

Registered Number: 01116930

MMC SECURITIES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

MMC SECURITIES LIMITED

COMPANY INFORMATION

DIRECTORS

W A Beecroft
T Colraine
C H Hum
D Pedlow
Q Perrot (appointed 19 May 2022)

REGISTERED NUMBER

01116930

REGISTERED OFFICE

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

MMC SECURITIES LIMITED

CONTENTS

	Page
Strategic Report	1 - 6
Directors' Report	7 - 8
Directors' Responsibilities Statement	9
Independent Auditor's Report	10 - 13
Statement of Comprehensive Income	14
Statement of Financial Position	15
Statement of Changes in Equity	16 - 17
Notes to the Financial Statements	18 - 28

MMC SECURITIES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

INTRODUCTION

The Directors present their Strategic Report for MMC Securities Limited ('the Company') for the year ended 31 December 2022. The Company's registration number is 01116930.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

The Company is authorised and regulated by the Financial Conduct Authority (FCA).

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

FINANCIAL KEY PERFORMANCE INDICATORS

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

	2022	2021	Movement	Movement
	£'000	£'000	£'000	%
Turnover	1,877	1,721	156	9 %
Administration expenses	(3,227)	(2,843)	(384)	(14)%
Profit/ (loss) after tax	(1,007)	(933)	(74)	(8)%
Shareholders' funds	3,872	4,879	(1,007)	(21)%

Turnover increased by £156,000 (9%) to £1,877,000 during the year (2021 - £1,721,000). Turnover can vary significantly year on year due to the timing of the transactions which the Company advises on and arranges, and the recognition of revenue in relation to these.

Administrative expenses increased by £384,000 (14%) to £3,227,000 during the year (2021 - £2,843,000). This increase was mainly due to higher staff costs.

The Company's result after tax for the year, £1,007,000 loss, has increased by £74,000 compared to 2021. (2021 - loss of £933,000).

Shareholders' funds decreased by £1,007,000 (21)% to £3,872,000 during the year (2021 - £4,879,000) due to the loss for the year.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

The directors of the Company are committed to leading and directing 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 while having consideration to all stakeholders. Distributions to the Company's shareholder are only considered after a full assessment of capital adequacy and the Company's ability to continue as a going concern into the foreseeable future to ensure investment in the future growth of the Company, balanced with stable and sustainable returns to the shareholder.

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

Colleagues

As a professional services firm, it is understood by the Board that colleagues are at the heart of the Company's business.

Regular colleague engagement surveys were conducted and the results reviews by the Management and the Group. The Group monitors attrition rates and measures absenteeism levels in an effort to identify emerging people risks and trends and to ensure appropriate action is taken to address these. Emerging people risks and trends are highlighted to the Group by Management, together with proposed action plans.

The Group is committed to reinforcing a wholly inclusive culture across a truly diverse workforce. One aspect of this is demonstrated through our commitment to the Women in Finance Charter to increase the number of females in senior grades to 25% by the end of 2023. The Group's 2022 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 Group has established a number of Colleague Resource Groups to help the Group better understand and support a wide range of inclusive constituents of our workforce. These groups include, Access ABILITIES, Balance, Mental Health, Military, Multi-Cultural, Pride and Young Professionals groups.

Environment

The Group remains committed to integrating Environmental, Social and Governance (ESG) considerations into its decisions and strategy. The Group has developed climate initiatives which represent a tangible step towards building a more sustainable environment for colleagues, clients, shareholders and future generations.

The Group delivered on its pledge to be carbon neutral in 2021, through the reduction of greenhouse gas emissions in our own operations and the purchase of verifiable offsets and continued to deliver on this pledge during 2022.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

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

Clients

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

Management meets with key clients and monitor client experience management ("CEM") exercises conducted by the business during the year and adjust client engagement methods as appropriate to maintain client satisfaction.

The Audit Committee reviews the effectiveness of key business processes and controls to ensure high levels of service and positive client outcomes, whilst the Risk Committee monitors key risk indicators in this regard, including completion levels of employee induction and training, error and omission and complaints data and trends, actions taken to areas of concern and time to resolution. High level reporting and items of significant concern are reported to the Board on a quarterly basis or more frequently if required.

Community

The Group 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, including a representative of the Company, 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 and rebuilding.'

The Group partners with select strategic global non-profit organisations including; the Cherie Blair Foundation for Women, Junior Achievement, Missing Maps, the British Red Cross and Ambitious About Autism. Partnerships with social enterprises committed to delivering lasting change in the insurance industry have also been expanded, including a multi-year relationship with the Insurance Cultural Awareness Network. The Group encourages colleagues to volunteer with its non-profit partners supporting local causes that are important to them and their clients.

The Group strengthened its commitment to a better, sustainable future for all by implementing enterprise-wide Client Engagement Principles that support sustainable development goals in vital areas such as affordable healthcare, gender equality and climate-change mitigation. In addition, the commitment to change was demonstrated through membership of ClimateWise, becoming a signatory to the Race At Work charter and being an ambassador for the Race: Action Through Change organisation.

Suppliers

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

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

All suppliers are required to comply with modern slavery legislation under the standard terms and conditions of our contracting agreements, the Group's Global Sourcing and Procurement team issue an annual modern slavery supplier questionnaire to certain suppliers (selected on a risk-based approach) to monitor compliance. The Group is updated on response rates and the outcome of questionnaires on an annual basis. The Group's Modern Slavery Statement is published annually and can be found at <https://www.marsh.com/uk/modern-slavery-statement.html>.

As part of the Marsh UK Group, supplier payments are made on the Company's behalf by Marsh Limited and Marsh Corporate Services Limited whose payment practices can be found at <https://check-payment-practices.service.gov.uk/report/67196> and <https://check-payment-practices.service.gov.uk/report/68229>.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

PRINCIPAL RISKS AND UNCERTAINTIES

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

Business risk

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

The Company is exposed to exchange rate fluctuations in respect of revenue as well as assets and liabilities denominated in currencies other than Pounds Sterling. The most significant currencies to which the Company is exposed are the US Dollar and Euro. The Company seeks to mitigate this as far as possible by matching the estimated foreign currency denominated liabilities with assets denominated in the same currency.

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

The Company monitors its ability to fulfil its duty to its clients and colleagues, and to develop and implement, proportionate planning activities to manage the impact of pandemics on client sales and servicing, business operations and colleague wellbeing. Sensitivities relating to the risk of new variants, the impact on the operational model and environment factors were all reviewed. Proportionate governance, horizon scanning, alignment with MMC Group practices and engagement with relevant third parties remain key mitigating controls.

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

The Company seeks to employ sufficient leaders, managers or colleagues with the relevant skills, experience and engagement to deliver its products and services to the required standards and maintain a high level of conduct. The key drivers to this continue to be the increasingly competitive skills marketplace, resulting in colleagues and teams being 'acquisition' targets, and the firm's ability to retain and attract people. External market monitoring, career progression plans, 'grow our own' and employment covenants remain key mitigating controls.

The conflict between Russia and Ukraine continues 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. Ongoing assessments continue to monitor all the enterprise risk categories to support executive decision making.

The Company has strong controls in place to monitor and respond to all identified areas of risk, in current and future conflicts e.g., the changing sanctions environment, the heightened risk of state sanctioned cybersecurity attacks, the evolving market environment and provision of effective advice to clients.

Non-compliance with rules set out by the Financial Conduct Authority and other relevant regulatory bodies could lead to financial penalties or the withdrawal of permissions and the associated reputational impact. The risk of breaches is mitigated by employing experienced and dedicated compliance resources who are tasked with enabling and monitoring compliance across all areas of the business. The Company oversees its third-party arrangements through established governance mechanisms to de-risk any potential exposures.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Data and information risk

The Company is responsible for the safeguarding and protection of the data it receives from its clients and others and is therefore exposed to data and privacy risks, including loss of data, corruption of data, inappropriate access to data, or incorrect collection, processing and storage of data (in particular sensitive personal data). System-enforced tools and controls are in place in respect of data, such as disclosure and consent mechanisms, access restrictions, password protection, back-up and cleansing of data as well as Group-wide encryption of data. Mandatory training is also issued to staff with respect to the usage, storage, processing, accessing and sharing of data, as well as data incident reporting. This is underpinned by internal data & privacy policies.

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 Marsh & McLennan Companies, Inc.'s global IT structure and there are business continuity plans in place.

The Company could be the victim of a cyber-attack resulting in the prolonged inability to provide services, suffering regulatory sanctions and/or damage to its reputation. The continuously changing cyber threat landscape coupled with the world's ongoing use and reliance on technology has made the firm more vulnerable to a cyber-attack. The overall risk trend is an increasing one, driven by global connectivity as we increasingly store our sensitive and personal information in digital assets.

The Company continuously monitors external threat vectors, maintains a robust Information technology and cyber infrastructure, regularly updates security and patching, and provides comprehensive colleague awareness and training campaigns. In the event of a heightened cyber threat, the MMC Group has established incident management procedures which are invoked to mitigate any adverse impacts. Attendance at the FCA hosted Cyber Co-ordination Group ensures the business has sight of threats and vulnerabilities affecting the UK.

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

MMC SECURITIES LIMITED

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

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Financial risk

The Company is exposed to credit risk which are risks that a counterparty will be unable to pay amounts in full when due. The main area where the Company is exposed to credit risk is amounts due from clients in respect of fees not yet received. Amounts due from clients are monitored closely and active collection processes exist to reduce the time taken from billing to receiving payment for services. There is regular reporting and review of balances by senior management.

This report was approved by the board and signed on its behalf on 25 April 2023.



D Pedlow

Director

Date: 25 April 2023

MMC SECURITIES 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 ACTIVITIES

The principal activities of the Company are set out in the Strategic Report on page 1. The information that fulfils the Companies Act requirements of the business review is included in the Strategic Report on pages 1 to 6. 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.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £(1,007,000) (2021: loss of £(933,000)).

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

No interim dividend was paid during the year (2021: £nil). The directors do not recommend the payment of a final dividend.

DIRECTORS

The directors who served during the year were:

W A Beecroft

T Colraine

C H Hum

D Pedlow

Q Perrot (appointed 19 May 2022)

FUTURE DEVELOPMENTS

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

GOING CONCERN

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.

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.

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.

MMC SECURITIES LIMITED

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

EMPLOYEES

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

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

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

DISCLOSURE OF INFORMATION TO AUDITOR

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

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

POST BALANCE SHEET EVENTS

There are no post balance sheet events.

AUDITOR

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 487 (2) of the Companies Act 2006.

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



D Pedlow

Director

Date: 25 April 2023

MMC SECURITIES 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 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 MMC SECURITIES LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of MMC Securities 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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 18.

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

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

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, 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, tax legislation and the Financial Conduct Authority; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

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

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

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

- In accordance with ISA 240, during the year ended 31 December 2022, we identified a risk of fraud in revenue recognition, specific to revenue being recorded in the incorrect period, where management is incentivised to meet certain targets and therefore may inappropriately accelerate or defer revenue. In response to the risk identified, we obtained an understanding of management's process for recording revenue and obtained an understanding of the relevant controls. In addition, we evaluated corroborating third party evidence to support revenue transactions pre and post year-end, on a sample basis, to ensure that the revenue was recorded in the correct period.

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

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

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

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; 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 directors' report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

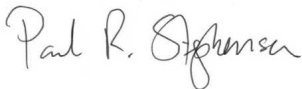
We have nothing to report in respect of these matters.

MMC SECURITIES LIMITED

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Stephenson BA, FCA (Senior statutory auditor)

for and on behalf of

Deloitte LLP

Statutory Auditor
London
United Kingdom

25 April 2023

MMC SECURITIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £'000	2021 £'000
Turnover	4	<u>1,877</u>	<u>1,721</u>
Gross profit		1,877	1,721
Administrative expenses		(3,227)	(2,843)
Other operating income - Exchange gains		63	–
Other operating charges - Exchange losses		<u>–</u>	<u>(30)</u>
Operating (loss)	5	(1,287)	(1,152)
Interest receivable and similar income	9	<u>45</u>	<u>–</u>
(Loss) before tax		(1,242)	(1,152)
Tax on loss	10	<u>235</u>	<u>219</u>
(Loss) for the financial year		<u>(1,007)</u>	<u>(933)</u>

All transactions derive from continuing operations.

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 18 to 28 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £'000	2021 £'000
Current assets			
Debtors: amounts falling due within one year	11	4,122	581
Cash at bank and in hand	12	<u>1,112</u>	<u>7,997</u>
		5,234	8,578
Creditors: amounts falling due within one year	13	<u>(1,362)</u>	<u>(3,699)</u>
Net current assets		<u>3,872</u>	<u>4,879</u>
Total assets less current liabilities		3,872	4,879
Net assets		<u><u>3,872</u></u>	<u><u>4,879</u></u>
Capital and reserves			
Called up share capital	14	375	375
Profit and loss account	15	<u>3,497</u>	<u>4,504</u>
		<u><u>3,872</u></u>	<u><u>4,879</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 April 2023.



D Pedlow

Director

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

MMC SECURITIES LIMITED

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

	Called up share capital £'000	Profit and loss account £'000	Total equity £'000
At 1 January 2022	375	4,504	4,879
Comprehensive expense the year:			
Loss for the year	—	(1,007)	(1,007)
At 31 December 2022	375	3,497	3,872

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

MMC SECURITIES LIMITED

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

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

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

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

1 GENERAL INFORMATION

MMC Securities Limited is a company incorporated in the United Kingdom under the Companies Act and is registered in England and Wales. The address of the registered office is given on the Company information page. MMC Securities Limited is a private company limited by shares. The nature of the Company's operations and its principal activities are set out in the Strategic Report and the Directors' Report on pages 1 to 8.

2 ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

2.2 GOING CONCERN

The Company meets its day-to-day working capital requirements from revolving loan facility. The current economic conditions create uncertainty particularly over (a) the level of demand for the Company's services; (b) the exchange rate between sterling and foreign currencies; and (c) the Company's cost base. The Company continues to monitor the uncertainty in the current economic and business environment and the directors are satisfied that the Company's services will continue to be attractive to clients. This monitoring and analysis considered our business resilience and continuity plans, financial modelling and stress testing of liquidity and financial resources. The analysis modelled the financial impact assuming an increasing severity of impact in relation to revenue and certain costs, for a period of 12 months from the date of approving these financial statements, so that the potential impact on profitability and liquidity could be assessed.

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

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

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

2 ACCOUNTING POLICIES (continued)

2.3 FINANCIAL REPORTING STANDARD 102 REDUCED DISCLOSURE EXEMPTIONS

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

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

This information is included in the consolidated financial statements of Marsh & McLennan Companies, Inc. as at 31 December 2022 and these financial statements may be obtained from the address listed in note 18.

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/charges'.

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

2 ACCOUNTING POLICIES (continued)

2.5 TURNOVER

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

Rendering of services

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 INTEREST INCOME

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

2.7 TAXATION

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

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

2.8 DEBTORS

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

2.9 CASH AND CASH EQUIVALENTS

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

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

2 ACCOUNTING POLICIES (continued)

2.10 CREDITORS

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

2.11 DIVIDENDS

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

The Board decides the level of dividend in consultation with, or 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 Regulatory Capital requirements;
- the Company's future capital investment needs; and
- the Company's excess financial resources.

Equity dividends are recognised with they become legally payable.

2.12 PROVISIONS FOR LIABILITIES

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

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, 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 made, they are charged to the provision carried in the Statement of Financial Position.

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

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

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

MMC SECURITIES LIMITED

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

3 JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Critical judgements in applying the Company's accounting policies

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

Key sources of estimation uncertainty

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

4 TURNOVER

The Company operates one class of business, being the provision of advice and related services, and operates solely within the United Kingdom.

	2022	<i>2021</i>
	£'000	<i>£'000</i>
Client service revenue	<u>1,877</u>	<u>1,721</u>
	<u>1,877</u>	<u><i>1,721</i></u>

Analysis of turnover by country of destination:

	2022	<i>2021</i>
	£'000	<i>£'000</i>
United Kingdom	457	678
North America	125	94
Rest of the world	<u>1,295</u>	<u>949</u>
	<u>1,877</u>	<u><i>1,721</i></u>

5 OPERATING LOSS

The operating loss is stated after charging:

	2022	<i>2021</i>
	£'000	<i>£'000</i>
Exchange gains/(losses)	<u>63</u>	<u>(30)</u>

MMC SECURITIES LIMITED

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

6 AUDITOR'S REMUNERATION

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

The audit fee relates to the auditing of the financial statements. The audit fee attributable to the Company is £19,500 (2021 - £17,000).

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

7 EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	2022	<i>2021</i>
	£'000	<i>£'000</i>
Wages and salaries	2,597	<i>2,354</i>
Social security costs	423	<i>383</i>
Cost of defined contribution scheme	97	<i>70</i>
	3,117	<i>2,807</i>

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

8 DIRECTORS' REMUNERATION

	2022	<i>2021</i>
	£'000	<i>£'000</i>
Directors' emoluments	1,611	<i>1,201</i>
Company contributions to defined contribution pension schemes	—	<i>—</i>
	1,611	<i>1,201</i>

During the year retirement benefits were accruing to 1 Director (2021 - Nil) in respect of defined contribution pension schemes.

During the year, 2 Directors' received shares under the long term incentive schemes (2021 - 2).

The highest paid director received remuneration of £1,043,000 (2021 - £957,000). The highest paid director was granted 2,313 stock awards during the year (2021 - 2,766). The highest paid director has exercised no share options in the year (2021 - Nil).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2021 - £Nil).

MMC SECURITIES LIMITED

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

9 INTEREST RECEIVABLE AND SIMILAR INCOME

	2022	<i>2021</i>
	£'000	<i>£'000</i>
Interest receivable from group undertakings	24	–
Bank interest receivable	21	–
	45	–

10 TAXATION

	2022	<i>2021</i>
	£'000	<i>£'000</i>
CORPORATION TAX		
Current tax on losses for the year	(235)	<i>(219)</i>
	(235)	<i>(219)</i>
TAXATION ON LOSS ON ORDINARY ACTIVITIES	(235)	<i>(219)</i>

FACTORS AFFECTING TAX CREDIT FOR THE YEAR

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

	2022	<i>2021</i>
	£'000	<i>£'000</i>
Loss on ordinary activities before tax	(1,242)	<i>(1,152)</i>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (<i>2021 - 19%</i>)	(236)	<i>(219)</i>
Effects of:		
Other timing differences leading to an increase (decrease) in taxation	1	–
Total tax credit for the year	(235)	<i>(219)</i>

MMC SECURITIES LIMITED

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

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 UK 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 DEBTORS

	2022	<i>2021</i>
	£'000	<i>£'000</i>
Amounts owed by group undertakings	2,681	–
Trade receivables	779	<i>279</i>
Prepayments and accrued income	208	<i>83</i>
Amounts recoverable from group undertakings in respect of taxation	454	<i>219</i>
	4,122	<i>581</i>

Included in amounts owed by group undertakings is a loan receivable of £2,474,451 which is repayable on demand and had variable interest rates of between 0% and 4.54%. The remaining balance is unsecured, interest free and repayable on demand.

12 CASH AND CASH BALANCES

	2022	<i>2021</i>
	£'000	<i>£'000</i>
Bank current accounts	–	<i>7,237</i>
Corporate cash - Restricted funds	1,112	<i>761</i>
	1,112	<i>7,997</i>

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

During 2022 certain companies in the UK joined a cash pooling arrangement whereby balances are returned to zero each day as funds are transferred to a central account held by MMC International Treasury Centre Limited, a fellow UK Group subsidiary. Balances held in this pool arrangement are disclosed as amounts owed by group undertakings in note 11.

MMC SECURITIES LIMITED

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

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£'000	£'000
Amounts owed to group undertakings	12	1,552
Amounts owed to group undertakings - tax	–	854
Accruals and deferred income	1,350	1,293
	<u>1,362</u>	<u>3,699</u>

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

MMC SECURITIES LIMITED

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

14 SHARE CAPITAL

	2022	<i>2021</i>
	£'000	<i>£'000</i>
Allotted, called up and fully paid		
375,000 (2021- 375,000) Ordinary shares of £1.00 each	<u>375</u>	<u><i>375</i></u>

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

15 RESERVES

Profit and loss account

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

16 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.

17 POST BALANCE SHEET EVENTS

There are no post balance sheet events.

MMC SECURITIES LIMITED

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

18 CONTROLLING PARTY

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

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