. ACCOUNTING POLICIES (CONTINUED)

2.3 GOING CONCERN

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

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

Having assessed the responses to their enquiries the Directors have no reason to believe that a material uncertainty exists that may cast significant doubt upon the ability of the Company to continue as a going concern. The directors acknowledge the latest guidance on going concern.

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

2.4 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is USD.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to tax balances are presented in the Statement of Comprehensive Income within 'tax on profit'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'interest receivable and similar income' or 'Interest payable and similar expenses'.

MMC INTERNATIONAL LIMITED

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

2. ACCOUNTING POLICIES (CONTINUED)

2.5 DIVIDEND INCOME

Dividend income is recognised when the right to receive payment is established.

2.6 INTEREST INCOME

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

2.7 FINANCE COSTS

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

2.8 TAXATION

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

2.9 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

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

2.10 IMPAIRMENT

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

(i) Financial assets

For the Company's assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For the Company's assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

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

2. ACCOUNTING POLICIES (CONTINUED)

2.11 DEBTORS

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 CASH AND CASH EQUIVALENTS

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

2.13 CREDITORS

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

2.14 FINANCIAL INSTRUMENTS

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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

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

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

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

MMC INTERNATIONAL LIMITED

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

2. ACCOUNTING POLICIES (CONTINUED)

2.14 FINANCIAL INSTRUMENTS (continued)

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

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

2.15 DIVIDENDS

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

The Board decides the level of dividend in consultation with, or consideration of, various stakeholders, including the management of the Company's ultimate parent company, Marsh & McLennan Companies, Inc. The amount and timing of a dividend is influenced by factors such as:

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

Equity dividends are recognised when they become legally payable.

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

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

In the application of the Company's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

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

Impairment review of fixed assets investments

The Company has an annual process of reviewing its fixed asset investments for indicators of impairment. Areas of critical judgement include estimates of future discount rates, future earnings and consideration of whether there is a willing buyer in the market for these investments.

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

Key sources of estimation uncertainty

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

MMC INTERNATIONAL LIMITED

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

4. DIVIDEND INCOME

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

	2022 \$m	2021 \$m
Dividends receivable	1,219.7	1,025.5

Analysis of turnover by country of destination:

	2022 \$m	2021 \$m
United Kingdom	1,219.7	1,025.5

5. OTHER OPERATING INCOME

	2022 \$m	2021 \$m
Other operating income	5,388.8	1.2

In December 2022, the Company transferred its investment in MMC UK Group Limited, which had a cost of \$7.2 billion, to another group company for fair market value consideration of \$12.6 billion. This resulted in a gain of \$5.4 billion.

6. AUDITOR'S REMUNERATION

The audit fee and annual filing fees were borne by a fellow subsidiary undertaking during the year. The Company has not engaged its auditor for any non-audit services. The audit fee relates to the auditing of the financial statements. The audit fee attributable to the Company is \$17,600 (2021 - \$27,000).

7. INFORMATION REGARDING DIRECTOR'S AND EMPLOYEES

No remuneration was paid or is payable to the directors of MMC International Limited in respect of their services to the Company during the year or the previous year. The directors are remunerated for their services to other companies in the Group and their remuneration is dealt with in the financial statements of those companies. The Company had no other employees during the current or prior years.

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 other companies in the Group.

MMC INTERNATIONAL LIMITED

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

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2022 \$m	2021 \$m
Interest receivable from group companies	0.9	-

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022 \$m	2021 \$m
Foreign exchange loss	1.4	-
	1.4	-

10. TAX ON PROFIT

	2022 \$m	2021 \$m
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Taxation on profit	-	-

MMC INTERNATIONAL LIMITED

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

10. TAX ON PROFIT (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 \$m	2021 \$m
Profit before tax	6,601.2	1,026.7
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	1,254.2	195.0
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	1.3	-
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	0.2	-
Non-taxable income	(1,023.9)	(0.2)
Dividends from UK companies	(231.7)	(194.8)
Group relief for nil consideration	(0.1)	-
Total tax charge for the year	-	-

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

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

The OECD's 'Pillar 2' is a framework for the introduction of a global minimum effective tax rate of 15%, applicable to large multinational groups, which could impact the tax charge of the Company in future periods. Within Finance (No. 2) Bill 2023, issued on 23 March 2023, the UK Government has included draft legislation governing how Pillar 2 is intended to operate in the UK. The UK Government has committed to the implementation of these rules for accounting periods beginning on or after 31 December 2023. The Finance Bill draft legislation includes a qualified domestic minimum top-up tax, which will impose a top-up tax in the UK on low-taxed UK profits. The Group is currently reviewing the draft legislation to better understand the impact.

11. DIVIDENDS

	2022 \$m	2021 \$m
Amounts recognised as distributions to equity holders in the year:		
Interim dividend for the year ended 31 December	13,048.0	1,130.5

MMC INTERNATIONAL LIMITED

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

12. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies \$m
Cost or valuation	
At 1 January 2022	6,451.1
Additions	796.9
Disposals	(7,241.2)
At 31 December 2022	6.8
Impairment	
Charge for the period	6.8
At 31 December 2022	6.8
Net book value	
At 31 December 2022	-
<i>At 31 December 2021</i>	6,451.1

The Company's subsidiary undertaking at 31 December 2022 was :

Name	Country of Incorporation	Description of Shares	% of Issued shares held by the Company	Registered Office Address
MMOW Limited	United Kingdom	Ordinary	100%	1 Tower Place West, Tower Place, London, EC3R 5BU, United Kingdom

In October 2022, the Company acquired Oliver Wyman Limited from another group company at fair market value in exchange for a loan note. The Company subsequently transferred Oliver Wyman Limited to another group company at fair market value in exchange for shares and share premium.

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

An impairment review has been carried out and as a result \$6.8 million was provided against the carrying value of investments.

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.

MMC INTERNATIONAL LIMITED

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

13. DEBTORS: Amounts falling due within one year

	2022	<i>2021</i>
	\$m	<i>\$m</i>
Amounts owed by group undertakings	<u>7.5</u>	<u>-</u>

Amounts owed by group undertakings includes loans of \$0.3 million which are repayable on demand and had variable interest rate of between 1.374% and 3.515% and an inter company balance of \$7.2 million which is unsecured, interest free and repayable on demand.

14. BANK AND CASH BALANCES

	2022	<i>2021</i>
	\$m	<i>\$m</i>
Cash at bank and in hand	<u>-</u>	<u>3.4</u>

During 2022 certain companies in the UK joined a cash pooling arrangement whereby balances were regularly returned to zero and the funds moved to a central account held by MMC International Treasury Centre Limited, a fellow UK Group subsidiary. Balances held in this pool arrangement are disclosed as amounts owed by group undertakings in note 13.

15. CREDITORS: Amounts falling due within one year

	2022	<i>2021</i>
	\$m	<i>\$m</i>
Amounts owed to group undertakings in respect of taxation	<u>-</u>	<u>0.2</u>

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

16. SHARE CAPITAL

	2022	<i>2021</i>
	\$m	<i>\$m</i>
Allotted, called up and fully paid		
1 (2021 - 55,455,275) Ordinary share of £1	<u>-</u>	<u>90.2</u>

In December 2022, the Company reduced its share capital to £1 by cancelling and extinguishing 55,455,274 ordinary shares of £1 each.

MMC INTERNATIONAL LIMITED

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

17. RESERVES

Share premium account

The share premium reserve contained the premium arising on issue of shares.

In December 2022, the Company reduced its share premium account to nil (2021: \$5,055.0 million) and credited the amount of \$5,055.0 million to the Company's profit and loss account reserve.

Other reserves

The foreign exchange reserve was created in 2015 when there was a change in the Company's functional currency. In December 2022, the foreign exchange reserve was cancelled and reduced to nil (2021: \$23.7 million) and the amount of \$23.7 million credited to the profit and loss account reserve.

Profit and loss account

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

18. RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption under FRS 102 section 33.1A not to disclose transactions between entities within the 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.

19. POST BALANCE SHEET EVENTS

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

20. GROUP FINANCIAL STATEMENTS

Group financial statements are not prepared in line with s401 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.

MMC INTERNATIONAL LIMITED

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

21. CONTROLLING PARTY

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

The smallest and largest Group in which the results of MMC International Limited are consolidated is that headed by Marsh & McLennan Companies, Inc. whose registered address is 1166 Avenue Of The Americas, New York, Ny 10036. United States. The consolidated financial statements of Marsh & McLennan Companies, Inc. are available to the public and may be obtained from:

Companies House
Crown Way
Cardiff
CF14 3UZ

and also from:

The Company Secretary
Marsh & McLennan Companies UK Limited
1 Tower Place West
Tower Place
London
EC3R 5BU
United Kingdom