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**MMOW LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**



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**MMOW LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	M J Cunningham J P D'Offay T S McDonald
<b>Registered number</b>	04688518
<b>Registered office</b>	1 Tower Place West Tower Place London EC3R 5BU

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**MMOW LIMITED**

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## MMOW LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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#### INTRODUCTION

The directors present their Strategic Report for MMOW Limited ("the Company") for the year ended 31 December 2020. The Company's registration number is 04688518.

The Company's principal activity is that of a holding company for Oliver Wyman Limited.

#### BUSINESS REVIEW

The results of the Company for the financial year ended 31 December 2020 are set out on page 10.

The profit after tax for the financial year is £17,691,000 (2019: £20,915,000).

#### FINANCIAL KEY PERFORMANCE INDICATORS

The Company's key financial and other performance indicators (KPI's) during the year were as follows:

##### KPI's:

	2020 £000	2019 £000	Movement £000	Movement %
Dividend Income	20,000	21,000	(1,000)	(5)
Profit before tax	17,150	20,895	(3,745)	(18)
Shareholders' funds	28,948	31,257	(2,309)	(7)

Dividend Income of £20,000,000 (2019: £21,000,000) is derived from dividends received from Oliver Wyman Limited, the Company's direct subsidiary.

The Company generated a profit before tax for the financial year of £17,150,000 (2019: profit before tax £20,895,000). During 2020, the Company realised exchange losses on its US dollar held intergroup balances and loans of £2,180,000 (2019: exchange gains of £1,123,000) this contributed to the reduction in the Company's profit before tax when compared to 2019, along with the reduced dividend income year on year.

As shown in the statement of financial position, net assets have decreased by £2,309,000 (2019: decreased by £19,085,000). During the year the Company made a profit after tax of £17,691,000, which was offset by dividend paid of £20,000,000.

#### PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk relates to the exposure to foreign exchange, interest rates and uncertainties relating to the performance of its subsidiary undertaking. Those investments are exposed to the risk of competition for business in their respective markets, which they mitigate by continuing to enhance their value propositions to clients.

The Company is exposed to financial risk through its financial liabilities. Due to the nature of the Company's balance sheet the only financial risks the directors consider relevant to the Company are currency risk.

##### Currency Risk:

The Company is exposed to currency risk in respect of loans payable that are denominated in US Dollars. The gains or losses are subject to United Kingdom taxation. In managing currency risks the Company aims to reduce the impact of short-term fluctuations on the Company's earnings.

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## MMOW LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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#### PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

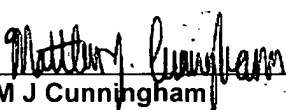
##### Pandemic Risk:

Coronavirus: (Covid-19) is an example of a pandemic continuing to spread through contagion, which could be around for a number of years and adaptations will have to be made to live with it. There has been a significant improvement in outlook due to vaccination programmes, although the timing of returning to a sense of normality is uncertain. The pandemic wreaks havoc for many companies, but there is an expectation that while the Global economy may take time to recover and the shape of recovery may be uncertain, it will ultimately recover. The pace of such recovery in different geographic and economic zones is likely to vary. The Company has taken a considered approach to minimising and managing the impact of the pandemic and has well formulated contingency plans, which continues to evolve as changes to circumstances occur.

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

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

This report was approved by the board on 22 June 2021 and signed on its behalf

  
M J Cunningham  
Director

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## MMOW LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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The directors present their annual report and the financial statements for the year ended 31 December 2020.

#### RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £17,691,000 (2019: £20,915,000).

An interim dividend was paid in the year of £20,000,000 (2019: £40,000,000). The directors do not recommend a final dividend (2019: £nil).

#### DIRECTORS

The current directors and those who served throughout the year under review are as follows:

M J Cunningham  
J P D'Offay  
T S McDonald

#### FUTURE DEVELOPMENTS

The directors continue to have confidence in the future of the business and its continued operation.

#### GOING CONCERN

The directors acknowledge the latest guidance note on going concern. The Company continues to monitor the uncertainty in the current economic and business environment including the impact of the COVID-19 pandemic. The Company also has a letter of support from its ultimate parent company to provide adequate liquid resources to settle its obligations for the next twelve months from the date of approval of the financial statements, a trend which they expect to extend beyond this period, and therefore they continue to adopt the going concern basis in preparing the annual financial statements.

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

#### POLITICAL RISK

The Company's direct subsidiary, Oliver Wyman Limited, is subject to local and international economic and political instability. Oliver Wyman Limited manages this risk through monitoring of the economic environment as part of its ongoing forecasting process. Management has noted that the United Kingdom (UK) formally left the European Union ('EU') on 31 January 2020 and the subsequent "transition phase" ended on 31 December 2020. During this period, trade negotiations between the UK and EU resulted in a trade agreement in late 2020.

The Oliver Wyman Group has considered the key risks and impact to its business and operations following the end of the transition period and the content of the trade agreement and, has taken steps to mitigate the key risks identified. A Brexit Operations Group was established to collate activities within and across individual lines of business and across all functional areas to ensure that the Company was Brexit ready and responsive to client needs in the UK and the EU as well as risks and any uncertainty around standards of data protection and the storing and transfer of data between the UK and EU after Brexit on employees who are EU citizens, and the potential impact on the Company's suppliers.

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## MMOW LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 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 Section 232 and Section 234 of the Companies Act 2006.

#### DISCLOSURE OF INFORMATION TO AUDITOR

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

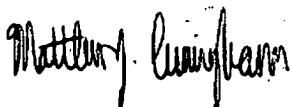
- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor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

This confirmation is given and should be interpreted in accordance with the provision of Section 418 of the Companies Act 2006.

#### AUDITOR

Deloitte LLP have expressed their willingness to continue in office as Auditor and appropriate arrangements have been put in place for them to be deemed reappointed as Auditor in the absence of an Annual General Meeting.

This report was approved by the board on 22 June 2021 and signed on its behalf



**M J Cunningham**  
Director

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## MMOW LIMITED

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### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020**

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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 audited financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements 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 MMOW LIMITED

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**Report on the audit of the financial statements**

**Opinion**

In our opinion the financial statements of MMOW Limited (the 'Company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

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

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

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**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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MMOW LIMITED (CONTINUED)**

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

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

We discussed among the audit engagement team 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report has been prepared in accordance with applicable legal requirements.

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

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**MMOW LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MMOW LIMITED (CONTINUED)**

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**Matters on which we are required to report by exception**

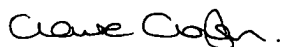
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.



Claire Clough, ACA (Senior statutory auditor)

for and on behalf of

**Deloitte LLP**

Statutory Auditor  
United Kingdom

Date: 22 June 2021

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**MMOW LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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	Note	2020 £000	2019 £000
Dividend income	4	20,000	21,000
<b>Gross profit</b>		<b>20,000</b>	<b>21,000</b>
Other operating income	6	-	12
<b>Operating profit</b>		<b>20,000</b>	<b>21,012</b>
Interest receivable and similar income	8	2	1,140
Interest payable and expenses	9	(2,852)	(1,257)
<b>Profit before tax</b>		<b>17,150</b>	<b>20,895</b>
Tax on profit	10	541	20
<b>Profit for the financial year</b>		<b>17,691</b>	<b>20,915</b>

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

All transactions derive from continuing activities.

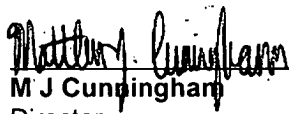
The notes on pages 13 to 26 form part of these financial statements.

**MMOW LIMITED**  
**REGISTERED NUMBER: 04688518**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £000	2019 £000
<b>Fixed assets</b>			
Investments	12	71,462	71,462
		<u>71,462</u>	<u>71,462</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	13	561	880
Cash at bank and in hand	14	718	391
		<u>1,279</u>	<u>1,271</u>
Creditors: amounts falling due within one year	15	(43,793)	(41,476)
<b>Net current liabilities</b>		<u>(42,514)</u>	<u>(40,205)</u>
<b>Total assets less current liabilities</b>		<u>28,948</u>	<u>31,257</u>
<b>Net assets</b>		<u><u>28,948</u></u>	<u><u>31,257</u></u>
<b>Capital and reserves</b>			
Capital contribution reserve	17	18,527	18,527
Profit and loss account	17	10,421	12,730
		<u>28,948</u>	<u>31,257</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 June 2021

  
**M J Cunningham**  
 Director

The notes on pages 13 to 26 form part of these financial statements.

**MMOW LIMITED**

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

	Called up share capital £000	Capital contribution reserve £000	Profit and loss account £000	Total equity £000
<b>At 1 January 2019</b>	4,181	18,527	27,634	50,342
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	20,915	20,915
<b>Total comprehensive income for the year</b>	-	-	20,915	20,915
Dividends: Equity capital	-	-	(40,000)	(40,000)
Share capital reduction	(4,181)	-	4,181	-
<b>Total transactions with owners</b>	(4,181)	-	(35,819)	(40,000)
<b>At 1 January 2020</b>	-	18,527	12,730	31,257
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	17,691	17,691
<b>Total comprehensive income for the year</b>	-	-	17,691	17,691
Dividends: Equity capital	-	-	(20,000)	(20,000)
<b>Total transactions with owners</b>	-	-	(20,000)	(20,000)
<b>At 31 December 2020</b>	-	18,527	10,421	28,948

The notes on pages 13 to 26 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1. GENERAL INFORMATION**

MMOW 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. MMOW 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 4.

**2. ACCOUNTING POLICIES**

**2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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

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

The following principal accounting policies have been applied:

**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 2020 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

**2.3 GOING CONCERN**

The directors acknowledge the latest guidance note on going concern. The Company continues to monitor the uncertainty in the current economic and business environment including the impact of the COVID-19 pandemic. The Company also has a letter of support from its ultimate parent company to provide adequate liquid resources to settle its obligations for the next twelve months from the date of approval of the financial statements, a trend which they expect to extend beyond this period, 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 2020**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.4 FOREIGN CURRENCY TRANSLATION**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

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

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

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

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

**2.5 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. The following criteria must also be met before turnover is recognised:

- (i) Interest income - Interest on deposits is recognised on an accrual basis using the effective interest rate method.
- (ii) Investments - Dividends from subsidiary undertakings are recognised when paid.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.6 TAXATION**

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

**2.7 VALUATION OF INVESTMENTS**

Investments in subsidiaries are measured at cost less accumulated impairment.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.8 IMPAIRMENT**

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

**i. Financial assets**

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

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

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

**ii. Non-financial assets**

At each statement of financial position date, the Company reviews the carrying amounts of its tangible and intangible assets acquired separately to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and the value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of income, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of income, unless the relevant asset is carried at a re-valued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.9 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.

**2.10 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.

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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.11 DIVIDENDS**

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

The Board decides the level of dividend in consultation or with consideration of various stakeholders, including the management and delegation advisers of the Company's ultimate parent company, Marsh & McLennan Companies, Inc.. The amount and timing of a dividend may be changed at any time, and 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. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**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 year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

**Critical judgements in applying the Company's accounting policies**

The following critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

**(i) 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 impairments that have subsequently been reversed are capped to their historical acquisition cost.

**Key sources of estimation uncertainty**

The Company has no key sources of estimation uncertainty.

**4. DIVIDEND INCOME**

Dividend income is attributable to dividends received from Oliver Wyman Limited.

Analysis of turnover by country of destination:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
United Kingdom	<b>20,000</b>	<b>21,000</b>
	<b>20,000</b>	<b>21,000</b>

**5. AUDITOR'S REMUNERATION**

The audit fee and annual filing fees were borne by a fellow group undertaking during the year. The audit fee attributable to this Company is £8,000 (2019: £8,000). No other services were provided to the Company by the Company's auditor in the current year and prior year.

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**MMOW LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**6. OTHER OPERATING INCOME**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Other operating income	-	12
	<u>-</u>	<u>12</u>
	<u>-</u>	<u>12</u>

**7. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

No remuneration was paid or is payable to the directors of MMOW 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 Marsh & McLennan Companies, Inc. Group and their remuneration is dealt with in the financial statements of those companies. The Company had no other employees during the 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 Oliver Wyman Limited, the group's principal employing company.

**8. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Foreign exchange gain	-	1,048
Bank interest received	2	92
	<u>2</u>	<u>1,140</u>
	<u>2</u>	<u>1,140</u>

**9. INTEREST PAYABLE AND SIMILAR EXPENSES**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Interest payable on intercompany loans	672	1,257
Foreign exchange losses	2,180	-
	<u>2,852</u>	<u>1,257</u>
	<u>2,852</u>	<u>1,257</u>

MMOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

10. TAXATION

	2020 £000	2019 £000
<b>CORPORATION TAX</b>		
Current tax on profits for the year	(541)	(20)
<b>TOTAL CURRENT TAX</b>	<u>(541)</u>	<u>(20)</u>
<b>DEFERRED TAX</b>		
Current and prior years	-	-
<b>TOTAL DEFERRED TAX</b>	<u>-</u>	<u>-</u>
<b>Tax on profit</b>	<u>(541)</u>	<u>(20)</u>

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is lower than (2019: *lower than*) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £000	2019 £000
Profit before tax	<u>17,150</u>	<u>20,895</u>
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	3,259	3,970
<b>EFFECTS OF:</b>		
Exempt intra group dividend income	(3,800)	(3,990)
<b>TOTAL TAX CREDIT FOR THE YEAR</b>	<u>(541)</u>	<u>(20)</u>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

Following the Budget announcement on 3 March 2021 the UK Corporation Tax rate will be increased to 25% from 1 April 2023.



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**MMOW LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**11. DIVIDENDS**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Dividends paid to parent, MMC International Limited	<b>20,000</b>	<b>40,000</b>
	<b>20,000</b>	<b>40,000</b>

**12. FIXED ASSET INVESTMENTS**

	<b>Investments in subsidiary companies £000</b>
<b>COST OR VALUATION</b>	
At 1 January 2020	<b>71,462</b>
At 31 December 2020	<b>71,462</b>

During the year ended 31 December 2020, three indirect subsidiaries were dissolved. These were Oliver Wyman Energy Holdings Limited, Oliver Wyman Energy Group Limited and Oliver Wyman Energy US Limited.

Details of the Company's subsidiary undertakings at 31 December 2020 are shown below, those marked with an asterisk (\*) are not direct subsidiaries of the Company.

<b>Name</b>	<b>Principal Activity</b>	<b>Country of Incorporation</b>	<b>Description of Shares</b>	<b>% of Issued shares held by the Company</b>	<b>Registered Office Address</b>
Oliver Wyman Limited	Management Consultancy	United Kingdom	Ordinary	100	1 Tower Place West, London, ECR 5BU
Oliver Wyman Energy Consulting Limited*	Management Consulting	United Kingdom	Ordinary	100	1 Tower Place West, London, ECR 5BU

**MMOW LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**12. FIXED ASSET INVESTMENTS (CONTINUED)**

<b>Name</b>	<b>Principal Activity</b>	<b>Country of Incorporation</b>	<b>Description of Shares</b>	<b>% of Issued shares held by the Company</b>	<b>Registered Office Address</b>
Oliver Wyman sp. Z o.o.*	Management Consulting	Poland	Ordinary	100	Nimbus, Al. Jerozolimskie, 98 00-807 Warsaw
Oliver Wyman SNC*	Management Consulting	France	Common	0.003	1 Rue Euler 75008 Paris, France
Oliver Wyman S.L.*	Management Consulting	Spain	Ordinary	48	Paseo Castellana, 216 28046, Madrid, Spain
Oliver Wyman FZ-LLC*	Management Consulting	United Arab Emirates	Ordinary	100	11th Floor Dubai Media City Area 500525 Dubai
Oliver Wyman Limited*	Management Consulting	United Arab Emirates	Ordinary	100	2479,24, Al Sila Tower Abu Dhabi Global Market Sq, Al Maryah Island, Abu Dhabi
8works*	Dormant	United Kingdom	Ordinary	100	1 Tower Place West, London, EC3R 5BU
Draw Group London Limited*	Non-trading (dissolved on 16 March 2021)	United Kingdom	Ordinary	100	1 Tower Place West, London EC3R 5BU
Draw Create Limited*	Non-trading (dissolved on 16 March 2021)	United Kingdom	Ordinary	100	1 Tower Place West, London, EC3R 5BU
Draw Connect Limited*	Non-trading (dissolved on 26 January 2021)	United Kingdom	Ordinary	100	1 Tower Place West, London, EC3R 5BU

**13. DEBTORS**

	<b>2020 £000</b>	<b>2019 £000</b>
Amounts recoverable from other group undertakings in respect of taxation	<b>561</b>	<b>880</b>
	<b>561</b>	<b>880</b>

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MMOW LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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14. CASH AND CASH EQUIVALENTS

	2020 £000	2019 £000
Cash at bank and in hand	718	391
	<u>718</u>	<u>391</u>

15. CREDITORS: Amounts falling due within one year

	2020 £000	2019 £000
Amounts owed to group undertakings in respect of loans payable	40,730	38,414
Amounts owed to group undertakings	3,059	3,059
Other creditors	4	3
	<u>43,793</u>	<u>41,476</u>

The amounts owed to group undertakings (with the exception of loans payable) are unsecured, interest free and repayable on demand.

The amounts owed to group undertakings in respect of loans are unsecured and attract interest of LIBOR plus 0.7374% and are repayable upon demand. Accrued interest is settled in April each year.

16. SHARE CAPITAL

	2020 £000	2019 £000
<b>Allotted, called up and fully paid</b>		
1 (2019: 1) Ordinary share of £1.00	-	-
	<u>-</u>	<u>-</u>

The share capital of the Company consists of fully paid ordinary shares with a par value of £1.00 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**17. RESERVES**

**Other reserves**

The capital contribution reserve was created on incorporation of the Company for £18,527,000. This is considered to be a distributable reserve.

**Profit and loss account**

Includes all current and prior period retained profits and losses, net of dividends paid and other adjustments.

**18. CONTINGENT LIABILITIES**

The Company participates in cash pooling arrangements with banks. Each member of the pool guarantees against all losses incurred as a result of the failure of any other pool member. The maximum exposure to the Company is the total amount of its pooled funds at any point in time. As at 31 December 2020 the Company had a total amount of £718,000 in the pool (2019: £391,000). All other members of the pooling arrangements are companies owned ultimately by Marsh & McLennan Companies, Inc.

**19. 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.

**20. GROUP FINANCIAL STATEMENTS**

Group financial statements are not prepared in line with Section 401 of the Companies Act 2006 as the Company is itself a wholly-owned subsidiary and is included in the consolidated financial statements of Marsh & McLennan Companies, Inc., its ultimate parent company. Accordingly, these financial statements present information about the Company as an individual undertaking and not about its Group.

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## MMOW LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 21. CONTROLLING PARTY

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

The smallest and largest group in which the results of MMOW Limited are consolidated is that headed by Marsh & McLennan Companies Inc. The consolidated financial statements of Marsh & McLennan Companies Inc. are available to the public and may be obtained from:

Companies House  
Crown Way  
Cardiff  
CF14 3UZ

and also from:

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