Registered number: 02995605

OLIVER WYMAN LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

OLIVER WYMAN LIMITED

COMPANY INFORMATION

DIRECTORS	M J Cunningham J P D'Offay T S McDonald (resigned 26 July 2021) D G Taliente (resigned 21 April 2021) G Roucolle (appointed 21 April 2021) C A Edelmann (appointed 21 April 2021) N M Studer (appointed 3 August 2021)
REGISTERED NUMBER	02995605
REGISTERED OFFICE	1 Tower Place West Tower Place London EC3R 5BU

OLIVER WYMAN LIMITED

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

INTRODUCTION

The directors present their Strategic Report for Oliver Wyman Limited (the "Company") for the year ended 31 December 2020. The Company's registration number is 02995605.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the Company is management consultancy. The UK Company and its branches in Saudi Arabia, Abu Dhabi and India operate in a global capacity providing consulting services to many of the world's leading financial services organisations and other companies on strategic matters and risk management.The Company is part of Marsh & McLennan Companies Inc. group, a large international group of companies. It utilises the group central treasury function for access to financing transactions and also some of its infrastructure and governance processes to enable it to efficiently conduct its business.

FINANCIAL KEY PERFORMANCE INDICATORS

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

	2020	*2019*	Movement	Movement
	£000	*£000*	£000	%
Turnover	**362,066**	*331,312*	30,754	9.3
Administrative expenses	**(342,149)**	*(324,664)*	(17,485)	(5.4)
Income from fixed assets investments	**5,919**	*11,795*	(5,876)	(49.8)
Amounts written off investments	**(5,966)**	*(5,226)*	(740)	(14.2)
Profit after tax	**15,508**	*3,013*	12,495	414.7
Shareholders' funds	**113,173**	*116,165*	(2,992)	(2.6)

As shown in the Company's Statement of Comprehensive Income, turnover increased by 9.3 percent in the year (2019 - 17.8 percent decrease), this is primarily due to the commencement of some significant projects in Saudi Arabia.

The Company reported a profit for the financial year after taxation of £15,508,000 (2019 - £3,013,000).

Interim dividends of £20,000,000 were paid on ordinary shares (2019 - £21,000,000). The directors do not recommend the payment of a final dividend (2019 - £Nil). Dividends received from subsidiary companies were £5,966,000 (2019 - £11,476,000).

There was an impairment charge relating to a subsidiary investment in year of £5,966,000 (2019 - £5,226,000). This arose due to a reduction in net assets of this subsidiary's Group as a result of Group restructuring. More detail on this can be found in note 16 to the financial statements.

As shown in the Company's Statement of Financial Position, as a result of of the profit for the year and the dividends declared, net assets have decreased by 2.6 percent (2019 - 14.7 percent).

The Company continues to develop its intellectual capital and deepen its core business expertise in banking, insurance, actuarial consulting, strategic IT and risk management. The Directors believe that these areas of expertise will allow the Company to provide value-added service to its clients. The Company continues to leverage its sales channels with sister companies within the Marsh & McLennan, Inc. Group and offer bespoke consulting advice to address client issues. The directors believe the outlook remains positive.

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

The below paragraphs provide an explanation for how directors have had regard for the matters set out in section 172(1)(a) to (f) of the Act when performing their duties, including how directors have engaged with and considered the interests of stakeholders including UK employees, suppliers, customers and those in a principal business relationship with the Company.

Shareholder

The Company, which is part of the global Oliver Wyman business and the Marsh & McLennan Companies Inc. ('MMC') Group ('the Group'), provides advice and specialised expertise to a global clientele of leading corporations and financial institutions. By cultivating an environment where outstanding people can thrive and there is clear understanding of, and commitment to, what is right, the Company aims to bring exceptional people together to create value by making lasting contributions to clients, industries and societies.

As a wholly owned subsidiary, the Board duly considers the views of its ultimate shareholder, MMC and the Group as a whole as part of any major decisions and transactions undertaken by the Company. The Board and the Executive Directors provide the primary channel of communication between the Company, its shareholder and the wider Group. The most pressing issue facing the business in 2020 was the global pandemic. The directors, in concert with Group leadership, took decisions to protect the health and welfare of our colleagues while simultaneously seeking to assist our clients and communities weather the twin health and economic challenges caused by the pandemic. It remains the belief of the directors that what is best for our colleagues, clients and communities ultimately fulfils our commitment to our shareholder

Distributions to the Company's shareholder are only considered after a full assessment of capital adequacy and the Company's ability to continue as a going concern into the foreseeable future and to ensure investment in the future growth of the Company, balanced with stable and sustainable returns to the shareholder. Further information on dividends is set out in the Notes to the Financial Statements on page 37.

All colleagues, including the Company's directors, reaffirmed their commitment to the Group's refreshed Code of Conduct, The Greater Good, during 2020. The Greater Good is the touchstone of the culture and values that unites colleagues within Company, and within the wider Group. As part of the roll out of the Greater Good, colleagues gathered as teams to speak about how Company and the Group's values are upheld, and make a difference in the moments that matter most.

Clients

The directors are committed to ensuring that all customers are treated fairly and that client interest is considered as part of decision making at every level within the Company. The Chief Executive Officer and the directors of the Company, as well and other senior managers in the business, meet regularly with key clients in order to receive feedback on service and to better understand and meet client needs. As previously noted, we took pains in 2020 to be shoulder to shoulder with our clients during the most difficult times of the pandemic, rescognising our own future success would be dependent on our clients surviving these turbulent times. We agreed to provide flexibility in commercial terms for companies facing short-term cashflow pressures to ensure they could continue to receive the best advice possible for navigating through the crisis.

The Company's Legal and Compliance Function review the effectiveness of key business processes in place to ensure high service levels and positive client outcomes, and monitor key risk indicators in this regard and track actions to resolve any issues. High level reporting and items of significant concern are reported to the directors on a monthly basis or more frequently if required. The Company is also subject to periodic reviews by MMC's Internal Audit Function and any significant findings are reported to the directors with remediation action monitored until resolution/conclusion.

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

Employees

As a professional services firm, the directors recognise that employees are key to the Company's strength and success and throughout 2020 the directors have prioritised the health, wellbeing and safety of employees and their families. In line with Government advice, the vast majority of employees were instructed and equipped to work from home and, where this was not possible for a very small number of colleagues performing business critical roles, the Company employed strict social distancing and other appropriate health and safety measures in its offices. A further statement on Health, Safety and Environment is set out below on page 7 of the Strategic Report.

The directors understand the importance of leadership visibility and recognise that the COVID-19 pandemic has had a significant impact on both the working environment and the personal lives of employees. In order to ensure that employees are kept informed on matters affecting them and on the various factors affecting the performance of the business, the directors increased engagement during 2020 through regular Town Halls, employee engagement surveys, the launch of various digital tools and platforms designed to keep teams connected. Employee feedback is taken into consideration in the formulation of the Company's future plans and strategy.

Community

The Company, and the Group as a whole, recognises that in a world facing increasing risk and uncertainty, supporting our communities is more important than ever before. To this end, the Group has established a committee, comprised of representatives from across its businesses in the UK, including a representative of the Company, to focus on our social impact efforts in the UK. Given the Group's expertise in risk, strategy and people, social impact efforts are focused on these areas. By aligning its social impact programmes with the business priorities and experience, the Group is able to demonstrate its commitment to its communities in the UK while supporting the business.

Suppliers

The Board is committed to ensuring that slavery and human trafficking is not taking place in any part of the Company's supply chains or any part of its business. Further detail on actions taken by the Company in compliance with the Modern Slavery Act 2015 is set out on Oliver Wyman's website.

PRINCIPAL RISKS AND UNCERTAINTIES

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

Financial risk management

The Company is exposed to financial risk through its financial assets and liabilities. The key financial risks are that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due or that significant customer accounts receivable are not fully recovered.

The most important components of financial risk are; interest rate risk, currency risk, credit risk, liquidity risk, cash flow risk and price risk. Due to the nature of the Company's business and the assets and liabilities contained within the Company's balance sheet the only financial risks the directors consider relevant to this company are credit risk, currency risk and liquidity risk.

The Company has a strong liquid asset position with £27,628,000 of cash held at the year end and is not reliant on funding from third parties. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite the uncertainty introduced by Brexit. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Availability of IT systems

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

Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The main area where the Company is exposed to credit risk is in relation to the amounts due from its client base. These risks are mitigated by credit control procedures and the generally diverse client base, although individual client balances can be material.

Billed debtors are monitored closely and active collection processes exist to reduce the time taken from billing the client to receiving payment for services rendered. Unbilled debtors are also monitored to ensure timely billing to clients. There is regular reporting and review of both billed and unbilled balances with clients by senior management.

The Company also has amounts receivable outstanding from other group companies. These are reviewed as part of a global intercompany process and monitored to reduce the amounts outstanding and obtain prompt settlement.

Currency risk

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

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Interest rate risk

The interest rate risk of the Company is managed by treasury staff, in line with guidelines issued by its ultimate parent company. In managing interest rate and currency risks the Company aims to reduce the impact of short-term fluctuations on the Company's earnings.

Liquidity/cash flow risk

Liquidity and cash flow risk is the risk that cash may not be available to pay obligations when due. The Company has group support to enable it to meet its cash requirements.

The Company engages with central treasury and finance functions working for the Marsh & McLennan Companies, Inc. Group to monitor and control its cash flows and working capital requirements.

Competitive risk

There is always the inherent risk of losing out to competitors during bidding processes. This has the implication of ultimate revenue loss. This risk is managed by ensuring that the level of work invested at the bidding stages is thorough and comprehensive to win potential contracts; Management are, however, aware of external factors that can affect potential contracts beyond the control of Company practices.

Project risk

Costs overrun on projects; our financial systems are designed to specifically monitor work in progress and all practice groups monitor revenue and cost globally on a monthly, quarterly and yearly basis to ensure costs are kept in check with agreed budgets.

Political risk

The Company is subject to local and international economic and political instability. The Company 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 Company 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 co-ordinate 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.

People risks

The willingness of competitors to offer key staff higher remuneration and benefits packages continues to be a risk to the Company's ability to attract and retain key people. Periodic benchmarking of salaries is carried out to ensure the Company remains competitive.

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Legal risk

Client contract terms may expose the business to legal liability for breach of contract. Our ability to negotiate improved terms may be limited when contracting with public bodies. The risk is managed through rigorous contract review procedures and negotiation of contract amendments where appropriate.

Outsourcing risk

We derive a proportion of our revenue from work performed by external contractors. Control over external contractors may be more limited than internal resources and poor performance could damage our reputation, result in a reduction of the amount of our work under, or termination of, client contracts, and prejudice future work opportunities. Risks from subcontractor underperformance are managed through well-established subcontracting processes including due diligence of new subcontractors.

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 may require adaptions as we learn to live with the Coronavirus. 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 continue to evolve as changes to circumstances occur.

International Mobile Workforce risk

The Company operates in a global capacity providing consulting services and therefore the workforce of the Company sometimes work on projects in countries outside of the UK. Dependent on the circumstance these projects may give rise to immigration, employment and tax obligations in those countries. The risk is managed when allocating the workforce to projects and confirming country requirements in addition to monitoring the time that the workforce spend in specific countries during a project

HEALTH, SAFETY AND ENVIRONMENT

The Company is responsible for the health, safety and welfare of its contractors and employees whilst working on behalf of the Company and for ensuring that its operations do not unnecessarily harm the environment.

Where reasonably practicable, the Company pursues progressive improvements in health & safety performance and ensures that the business is compliant with all applicable legislation. Directors and individual managers accept responsibility for people and areas under their control and integrate health and safety into everyday activities. They are committed to ensuring the competence of all employees through selection, instruction, training and supervision.

Management of health and safety standards is ensured through effective audit and action resolution and is supported by bespoke software to allow monitoring. Incident reporting, investigation and trend analysis ensures identified workplace hazards are corrected to prevent reoccurrence. Colleague consultation plays a key role and is achieved through the Group's UK Health and Safety Committee, comprised of representatives from across the businesses in the UK, including a representative of the Company. This committee reviews the Company's arrangements in place on a regular basis and works towards continuous improvement of health & safety standards.

This report was approved by the board on 27 September 2021 and signed on its behalf.

J P D'Offay
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

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

The principal activities of the Company are set out in the Strategic Report on page 1. The information that fulfils the Companies Act requirements of the business review is included in the Strategic Report on pages 1 - 7. This includes a review of the development of the business of the Company during the year. Details of the principal risks and uncertainties, corporate governance arrangements, engagement with employes, suppliers, customers and others as well as the existence of foreign branches are also included in the Strategic Report.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £15,508,000 *(2019 - £3,013,000)*.

The directors paid interim dividends in the year of £20,000,000 (2019 - £21,000,000). The directors do not recommend the payment of a final dividend.

During the year, the Company received net dividends of £5,966,000 (2019 - £11,476,000) from its subsidiary undertakings.

DIRECTORS

The directors who served during the year were:

M J Cunningham
J P D'Offay
T S McDonald (resigned 26 July 2021)
D G Taliente (resigned 21 April 2021)

GOING CONCERN

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

The Company continues to monitor the uncertainty in the current economic and business environment including the impact of the COVID-19 pandemic, and the directors are satisfied that the Company's services will continue to be attractive to clients.

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.

DIVERSITY AND INCLUSION

The Company embraces a diverse and inclusive culture. The directors believe that, in order to deliver the best solutions to clients, the Company's workforce should reflect the local community in which it operates.

MODERN SLAVERY ACT

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

Global Procurement has implemented specific vetting checks, in addition to existing processes, to support this initiative. Processes to monitor and vet supplier practices are still evolving. The statement can be found on the company website (www.oliverwyman.com). The statement is reviewed annually.

FUTURE DEVELOPMENTS

It is anticipated that the activities of the Company will continue along similar lines for the foreseeable future.

EMPLOYEE INVOLVEMENT

The Company places considerable value on the involvement of its employees and has continued its practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved by the circulation of management bulletins, quarterly town halls and intranet news sheets. In addition, regular meetings of representatives of management and staff are held to seek the views of employees upon matters likely to affect their interests.

EMPLOYMENT POLICY

The Company is committed to equal opportunities for both existing employees and applicants seeking employment. It is the Company's policy to give appropriate consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. For the purpose of training, career development and promotion, disabled employees, including any who become disabled in the course of their employment, are treated on equal terms with other employees.

COVID-19 Update

On 11 March, 2020, the World Health Organization declared the Coronavirus ("COVID-19") a pandemic, the COVID-19 pandemic could have a material adverse effect on our business operations, results of operations, cash flows and financial position.

Global health concerns relating to the ongoing COVID-19 pandemic and related government actions taken to reduce the spread of the virus have had a dramatic impact on the macroeconomic environment, and the outbreak continues to materially increase economic uncertainty and reduce economic activity.

The outbreak has resulted in authorities implementing numerous measures to try to contain the virus, such as travel bans and restrictions, quarantines, shelter in place or total lock-down orders and business limitations and shutdowns. Such measures have significantly contributed to decreased levels of business activity of our clients and the industries and markets that we serve. Governments around the globe have taken steps to mitigate some of the more severe anticipated economic effects of the virus, but there can be no assurance that such steps will be effective or achieve their desired results in a timely fashion.

The outbreak has adversely impacted and is likely to further adversely impact our workforce and operations and the operations of our clients, third-party vendors and business partners. The spread of COVID-19 has caused us to modify our business practices (including transitioning substantially all of our colleagues to a remote work environment, restricting colleague travel, developing social distancing plans for our colleagues and cancelling physical participation in meetings, events and conferences), and we may take further actions as may be required by government authorities or as we determine are in the best interests of our colleagues, clients and business partners. There is no certainty how long such policies will remain in effect or that such measures will be sufficient to mitigate the risks posed by the virus or will otherwise be satisfactory to government authorities.

The ongoing impacts of COVID-19 may affect our ability to generate new business, our overall level of profitability and cash flow, and our liquidity due to a number of macroeconomic and operational factors. Such factors may include:
• in our Consulting segment, a reduction in fees or commission due to lower demand for our services as clients cut back on expenses;
• the impact on our business model for delivering services to clients due to restrictions on travel and movement, guidance around social distancing; and the impact on profitability and margin of not achieving or maintaining adequate utilization and pricing rates;
• the timeliness and ultimate collectability of our receivables;
• failure of third parties upon which we rely to meet their obligations to us, or significant disruptions in their ability to meet those obligations in a timely manner, which may be caused by their own financial or operational difficulties;
• the impact of an extended period of remote work arrangements on our business continuity plans, and our ability to continue to provide services to our clients;

There are no comparable recent events that provide guidance as to the effect the spread of COVID-19 as a global pandemic may have and, as a result, the ultimate impact of the outbreak is highly uncertain and subject to change. We do not yet know the full extent of the impacts on our business, our operations or the global economy as a whole.

Macroeconomic conditions, political events and other market conditions around the world affect our clients' businesses and the markets they serve. These conditions may reduce demand for our services or depress pricing for those services, which could have a material adverse effect on our results of operations. Changes in macroeconomic and political conditions could also shift demand to services for which we do not have a competitive advantage, and this could negatively affect the amount of business that we are able to obtain.

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY ACTION

The Company, as part of Marsh McLennan group of companies ("MMC") recognises its obligation to be good stewards of the environment and continues to look at ways to minimise its carbon footprint and impact on the environment. The Company's UK facilities are largely operated on a shared basis with other operating companies within the MMC group of companies.

On the 14 January 2021, the MMC announced a series of carbon commitments. Firstly, it has pledged to be carbon neutral in 2021 through the reduction of greenhouse gas emissions in its own operations and the purchase of verifiable offsets. Secondly, it has committed to reduce its carbon emissions by 15% below 2019 levels by the year 2025. The specifics of these commitments will be set out in greater detail in the MMC ESG Report issued on 31 March 2021 and can be found on: https://www.mmc.com/about/esg.html. The Company is working with MMC to ensure it actively contributes to achieving these commitments.

The Company operates from offices that are owned or leased, but which are managed centrally. In some sites, the procurement of gas and electricity is the responsibility of the company. In other sites these services are provided by the property owner. The data in the table below comprises actual consumption of gas and electricity for the sites where the Company procures these. For landlord managed sites, the electricity consumption has been estimated. The Company does not estimate the consumption of gas in landlord managed sites, as it is not always the case that a site is supplied with gas.

At the end of December 2020, MMC in the UK occupied 114 sites, data has been estimated for 69 of these. These sites make up 36% of the total area of space occupied by MMC in the UK. We continue to look for ways to improve the quality of the data being reported and intend to contact all landlords in 2021 to request they validate the Company's consumption of gas and electricity.

A number of initiatives have been undertaken to reduce the emissions of the Company. In October 2019 an MMC UK operating company entered into a contract for the supply of electricity into company-managed sites using 100% renewable, wind and solar energy. 98% of the Company's non-landlord managed offices are supplied through this contract. In 2019, 1,447 tonnes of carbon was avoided by using this arrangement. In 2020, this increased to 4,372 tonnes. The two landlord managed sites with the highest number of company staff located at them are also supplied with 100% renewable electricity.

A programme is in place to improve the quality of energy monitoring, this includes installing sub-meters that measure the consumption of electricity throughout the day, which is used to help improve the efficiency of buildings and the operation of the buildings' systems.

The Company has been working with facility providers to increase the use of electric vehicles by replacing a number of vehicles being used with electric vehicles and surveying a number of sites with the view to installing EV charge points.

The Company has been part of an accreditation scheme operated by the Carbon Trust since 2017. In its report dated 9 February 2019, which covered the UK operations of Marsh, Mercer and Guy Carpenter, the Carbon Trust stated that the carbon management performance of the businesses was in the 75th percentile in its sector with a performance of 75% against the best performing organisation of 77% and in the 50th percentile against all certifications. A recertification with the Carbon Trust is currently underway.

Using headcount and the measure of intensity for SECR purposes, consumption per person was 0.28 tonnes of CO2 location bases and 0.28 tonnes market based in 2019. This reduced to 0.21 tonnes CO2 per person location based and 0.21 tonnes market based in 2020.

TCO2e

		UK 2020 (excluding offshore)
Emissions from combustion of gas (Scope 1 - tonnes of CO2e)		-
Emissions from combustion of fuel for transport purposes (Scope 1 - tonnes of CO2e)		-
	Location based	*Market based*
Emissions from electricity purchased for own use, including for the purpose of transport (Scope 2 - tonnes of CO2e)	**121**	*121*
Emissions from business travel in rental cars of employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3 - tonnes of CO2e)	**-**	-
Total gross TCO2e based on above	**121**	*121*
	Electricity (kWh)	*Gas (kWh)*
Energy consumption used to calculate emissions - kwh	**519,530**	-
Total		*519,530*
Intensity measurement, TCO2e per employee	**0.21**	*0.21*
Headcount (as at 31 December 2020)	**589**	

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The Company has put in place an indemnity in the 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 section 232 and section 234 of the Companies Act 2006. The indemnity in place does not indemnify the directors and officers of the Company against losses or liabilities sustained in the execution of duties for other Marsh McLennan group (MMC) entities.

BREXIT

The United Kingdom's ('UK') withdrawal from the European Union, referred to as "Brexit," continues to create political and economic uncertainty, particularly in the United Kingdom and the European Union.

The Company has significant operations and a substantial workforce in the UK; and the uncertainty surrounding the implementation and effect of Brexit may cause increased economic volatility, affecting our operations and business. The effects of Brexit will depend on the agreements the UK makes to retain access to European Union markets and the systems put in place to facilitate future trade and economic relationships. The measures could potentially disrupt the markets we serve and may cause us to lose clients and colleagues. In addition, Brexit could lead to legal uncertainty and potentially divergent national laws and regulations as the UK determines which European Union laws to replace or replicate. These developments may have a material adverse effect on economic conditions and the stability of financial markets, both in the UK and globally. Any of these factors could affect the demand for our services.

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.

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

AUDITOR

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 27 September 2021 and signed on its behalf.

J P D'Offay
Director

1 Tower Place West
Tower Place
London
EC3R 5BU

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

The directors are responsible for preparing 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the 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 judgments 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OLIVER WYMAN LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Oliver Wyman 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 30.

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 OLIVER WYMAN LIMITED (CONTINUED)

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

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

We have nothing to report in this regard.

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OLIVER WYMAN 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, pensions, IT 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.

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

- The significant risk of fraud in revenue recognition, specifically pertaining to work in progress (WIP) that represents unbilled revenue. The WIP recoverabilitiy is based on management judgement and is subject to potential override which makes it subject to risk of fraud. In response to this risk we performed the following:
  - Evaluated and tested the design an implementation of the internal controls over the process of financial information relating to WIP;
  - Investigated write-offs recorded in the year; and
  - Evaluated and tested management's adjustments to the WIP calculation.

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 an 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 has been prepared in accordance with applicable legal requirements.

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

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

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

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

We have nothing to report in respect of these matters.

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

Paul R. Stephenson

Paul Stephenson BA FCA (Senior statutory auditor)

for and on behalf of

Deloitte LLP

Statutory Auditor

London
United Kingdom

Date: 27 September 2021

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £000	*2019* *£000*
Turnover	4	**362,066**	*331,312*
Administrative expenses		**(342,149)**	*(324,664)*
Operating profit	5	**19,917**	*6,648*
Income from fixed assets investments	9	**5,919**	*11,795*
Amounts written off investments	16	**(5,966)**	*(5,226)*
Interest receivable and similar income	10	**80**	*116*
Interest payable and similar expenses	11	**(810)**	*(2,336)*
Other finance income	12	**308**	*617*
Profit before tax		**19,448**	*11,614*
Tax on profit	13	**(3,940)**	*(8,601)*
Profit for the financial year		**15,508**	*3,013*
Other comprehensive (expense)/income for the year			
Loss on foreign currency translation differences arising from branches		**(340)**	*(288)*
Actuarial loss on defined benefit pension scheme	25	**(1,281)**	*(6,589)*
Movement of deferred tax relating to defined benefit pension scheme	20	**(50)**	*1,120*
Other comprehensive expense for the year		**(1,671)**	*(5,757)*
Total comprehensive income/(expense) for the year		**13,837**	*(2,744)*

There were no recognised gains and losses other than those included in the Statement of Comprehensive Income.

The notes on pages 25 to 58 form part of these financial statements.

All transactions derive from continuing activities.

OLIVER WYMAN LIMITED
REGISTERED NUMBER: 02995605

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note		2020 £000		2019 £000
Fixed assets					
Intangible assets	14		**4,550**		*5,304*
Tangible assets	15		**4,025**		*3,565*
Investments	16		**20,836**		*27,297*
			29,411		*36,166*
Current assets					
Debtors: amounts falling due within one year	17	**236,257**		*191,813*	
Cash at bank and in hand		**27,628**		*96,045*	
		263,885		*287,858*	
Creditors: amounts falling due within one year	18	**(172,434)**		*(201,291)*	
Net current assets			**91,451**		*86,567*
Total assets less current liabilities			**120,862**		*122,733*
Creditors: amounts falling due after more than one year	19		**(8,876)**		*(7,877)*
Provisions for liabilities					
Deferred tax	20	**(203)**		*(460)*	
Other provisions	21	**(12,328)**		*(12,895)*	
			(12,531)		*(13,355)*
Pension asset	25		**13,718**		*14,664*
Net assets			**113,173**		*116,165*

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2020

	Note	2020 £000	*2019 £000*
Capital and reserves			
Called up share capital	22	**5,501**	*5,501*
Capital contribution	23	**26,422**	*23,251*
Restructuring reserve	23	**11,277**	*11,277*
Profit and loss account	23	**69,973**	*76,136*
		113,173	*116,165*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 September 2021

J P D'Offay
Director

The notes on pages 25 to 58 form part of these financial statements.

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

	Called up share capital	Capital contribution	Restructuring reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 January 2020	5,501	23,251	11,277	76,136	116,165
Comprehensive income for the year					
Profit for the year	-	-	-	15,508	15,508
Currency translation differences	-	-	-	(340)	(340)
Actuarial losses on pension scheme	-	-	-	(1,281)	(1,281)
Deferred tax movements	-	-	-	(50)	(50)
Other comprehensive expense for the year	-	-	-	(1,671)	(1,671)
Total comprehensive income for the year	-	-	-	13,837	13,837
Dividends: Equity capital	-	-	-	(20,000)	(20,000)
Credit to equity for equity settled share based payments	-	3,171	-	-	3,171
Total transactions with owners	-	3,171	-	(20,000)	(16,829)
At 31 December 2020	5,501	26,422	11,277	69,973	113,173

The notes on pages 25 to 58 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital	Capital contribution	Restructuring reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 January 2019	5,501	19,503	11,277	99,880	136,161
Comprehensive income for the year					
Profit for the year (as restated)	-	-	-	3,013	3,013
Currency translation differences	-	-	-	(288)	(288)
Actuarial losses on pension scheme	-	-	-	(6,589)	(6,589)
Deferred tax movements	-	-	-	1,120	1,120
Other comprehensive income for the year	-	-	-	(5,757)	(5,757)
Total comprehensive income for the year	-	-	-	(2,744)	(2,744)
Dividends: Equity capital	-	-	-	(21,000)	(21,000)
Credit to equity for equity settled share based payments	-	3,748	-	-	3,748
Total transactions with owners	-	3,748	-	(21,000)	(17,252)
At 31 December 2019	5,501	23,251	11,277	76,136	116,165

The notes on pages 25 to 58 form part of these financial statements.

1. GENERAL INFORMATION

Oliver Wyman Limited is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is disclosed on the Company Information page. Oliver Wyman Limited is a private company limited by shares that is registered in England and Wales. The nature of the Company's operations and its principal activities are set out in the Strategic Report on pages 1 to 7.

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 judgment in applying the Company's accounting policies (see note 3).

2.2 FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS

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

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

This information is included in the consolidated financial statements of Marsh & McLennan Companies, Inc. as at 31 December 2020 and these financial statements may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

More information on the controlling party is given in Note 30.

2. ACCOUNTING POLICIES (CONTINUED)

2.3 GOING CONCERN

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the business review, which forms part of the Strategic Report. The Strategic Report also describes the financial position of the Company; its cash flows and liquidity risk; the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposure to credit risk and liquidity risk..

The Company meets its day-to-day working capital requirements from corporate cash balances. The current economic conditions create uncertainty particularly over (a) the level of demand for the Company's services; (b) the exchange rate between sterling and foreign currencies; and (c) the Company's cost base. The Company continues to monitor the uncertainty in the current economic and business environment including the impact of the COVID-19 pandemic, and the directors are satisfied that the Company's services will continue to be attractive to clients. The Directors considered it was appropriate for the Company to perform additional procedures and analysis, specific to COVID-19, to consider whether these events and uncertainties cast significant doubt upon the Company's ability to continue as a going concern. This monitoring and analysis considered our business resilience and continuity plans and stress testing of liquidity and financial resources. The analysis modelled the financial impact assuming an increasing severity of impact in relation to revenue and certain costs, for a 12-month period, so that the potential impact on profitability and liquidity could be assessed.

Having assessed the responses to their enquiries, including those related to COVID-19, the Directors have no reason to believe that a material uncertainty exists that may cast significant doubt upon the ability of the Company to continue as a going concern.

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

2. 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:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2. ACCOUNTING POLICIES (CONTINUED)

2.6 OPERATING LEASES: THE COMPANY AS LESSOR

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

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

2.7 OPERATING LEASES: THE COMPANY AS LESSEE

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

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

2.8 INTEREST INCOME

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

2.9 FINANCE COSTS

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

2. ACCOUNTING POLICIES (CONTINUED)

2.10 PENSIONS

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

Defined benefit pension plan

The Company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Statement of Financial Position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the reporting date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages a qualified in-house actuarial specialist to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

a) the increase in net pension benefit liability arising from employee service during the period; and

b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

2. ACCOUNTING POLICIES (CONTINUED)

2.11 SHARE BASED PAYMENTS

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of Financial Position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

2.12 CURRENT AND DEFERRED TAXATION

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

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

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

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

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

2. ACCOUNTING POLICIES (CONTINUED)

2.13 INTANGIBLE ASSETS

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life.

Other intangible assets

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

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

The estimated useful lives range as follows:

Goodwill	-	5 to 10 years
Other intangibles	-	3 to 5 years

2.14 TANGIBLE FIXED ASSETS

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

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

Depreciation is provided on the following basis:

Short-term leasehold improvements	-	Over the remaining life of the lease, limited to a period not exceeding 10 years
Fixtures, fittings and equipment	-	3 to 10 years
Computer equipment	-	3 to 5 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2. ACCOUNTING POLICIES (CONTINUED)

2.15 IMPAIRMENT OF FIXED ASSETS AND GOODWILL

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.

2.16 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

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

2. ACCOUNTING POLICIES (CONTINUED)

2.17 IMPAIRMENT

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

(i) Financial assets

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

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

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

(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 Comprehensive 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 Comprehensive 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.

2. ACCOUNTING POLICIES (CONTINUED)

2.18 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.

2.19 CASH AND CASH EQUIVALENTS

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

2.20 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.

2.21 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. ACCOUNTING POLICIES (CONTINUED)

2.21 FINANCIAL INSTRUMENTS (continued)

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

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

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

2.22 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.

3. JUDGMENTS 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 judgments, 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

(i) 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 judgment 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 been subsequently reversed are capped to their historical acquisition cost.

Key sources of estimation uncertainty

(i) Pension actuarial assumptions

The cost of defined benefit pension plan and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of the plan, such estimates are subject to significant uncertainty. Further details are provided in note 25.

(ii) Allowance for doubtful debts

The allowances are recognised against doubtful trade receivables for estimated irrecoverable amounts determined based on the age of the receivable and by reference to the past default experience of the counterparty and an analysis of the counterparty's current financial position.

As at the date of the statement of financial position, the trade receivable balance of £82,607,000 (2019 - £92,504,000) includes a total of £2,700,000 (2019 - £3,454,000) for which the Company has recognised an allowance for. The directors are actively pursuing the recovery of this balance. This represents a key source of estimation uncertainty.

4. TURNOVER

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

	2020	*2019*
	£000	*£000*
Fees	**314,137**	*292,434*
Management fee recharges to other group companies	**47,929**	*38,878*
	362,066	*331,312*

Analysis of turnover by country of destination:

	2020	*2019*
	£000	*£000*
United Kingdom	**234,029**	*225,682*
Middle East	**125,046**	*103,053*
India	**2,991**	*2,577*
	362,066	*331,312*

5. OPERATING PROFIT

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

	2020	*2019*
	£000	*£000*
Depreciation of tangible fixed assets	**915**	*697*
Amortisation of intangible fixed assets	**754**	*835*
Exchange differences	**1,353**	*(629)*
(Profit)/loss from disposal of tangible fixed assets	**-**	*(16)*
Rentals as lessee under operating leases:		
- Land and Buildings	**5,494**	*5,113*
- Other operating leases	**783**	*684*

6. AUDITOR'S REMUNERATION

	2020 £000	2019 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	**454**	*276*

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

7. EMPLOYEES

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

	2020 £000	2019 £000
Wages and salaries	**111,506**	*115,454*
Social security costs	**13,772**	*14,812*
Cost of defined benefit scheme	**226**	*218*
Cost of defined contribution scheme	**4,852**	*4,840*
	130,356	*135,324*

The Company operates a pension scheme in the United Kingdom with both defined benefit and defined contribution elements. See Note 25 for further information.

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Consulting	**428**	*452*
Management and administration	**161**	*164*
	589	*616*

8. DIRECTORS' REMUNERATION

	2020 £000	*2019 £000*
Directors' emoluments	**5,193**	*3,673*
	5,193	*3,673*

The highest paid director received remuneration of £3,235,000 *(2019 - £3,039,000)*.

The highest paid director exercised 33,201 (2019 - 11,245) share options in the year.

The highest paid director received 13,392 (2019 - 10,420) share awards during the year.

The emoluments shown above reflect the total emoluments received by the directors for services relating to the Company and other companies in the Marsh & McLennan Companies, Inc., Group (the "Group") during the year under review. The directors' emoluments disclosed above are not allocated to a Group company in receipt of an individual's specific service. Emoluments are paid by the directors' employing company within the Group and subsequently recharged to the Company.

9. INCOME FROM INVESTMENTS

	2020 £000	*2019 £000*
Dividends received from unlisted investments	**5,966**	*11,476*
(Loss)/gain on revaluation of investments	**(47)**	*319*
	5,919	*11,795*

10. INTEREST RECEIVABLE AND SIMILAR INCOME

	2020 £000	*2019 £000*
Interest receivable on bank deposits	**80**	*116*
	80	*116*

11. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020 **£000**	*2019* *£000*
Interest on provisions	**441**	*2,017*
Other interest payable	**29**	*1*
Unwinding of discount on creditors	**340**	*318*
	810	*2,336*

The unwinding of discount on creditors charge to the Statement of Comprehensive Income occured in the year due to the acquisiton of subsidiary investments in the year ending 31 December 2018 and the recognition of a long-term creditor in respect of contingent consideration.

12. OTHER FINANCE INCOME

	2020 **£000**	*2019* *£000*
Net interest income on pension scheme assets	**308**	*617*
	308	*617*

13. TAXATION

	2020 £000	2019 £000
CORPORATION TAX		
Current tax on profits for the year	**2,129**	*1,968*
Adjustments in respect of previous periods	**(78)**	*(195)*
	2,051	*1,773*
FOREIGN TAX		
Foreign tax on income for the year	**2,309**	*6,284*
TOTAL CURRENT TAX	**4,360**	*8,057*
DEFERRED TAX		
Origination and reversal of timing differences	**(181)**	*546*
Adjustments in respect of previous periods	**-**	*(2)*
Changes to tax rates	**(239)**	*-*
TOTAL DEFERRED TAX	**(420)**	*544*
TAXATION ON PROFIT	**3,940**	*8,601*

13. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than *(2019 - higher 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	**19,448**	*11,614*
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	**3,695**	*2,207*
EFFECTS OF:		
Non-tax deductible amortisation of goodwill and impairment	**1,277**	*1,152*
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**278**	*1,258*
Foreign tax	**2,309**	*6,284*
Adjustments to tax charge in respect of prior periods	**(78)**	*(197)*
Other timing differences leading to an increase (decrease) in taxation	**(114)**	*473*
Non-taxable income	**(686)**	*(2,180)*
Changes to tax rates	**(239)**	*-*
Dividends from UK companies	**(1,125)**	*-*
Impact of employee share scheme deductions	**(1,360)**	*(352)*
Other differences leading to an increase (decrease) in the tax charge	**(17)**	*(44)*
TOTAL TAX CHARGE FOR THE YEAR	**3,940**	*8,601*

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.

14. INTANGIBLE ASSETS

	Other intangibles £000	Goodwill £000	Total £000
COST			
At 1 January 2020	**480**	**6,651**	**7,131**
At 31 December 2020	**480**	**6,651**	**7,131**
AMORTISATION			
At 1 January 2020	**360**	**1,467**	**1,827**
Charge for the year on owned assets	**50**	**704**	**754**
At 31 December 2020	**410**	**2,171**	**2,581**
NET BOOK VALUE			
At 31 December 2020	**70**	**4,480**	**4,550**
At 31 December 2019	*120*	*5,184*	*5,304*

14. INTANGIBLE ASSETS (CONTINUED)

Goodwill

Goodwill recognised has arisen on acquisition of multiple businesses acquired by the Company. Goodwill is capitalised and amortised over the estimated life of the business acquired, up to a maximum of 10 years.

On 1 December 2016 the Company entered into an asset purchase agreement with LShift Limited. LShift Limited provided software development and information technology consulting services and Goodwill in respect of this acquisition is being amortised over a five year period on a straight line basis.

On 1 March 2018 the Company acquired the trade and assets of 8works Ltd, a company which provided management consultancy services, for a consideration of £2,534,000. There was then a subsequent hive-up of trade and assets which resulted in an addition to Goodwill of £1,172,000. Goodwill in respect of this acquisition is amortised over a period of ten years on a straight line basis.

Included within the consideration for the shares of 8works Ltd totalling £2,534,000 was contingent consideration with a present value at 1 March 2018 of £675,000. The consideration is contingent on the strength of the financial performance of the business acquired in the years following acquisition and has been discounted at an annual rate of 11%. The full value of contingent consideration is included within creditors due after one year (note 19) and at the year end totalled £1,884,000 (2019 - £1,469,000).

On 1 January 2018 the Company acquired the trade and assets of Draw Group London Limited, an entity which provided management consultancy services, for a consideration of £5,965,000. There was then a subsequent hive-up of trade and assets which resulted in an addition to Goodwill of £5,089,000. Goodwill in respect of this acquisition of is amortised over a period of ten years on a straight line basis.

Included within the consideration for the shares of Draw Group London Ltd totalling £5,965,000 was contingent consideration with a present value at 1 January 2018 of £1,945,000. The consideration is contingent on the strength of the financial performance of the business acquired in the years following acquisition and has been discounted at an annual rate of 11%. The full value of contingent consideration is included within creditors due after one year (note 19) and at the year end totalled £3,234,000 (2019 - £2,397,000).

Other intangibles

In August 2017, the Company acquired a book of business, website and regulatory licence from an aviation consultancy business (AVISA Aviation Safety Ltd). The purchase consideration was £157,000. The intangible is amortised over five years. A second acquisition was made in February 2017 of a website from Diliger Research of £270,000 and was amortised over three years.

15. TANGIBLE FIXED ASSETS

	Short-term leasehold improvements £000	Fixtures and fittings, and equipment £000	Computer equipment £000	Total £000
COST				
At 1 January 2020	11,922	2,374	1,021	15,317
Additions	923	372	99	1,394
Disposals	(32)	(30)	(109)	(171)
Exchange adjustments	(20)	(8)	(3)	(31)
At 31 December 2020	12,793	2,708	1,008	16,509
DEPRECIATION				
At 1 January 2020	9,258	1,610	884	11,752
Charge for the year on owned assets	668	157	90	915
Disposals	(32)	(30)	(109)	(171)
Exchange adjustments	(7)	(3)	(2)	(12)
At 31 December 2020	9,887	1,734	863	12,484
NET BOOK VALUE				
At 31 December 2020	2,906	974	145	4,025
At 31 December 2019	*2,664*	*764*	*137*	*3,565*

16. FIXED ASSET INVESTMENTS

	Total £000
COST OR VALUATION	
At 1 January 2020	**48,506**
Disposals	**(448)**
Revaluations	**(47)**
At 31 December 2020	**48,011**
IMPAIRMENT	
At 1 January 2020	**21,209**
Charge for the period	**5,966**
At 31 December 2020	**27,175**
NET BOOK VALUE	
At 31 December 2020	**20,836**
At 31 December 2019	*27,297*

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

During the year, Draw Group London Limited entered liquidation and was dissolved on 16 March 2021. Prior to the liquidation process, Draw London Group Limited declared and paid a dividend of £5,966,000 to the Company. This resulted in an impairment of the Company's investment in Draw London Group Limited of the same amount.

16. FIXED ASSET INVESTMENTS (CONTINUED)

Details of the Company's subsidiary undertakings at 31 December 2020 are shown below:

Name	Principal Activity	Country of Incorporation	Description of Shares Held	% of Issued Shares Held by the Company	Registered Office Address
Oliver Wyman Energy Consulting Limited*	Management Consulting	United Kingdom	Ordinary	100	1 Tower Place West, London, EC3R 5BU
Oliver Wyman Energy US Limited	In liquidation	United Kingdom	Ordinary	100	1 Tower Place West, London, EC3R 5BU
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	0.0003	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	48	11th Floor Dubai Media City Area 500525 Dubai
8works Ltd*	Dormant	United Kingdom	Ordinary	100	1 Tower Place West, London, EC3R 5BU
Draw Group London Limited*	In liquidation	United Kingdom	Ordinary	100	1 Tower Place West, London, EC3R 5BU
Draw Create Limited	In liquidation	United Kingdom	Ordinary	100	1 Tower Place West, London, EC3R 5BU
Draw Connect Limited	In liquidation	United Kingdom	Ordinary	100	1 Tower Place West, London, EC3R 5BU

* Subsidiary is directly owned by the Company

17. DEBTORS

	2020 £000	2019 £000
Trade debtors	82,607	92,504
Amounts owed by group undertakings	111,976	48,622
Other debtors	6,201	7,396
Amounts recoverable from group undertakings - tax	9	9
Prepayments and accrued income	31,844	38,888
Foreign tax	1,546	2,334
Deferred tax	2,074	2,060
	236,257	191,813

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

18. CREDITORS: Amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	1,359	1,791
Amounts owed to group undertakings	84,880	112,237
Corporation tax	4,018	5,253
Other taxation and social security	16,187	18,937
Accruals and deferred income	65,137	60,589
Foreign tax	853	2,484
	172,434	201,291

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

19. CREDITORS: Amounts falling due after more than one year

	2020 £000	2019 £000
Accruals and deferred income	8,876	7,877
	8,876	7,877

20. DEFERRED TAXATION

	2020 £000	2019 £000
At beginning of year	1,600	1,095
Charged to profit or loss	420	(544)
Credited to other comprehensive income	(50)	1,120
Foreign exchange translation	(100)	(71)
AT END OF YEAR	1,870	1,600

The deferred tax balance is made up as follows:

	2020 £000	2019 £000
Accelerated capital allowances	747	647
Pension surplus	(2,606)	(2,493)
Short-term timing differences	3,351	3,446
Net operating losses	378	-
	1,870	1,600
COMPRISING:		
Asset - due within one year	2,074	2,060
Liability - due after one year	(203)	(460)
	1,871	1,600

Following enactment of the Finance Bill 2020 on 22 July 2020, the UK Corporation Tax rate (from 1 April 2020) has been maintained at 19% and has not reduced to 17% as previously legislated.

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

The budget announcement on 3 March 2021 included an increase in the UK Corporation Tax rate to 25% from 1 April 2023. If this tax rate had been substantively enacted at the balance sheet date, the deferred tax liability would be £64,000 higher.

A deferred tax asset of £207,000 (2019 - £185,000) 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.

21. OTHER PROVISIONS

	Indirect taxes provision £000	Corporate income tax provision £000	Total £000
At 1 January 2020	11,561	1,334	12,895
Charged/(credited) to profit or loss	767	(358)	409
Utilised in year	-	(976)	(976)
AT 31 DECEMBER 2020	**12,328**	**-**	**12,328**

Indirect taxes provision

A provision has been established in the Statement of Financial Position to reflect past obligations for indirect taxes payable to foreign tax authorities. At 1 January 2019 the value of the provision was £8,307,000 and for the year to 31 December 2019 the charge to the profit or loss totalled £3,254,000.

Included within 'other debtors' in note 17 at 31 December 2020 is a related asset of £4,029,000 (2019 - £2,994,000) in respect of indirect tax receivable from third parties.

The interest element of the charge to profit or loss was £330,000 for the year (2019 - £1,049,000), included within 'interest on provisions' in note 11. The remaining charge to profit or loss of £438,000 (2019 - £2,205,000) was charged to administrative expenses.

Corporate income tax provision

A second provision was established in the Statement of Financial Position in the year to 31 December 2019 to reflect past obligations for penalties and related interest charge due on the corporate income tax payable. This second amount is payable to foreign tax authorities. At 1 January 2019 the value of the provision was £Nil and for the year to 31 December 2019 the charge to the profit or loss totalled £1,334,000.

The interest element of the total credit to profit or loss was a charge of £111,000 for the year (2019 - £968,000), included within 'interest on provisions' in note 11. A credit to profit or loss of £469,000 (2019 charge - £366,000) was charged to administrative expenses.

22. SHARE CAPITAL

	2020 £000	*2019 £000*
Allotted, called up and fully paid		
5,501,000 *(2019 - 5,501,000)* Ordinary shares of £1.00 each	**5,501**	*5,501*

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

23. RESERVES

Capital contribution reserve

This reserve includes credits for equity-settled share based payments.

Restructuring reserve

On 1 January 2012, Oliver Wyman Limited acquired 48% of the share capital of Oliver Wyman S.L (Spain). As consideration, the business of Oliver Wyman Limited Spanish branch office was contributed to Oliver Wyman S.L (Spain).

The excess between the value attributed to the acquired 48% investment in Oliver Wyman S.L (Spain) and the carrying value of the disposed assets and liabilities of the branch of £11,277,000 was recorded as a restructuring reserve.

Profit and loss account

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

24. SHARE BASED PAYMENTS

Oliver Wyman Limited's ultimate parent company, Marsh & McLennan Companies, Inc., maintains multiple equity-settled share-based payment arrangements in the United Kingdom, under which employees are awarded grants of stock options and Save As You Earn (SAYE) awards, Shares Awards and Share Purchase arrangements (Share Purchase Plan and Share Incentive Plan).

Prior to 1 January 2006, Share Awards were classified as liabilities and measured at their respective grant date fair values. Prepaid compensation cost was recognised for the unearned portion of such awards. Upon implementation of FRS 20, such awards were adjusted to the respective accrued grant date fair values, with an expense credited to profit and loss reserve. The effect of forfeitures was recognised when they occurred and dividend equivalents were expensed in the period incurred. There has been no change to the treatment under FRS 102.

In addition, SAYE awards were not considered compensatory and there was no cost to the Company; therefore no expense was required to be recognised. Share Purchase Plan costs were accrued in the year of grant.

From 1 January 2015, the Company has applied the requirements of Financial Reporting Standard 102. In accordance with the transitional provisions, FRS 102 has been applied to all grants of equity instruments after 7 November 2002 that were unvested as of 1 January 2006. As no benefit is granted by the Company under the Share Incentive Plan, this plan does not fall under the scope of FRS 102.

25. PENSION COMMITMENTS

The Company operates a pension scheme (the Fund) in the UK with defined benefit and defined contributions sections. The existing sections of the Fund closed to all future benefit accrual with effect from 1 August 2014. Pension benefits accrued prior to that date retain the link to future salary growth or career revaluation, as applicable.

A comprehensive actuarial valuation of the defined benefit sections was carried out at 31 December 2020 by a qualified actuary (who is employed by a related party, Mercer Limited), based on membership data at 31 December 2019 for the fund. The valuation made an approximate allowance since the date of the membership data to allow for known cashflows, inflation experience and the estimated effect of changes in assumptions. In addition, from 22 May 2020, Oliver Wyman Energy Consulting Limited's share of the Fund's obligations and assets became attributable to the Company as a result of flexible apportionment arrangement.

The statutory funding objective is for the defined benefit plans to have sufficient and appropriate assets to pay their benefits as they fall due (the technical provisions). The general funding principles are that the technical provision assumptions taken as a whole will be sufficiently prudent, including appropriate margins to allow for the possibility of events turning out worse than expected.

However, the funding method and assumptions do not completely remove the risk that the technical provisions could be insufficient to provide benefits in the future. A statutory funding valuation was carried out during 2019 for the Fund. The Fund is in a surplus funding position and under the current agreement with the Trustee, no deficit funding is required until 2023. The funding level will be re-assessed during 2022 to determine if deficit contributions are required from 2023.

The Company participates in a defined benefit plan that shares risks between entities under common control. The policy for charging the defined benefit costs is determined based on an allocation of accounting liabilities for each member between the employers participating in the section. The contributions and assets are allocated to the Company in proportion to the Company's share of the accounting liabilities in the section.

The Company also operates unfunded unapproved pension benefits that cannot be provided through the Fund.

25. PENSION COMMITMENTS (CONTINUED)

Reconciliation of present value of plan liabilities:

	2020 £000	2019 £000
RECONCILIATION OF PRESENT VALUE OF PLAN LIABILITIES		
At the beginning of the year	**121,482**	*97,631*
Interest cost	**2,557**	*2,903*
Benefits paid	**(391)**	*(825)*
Losses on plan changes, curtailment or settlement	**25**	-
Remeasurements - effect of changes in assumptions	**22,981**	*20,850*
Remeasurements - effect of experience adjustments	**(551)**	*923*
Increase due to effect of any business combinations/divestitures/transfers	**1,057**	-
AT THE END OF THE YEAR	**147,160**	*121,482*

Composition of plan liabilities:

	2020 £000	2019 £000
Funded	**146,709**	*120,865*
Unfunded	**451**	*617*
TOTAL PLAN LIABILITIES	**147,160**	*121,482*

Reconciliation of present value of plan assets:

	2020 £000	2019 £000
At the beginning of the year	**136,146**	*118,273*
Interest income	**2,865**	*3,520*
Contributions	**127**	*194*
Benefits paid	**(372)**	*(807)*
Administrative expenses	**(201)**	*(218)*
Increase due to effect of any business combinations/divestitures/transfers	**1,164**	-
Remeasurements - return on plan assets (excluding interest income)	**21,149**	*15,184*
AT THE END OF THE YEAR	**160,878**	*136,146*

25. PENSION COMMITMENTS (CONTINUED)

Composition of plan assets:

	2020 £000	2019 £000
Cash and cash equivalents	1,211	879
Equity instruments	57,230	49,666
Government Bonds/Liability Driven Investment	45,624	33,143
Other debt instruments	48,911	44,955
Real estate	8,042	7,869
Other	(140)	(366)
TOTAL PLAN ASSETS	160,878	136,146

	2020 £000	2019 £000
Fair value of plan assets	160,878	136,146
Present value of plan liabilities	(147,160)	(121,482)
NET PENSION SCHEME ASSET	13,718	14,664

The amounts recognised in profit or loss are as follows:

	2020 £000	2019 £000
Net interest income	308	617
Administrative expenses	(201)	(218)
Losses on curtailments and settlements	(25)	-
TOTAL	82	399

Remeasurements recognised in other comprehensive income:

	2020 £000	2019 £000
Effect of changes in assumptions	(22,981)	(20,850)
Effect of experience adjustments	551	(923)
Return on plan assets (excluding interest income)	21,149	15,184
TOTAL	(1,281)	(6,589)

25. PENSION COMMITMENTS (CONTINUED)

Reconciliation of net pension scheme asset is as follows

	2020 **£000**	*2019* *£000*
Opening net defined benefit asset	**14,664**	*20,642*
Interest income on plan assets	**308**	*617*
Actuarial losses	**(1,281)**	*(6,589)*
Contributions by employer	**127**	*194*
Administrative expenses	**(201)**	*(218)*
Losses on plan changes, curtailment or settlement	**(25)**	-
Net transfer in (including the effect of any business combinations/divestitures)	**107**	-
Benefits paid	**19**	*18*
	13,718	*14,664*

The Company expects to contribute £331,000 to its defined benefit pension scheme in 2021 relating to administrative expenses.

Principal actuarial assumptions at the Statement of Financial Position date (expressed as weighted averages):

	2020 **%**	*2019* *%*
Discount rate	**1.49**	*2.11*
Future salary increases before retirement	**2.92**	*2.80*
Future pension increases before retirement	**2.24**	*2.11*
Inflation assumption (RPI)	**2.78**	*2.73*
Inflation assumption (CPI)	**2.24**	*2.11*
Mortality rates		
- for a male aged 65 now	**23.4**	*23.6*
- at 65 for a male aged 45 now	**24.6**	*24.7*
- for a female aged 65 now	**25.3**	*25.4*
- at 65 for a female member aged 45 now	**26.3**	*26.6*

25. PENSION COMMITMENTS (CONTINUED)

Defined contribution scheme

Prior to 1 August 2014, the group also operated a defined contribution scheme for employees who were not eligible or chose not to join the defined benefit scheme.

From 1 August 2014, the Company's defined benefit section of the pension scheme and the existing defined contribution plan were both closed to future benefit accrual. All future pension benefits from 1 August 2014 are provided under a new defined contribution section of the pension scheme. The Company made defined contribution payments of £4,852,000 in 2020 (2019 - £4,622,000).

26. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020	*2019*
	£000	*£000*
Lessee		
Not later than 1 year	**4,471**	*4,552*
Later than 1 year and not later than 5 years	**9,093**	*10,680*
	13,564	*15,232*

	2020	*2019*
	£000	*£000*
Lessor		
Not later than 1 year	**357**	*358*
Later than 1 year and not later than 5 years	**179**	*179*
	536	*537*

The Company sub-leases to a third party part of the premises that the Company is committed to as a lessee. As a lessor, leases are negotiated for an average term of 5 years. The lessee does not have an option to purchase the property at the expiry of the lease period.

27. CONTINGENT LIABILITIES

The Company participates in cash pooling arrangements with banks. Each member of the pool indemnifies against all losses incurred as a result of the failure of any other pool member, limited to any net cash balance held in the pool. As at 31 December 2020 the Company had a total amount of £20,414,000 (2019 - £67,865,000) in the pool. The other members of the pooling arrangements are companies owned ultimately by Marsh & McLennan Companies, Inc.

The UK Company and its branches in Saudi Arabia, Abu Dhabi and India operate in a global capacity providing consulting services and the workforce of the Company sometimes work on projects in countries outside of the UK. The Company therefore files tax returns in a number of jurisdictions throughout the world and as such various tax authorities are currently examining the Company's tax returns. Tax returns contain matters that could be subject to differing interpretations of applicable tax laws and regulations including the tax deductibility of certain intercompany charges. The resolution of tax positions through discussions with relevant tax authorities, or through litigation, can take several years to complete and the amount could be significant and could, in aggregate be material to the Company's financial position. While it is difficult to predict the ultimate outcome in some cases, the Company does not expect there to be any material impact on the Company's financial position.

The Company's Saudi Arabia branch is in the process of submitting an appeal to the Saudi Arabia tax authorities to review and issue a revised assessment for 2010 to 2018. However, management consider that the outcome for the appeal will be in the Saudi Arabia branch's favour and therefore no provision is required and recorded with respect to the open assessments, except for the year 2018 for which the Saudi Arabia branch has recorded a provision amounting to £2,462,000.

28. 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.

29. RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption under FRS 102 Section 33 "Related Party Disclosures" 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.

30. CONTROLLING PARTY

The Company's immediate parent company is MMOW Limited. 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 largest and smallest group in which the results of Oliver Wyman 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
Maindy
Cardiff
CF14 3UZ

and also from:

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