Registered number: SC181931

MOUNTLODGE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

MOUNTLODGE LIMITED

COMPANY INFORMATION

DIRECTORS	C W Godwin J M Pickford
COMPANY SECRETARY	M Daoud-O'Connell
REGISTERED NUMBER	SC181931
REGISTERED OFFICE	Lochside House 7 Lochside Avenue Edinburgh Scotland EH12 9DJ

MOUNTLODGE LIMITED

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 30 APRIL 2022

INTRODUCTION

The directors present their Strategic Report for Mountlodge Limited ("the Company") for the year ended 30 April 2022. The Company's registration number is SC181931 (Scotland).

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

During the year under review, the Company acted as a holding company of Clark Thomson Insurance Brokers Limited.

In the prior year, as part of a broader Marsh & McLennan Companies, Inc. Group legal entity optimisation project, the Company acquired the trade and assets of its subsidiary Clark Thomson Insurance Brokers Limited and subsequently sold the trade and assets to its immediate parent Jelf Insurance Brokers Limited. No gain or loss arose from this transaction.

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

The profit for the year, before taxation, amounted to £161,000 (2021 - £24,350,000).

The results of the Company for the year ended 30 April 2022 are set out in the financial statements on pages 10 - 12.

FINANCIAL KEY PERFORMANCE INDICATORS

Given the straightforward nature of the business, the Company's directors believe that analysis using KPIs for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business.

PRINCIPAL RISKS AND UNCERTAINTIES

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

Financial risk management

The Company has limited exposure to financial risks as a non-trading company in the MMC Group. The Company regularly reviews the carrying value of its investments and other assets and liabilities to ensure they are appropriate.

Availability of IT systems

The Company uses a number of Information Technology (IT) systems in order to carry on its day-to-day business. There is a risk that any of these systems as part of the overall IT infrastructure could fail, individually or collectively, with an adverse effect on the Company's operations. The Company is part of the Group's global IT structure and there are business continuity plans in place.

Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The main areas where the Company is exposed to credit risk are amounts due from other group companies in respect of intercompany loans and other balances, and cash. The Company mitigates its credit risk for cash by only depositing money in institutions with a sufficiently high credit rating. The credit rating required is that demanded by our ultimate parent company. In addition, the Company has investment guidelines that restrict the amount of the investment portfolio that can be placed with a single institution.

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

Pandemic risk

The Group continues to be exposed to pandemic risk, resulting from the impacts of Covid-19 and its associated strains. The systemic nature of the pandemic requires operational changes to be successfully implemented to support client, and colleague, servicing requirements of the Company's direct subsidiary, and to ensure their businesses operate in line with client and regulatory expectations.

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

Political risk

The Company is subject to local and international political risk and is susceptible to any significant instability in the political landscape. Factors such as new governments; government mandates (e.g. Brexit) and changes in government policy all have the potential to negatively impact on strategy and the Company's business model.

The Group proactively manages this risk through horizon scanning and monitoring of the political and economic environment as part of its ongoing forecasting and strategic planning processes. In the event of political change affecting the Group, this will be managed by multi discipline subject matter experts to ensure that any revised legal and/or regulatory requirements are addressed, to adapt business strategy as required, and to ensure that we continue to serve in the best interests of our clients and colleagues.

Political risk (continued)

As at the date of this report, the escalating tensions in Eastern Europe continue to be assessed through regional, and MMC Group level dedicated incident management forums, aligning the Company`s responses to both local governmental and MMC Group corporate guidance. The Company has strong controls in place to monitor and respond to the changing sanctions environment and the key associated risks have been assessed to support executive decision making.

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

This report was approved by the board and signed on its behalf on 21 October 2022.

C W Godwin
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 APRIL 2022

The directors present their report and the financial statements for the year ended 30 April 2022.

The Company's registration number is SC181931 (Scotland).

PRINCIPAL ACTIVITY

During the year under review, the Company acted as a holding company of Clark Thomson Insurance Brokers Limited.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £161,000 *(2021 - £24,350,000)*.

The Company declared and paid an interim dividend during the year to the immediate parent of £960,000 (2021 - £nil). The directors do not recommend a payment of a final dividend in relation to 2021 (2021 - £24,350,000).

DIRECTOR

The directors who served during the year were:

C W Godwin
J M Pickford

GOING CONCERN

In the prior year, as part of a broader MMC Group legal entity optimisation project, the Company acquired the trade and assets of its subsidiary Clark Thomson Insurance Brokers Limited and subsequently sold the trade and assets to its immediate parent Jelf Insurance Brokers Limited. No gain or loss arose from this transaction. Subsequent to the sale, the Company is expected to be liquidated.

Therefore, as required by UK accounting standards, the directors have prepared the financial statements on the basis that the Company is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

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

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY ACTION

The Company consumed less than 40MWh in the UK for the 12 months ended 31 December 2021. As a result of meeting that criteria, the Company itself is not required to make the detailed energy and carbon reporting disclosures included within the Environmental Reporting Guidelines. Where appropriate, stream-lined energy and carbon reporting disclosures are made and can be found in the financial statements of companies it owns as fixed asset investments.

FUTURE DEVELOPMENTS

The directors intend to liquidate the Company in the near future.

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.

EMPLOYEES

There were no employees during the year ended 30 April 2022 (2021 - nil).

FINANCIAL RISK MANAGEMENT

The financial risk management of the Company has been disclosed as part of the Principal risks and uncertainties note within the Strategic Report of this document.

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

In September 2022, the Company issued 12,518 bonus shares of £1 to its parent, Jelf Insurance Brokers Limited, out of other reserves. Following the bonus issue, the share capital was reduced by extinguishing those shares and £12,518 was credited to the profit and loss account reserves in the same period. This addresses the negative profit and loss account reserves of £9,000 at the balance sheet date.

AUDITOR

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

This report was approved by the board and signed on its behalf on 21 October 2022.

C W Godwin
Director

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 APRIL 2022

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOUNTLODGE LIMITED

Report on the audit of the financial statements

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

- give a true and fair view of the state of the company's affairs as at 30 April 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; 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.

Emphasis of matter – Financial statements prepared other than on a going concern basis
We draw attention to note 2.3 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

Other information

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

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

We have nothing to report in this regard.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

We discussed among the audit engagement team including relevant internal specialists such as tax, valuations, pensions, IT, forensic and industry specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

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

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the 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; or
- the directors were entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

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.

Adam Knight, FCA (Senior statutory auditor)

for and on behalf of

Deloitte LLP

London
United Kingdom

EC4A 3HQ

Date: 21 October 2022

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2022

	Note	2022 £000	*2021* *£000*
Amounts written off investments	8	**(799)**	-
Operating (loss)/profit		**(799)**	-
Income from investments	6	**960**	*24,350*
Profit before tax		**161**	*24,350*
Profit for the financial year		**161**	*24,350*
Other comprehensive income for the year			
Total comprehensive income for the year		**161**	*24,350*

The notes on pages 15 to 24 form part of these financial statements.

All transactions derive from discontinued activities.

MOUNTLODGE LIMITED
REGISTERED NUMBER: SC181931

STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2022

	Note		2022 £000		2021 £000
Current assets					
Investments	8	2		801	
Debtors: amounts falling due within one year	10	1		1,065	
		3		1,866	
Creditors: amounts falling due within one year	11	-		(1,064)	
Net current assets			3		802
Total assets less current liabilities			3		802
Net assets			3		802
Capital and reserves					
Called up share capital	13		-		-
Other reserves	14		12		12
Profit and loss account	14		(9)		790
			3		802

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 October 2022.

C W Godwin
Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2022

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 May 2021	-	12	790	802
Comprehensive income for the year				
Profit for the year	-	-	161	161
Dividends paid	-	-	(960)	(960)
Total transactions with owners	-	-	(960)	(960)
At 30 April 2022	-	12	(9)	3

The notes on pages 15 to 24 form part of these financial statements.

The directors were aware of the negative profit and loss distributable reserve of £9,000. In September 2022 it has been converted by issuing 12,518 £1 bonus shares to its parent Jelf Insurance Brokers Limited. Following the bonus issue, the share capital was reduced by extinguishing the shares and £12,518 credited to the profit and loss account in the same period.

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 APRIL 2021

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 May 2020	-	12	790	802
Comprehensive income for the year				
Profit for the year	-	-	24,350	24,350
Total comprehensive income for the year	-	-	24,350	24,350
Dividends paid	-	-	(24,350)	(24,350)
Total transactions with owners	-	-	(24,350)	(24,350)
At 30 April 2021	-	12	790	802

The notes on pages 15 to 24 form part of these financial statements.

1. GENERAL INFORMATION

Mountlodge Limited (the "Company") is a company incorporated in the United Kingdom under the Companies Act and registered in Scotland. The Company's registered number and registered office address can be found on the Company Information page. Mountlodge Limited is a private company limited by shares. The nature of the Company's operations and its principal activities are set out in the strategic report on pages 1 to 3.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

2.2 FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS

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

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

Where applicable, this information is included in the consolidated financial statements of Marsh & McLennan Companies, Inc. as at 31 December 2021 and these financial statements may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

2.3 GOING CONCERN

In the prior year, as part of a broader MMC Group legal entity optimisation project, the Company acquired the trade and assets of its subsidiary Clark Thomson Insurance Brokers Limited and subsequently sold the trade and assets to its immediate parent Jelf Insurance Brokers Limited. No gain or loss arose from this transaction. Subsequent to the sale, the Company is expected to be liquidated.

Therefore, as required by UK accounting standards, the directors have prepared the financial statements on the basis that the Company is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

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 CURRENT AND DEFERRED TAXATION

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

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

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

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

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

2. ACCOUNTING POLICIES (CONTINUED)

2.6 IMPAIRMENT OF FIXED ASSETS

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

2.7 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

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

Investments in listed company shares are remeasured to market value at each Statement of Financial Position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

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 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. ACCOUNTING POLICIES (CONTINUED)

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.

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 of the Company's ultimate parent company, Marsh & McLennan Companies, Inc. The amount and timing of a dividend is influenced by factors such as:

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

Equity dividends are recognised when they become legally payable.

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

In the application of the Company's accounting policies, 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.

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

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

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

Key sources of estimation uncertainty

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

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The number of directors who are members of a money purchase pension scheme is nil (2021 - nil).

In 2021 the directors of the Company are also directors of other group companies. The costs for these directors are disclosed in those financial statements, as the directors believe it is impractical to split the amounts for these directors between their services as directors of the Company and their services as directors or employees of other MMC Group companies.

The Company has no employees. The contracts of employment are with, and the remuneration of directors is paid by other companies in the MMC Group.

5. AUDITOR'S REMUNERATION

	2022 £000	*2021 £000*
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	**10**	*15*

The audit fee is borne by another group undertaking. The Company has not engaged its auditor for any non audit services.

6. INCOME FROM INVESTMENTS

	2022 £000	*2021 £000*
Dividends received from subsidiary undertakings	**960**	*24,350*
	960	*24,350*

7. TAXATION

	2022 £000	*2021 £000*
TOTAL CURRENT TAX	-	-
DEFERRED TAX		
TOTAL DEFERRED TAX	-	-
TAXATION ON PROFIT	-	-

7. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than *(2021 - lower than)* the standard rate of corporation tax in the UK of 19.0% *(2021 - 19.0%)*. The differences are explained below:

	2022 £000	*2021 £000*
Profit before tax	161	*24,350*
Profit multiplied by standard rate of corporation tax in the UK of 19.0% (2021 - 19.0%)	31	*4,627*
EFFECTS OF:		
Non-tax deductible amortisation of goodwill and impairment	151	*-*
Dividends from UK companies	(182)	*(4,627)*
TOTAL TAX CHARGE FOR THE YEAR	-	*-*

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The Finance Bill 2021, enacted on 10 June 2021, included provisions for an increase in the UK Corporation Tax rate from 19% to 25% with effect from 01 April 2023. However, it was announced on 23 September 2022 that this increase will now be reversed, though this has not yet been legislated.

8. INVESTMENTS

	2022 £000	*2021 £000*
Investments	2	*801*
	2	*801*

The Company's only investment is directly owned by the Company. This company is Clark Thomson Insurance Brokers Limited, incorporated in Scotland. The Company owns 100% of the ordinary share capital. The registered address is Ground Floor North, Leven House, 10 Lochside Place, Edinburgh, United Kingdom, EH12 9DF.

The opening balance of this investment was £801,000. During the year, an impairment of £799,000 was charged to the statement of comprehensive income in respect of the investment in Clark Thomson Insurance Brokers Limited. The closing balance was £2,000.

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

9. DIVIDENDS

	2022 £000	2021 £000
Amounts recognised as distibutions to equity holders in the year:		
Interim dividend for the year ended 30 April	960	24,350
	960	24,350

10. DEBTORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £000	2021 £000
Amounts owed by group undertakings	1	1,065
	1	1,065

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

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £000	2021 £000
Amounts owed to group undertakings	-	1,064
	-	1,064

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

12. DEFERRED TAXATION

	2022 £000	*2021 £000*
At beginning of year	-	*(4)*
Arising on business combinations	-	*4*
AT END OF YEAR	-	-

The Finance Bill 2021, enacted on 10 June 2021, included provisions for an increase in the UK Corporation Tax rate from 19% to 25% with effect from 01 April 2023. However, it was announced on 23 September 2022 that this increase will now be reversed, though this has not yet been legislated.

Deferred tax timing differences have been provided for at the enacted tax rate at the balance sheet date. A deferred tax asset of £66,000 (2021: £51,000) representing tax trading losses is not being recognised due to uncertainty as to whether the losses will be realised in the foreseeable future. These losses have no expiry date.

13. SHARE CAPITAL

	2022 £000	*2021 £000*
AUTHORISED, ALLOTTED, CALLED UP AND FULLY PAID		
1 *(2021 - 1)* Ordinary share of £1.00	-	-

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

14. RESERVES

Other reserves

The other reserves balance of £12,000 represents capital redemption reserve transferred from the share capital arising from the redemption of issued shares.

Profit and loss account

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

15. RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption under FRS102 Section 33.1A not to disclose transactions between entities within the MMC 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.

16. GROUP FINANCIAL STATEMENTS

Group financial statements have not been prepared as the Company has taken an exemption in accordance with Section 401 of the Companies Act 2006, from the requirement to prepare group financial statements.

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

17. POST BALANCE SHEET EVENTS

In September 2022, the Company issued 12,518 bonus shares of £1 to its parent, Jelf Insurance Brokers Limited, out of other reserves. Following the bonus issue, the share capital was reduced by extinguishing those shares and £12,518 was credited to the profit and loss account reserves in the same period. This addresses the negative profit and loss account reserves of £9,000 at the balance sheet date.

18. IMMEDIATE AND ULTIMATE PARENTS COMPANIES

The Company's immediate parent company is Jelf Insurance Brokers 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 Mountlodge Limited are consolidated is that headed by Marsh & McLennan Companies, Inc. The consolidated financial statements of Marsh & McLennan Companies, Inc. are available to the public and may be obtained from:

Companies House
Crown Way
Cardiff
CF14 3UZ

and also from:

The Company Secretary
MMC Treasury Holdings (UK) Limited
1 Tower Place West
Tower Place
London
EC3R 5BU