



Marsh & McLennan Agency A/S

Teknikerbyen 1
2830 Virum
CVR No. 34488797

Annual report 2020

The Annual General Meeting adopted the
annual report on 31.05.2021

Lars Henrik Mathiasen

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's extended review report	4
Management commentary	6
Income statement for 2020	7
Balance sheet at 31.12.2020	8
Statement of changes in equity for 2020	10
Notes	11
Accounting policies	14

Entity details

Entity

Marsh & McLennan Agency A/S

Teknikerbyen 1

2830 Virum

CVR No.: 34488797

Registered office: Rudersdal

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Henrik Larsen, formand

Lars Henrik Mathiasen

Palle Stegelmann Kensø

Executive Board

Jørgen Seligmann, direktør

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Marsh & McLennan Agency A/S for the financial year 01.01.2020 - 31.12.2020.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Virum, 31.05.2021

Executive Board

Jørgen Seligmann
direktør

Board of Directors

Henrik Larsen
formand

Lars Henrik Mathiasen

Palle Stegelmann Kensø

Independent auditor's extended review report

To the shareholders of Marsh & McLennan Agency A/S

Conclusion

We have performed an extended review of the financial statements of Marsh & McLennan Agency A/S for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines 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, Management is responsible for assessing the Entity'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 Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity

personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the financial statements our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

København, 31.05.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Kristoffer Sune Hemmingsen

State Authorised Public Accountant
Identification No (MNE) mne33384

Management commentary

Primary activities

Marsh & McLennan Agency A/S is a subsidiary to Marsh A/S. The Company was established with the purpose to sell specific insurance products to selected industries. The activities comprise agency business and administration of insurance contracts.

Development in activities and finances

The development in the entity's activities has been stable.

The activities were not materially impacted by Covid-19.

Profit/loss for the year in relation to expected developments

The net result was DKK´000 8.897 compared to DKK'000 6.928 the year before. The increase was expected.

Outlook

The entity expects an increase around 6 to 8% in the gross profit and the same level in the net result for the following year.

Events after the balance sheet date

After the balance sheet date the company has lost a case in the city Court. The case has been appealed to the district Court and management does not expect the final outcome to have any significant negative financial impact on the Company. Therefore no reservation has been made in the annual report.

The company does not expect any material effect on the profit performance as a result of the COVID-19.

No other events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2020

	Notes	2020 DKK'000	2019 DKK'000
Gross profit/loss		29,867	30,430
Staff costs	1	(18,877)	(21,090)
Depreciation, amortisation and impairment losses	2	(34)	(15)
Operating profit/loss		10,956	9,325
Other financial income	3	149	0
Other financial expenses	4	(476)	(395)
Profit/loss before tax		10,629	8,930
Tax on profit/loss for the year	5	(1,732)	(2,002)
Profit/loss for the year		8,897	6,928
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		8,000	7,000
Retained earnings		897	(72)
Proposed distribution of profit and loss		8,897	6,928

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK'000	2019 DKK'000
Other fixtures and fittings, tools and equipment		124	153
Leasehold improvements		16	20
Property, plant and equipment	6	140	173
Deposits		57	56
Financial assets	7	57	56
Fixed assets		197	229
Trade receivables		6,227	13,760
Receivables		6,227	13,760
Cash		46,966	40,543
Current assets		53,193	54,303
Assets		53,390	54,532

Equity and liabilities

	Notes	2020 DKK'000	2019 DKK'000
Contributed capital		500	500
Retained earnings		1,443	545
Proposed dividend		8,000	7,000
Equity		9,943	8,045
Deferred tax		7	7
Provisions		7	7
Other payables		1,774	519
Non-current liabilities other than provisions	8	1,774	519
Trade payables		21,800	25,407
Payables to group enterprises		834	4,489
Income tax payable		2,361	1,996
Other payables	9	8,810	7,162
Deferred income		7,861	6,907
Current liabilities other than provisions		41,666	45,961
Liabilities other than provisions		43,440	46,480
Equity and liabilities		53,390	54,532
Contingent liabilities	10		
Group relations	11		

Statement of changes in equity for 2020

	Contributed capital DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000	Total DKK'000
Equity beginning of year	500	546	7,000	8,046
Ordinary dividend paid	0	0	(7,000)	(7,000)
Profit/loss for the year	0	897	8,000	8,897
Equity end of year	500	1,443	8,000	9,943

Notes

1 Staff costs

	2020 DKK'000	2019 DKK'000
Wages and salaries	16,806	18,793
Pension costs	1,846	2,192
Other social security costs	225	105
	18,877	21,090
Average number of full-time employees	27	27

2 Depreciation, amortisation and impairment losses

	2020 DKK'000	2019 DKK'000
Depreciation of property, plant and equipment	34	15
	34	15

3 Other financial income

	2020 DKK'000	2019 DKK'000
Exchange rate adjustments	149	0
	149	0

4 Other financial expenses

	2020 DKK'000	2019 DKK'000
Other interest expenses	391	395
Exchange rate adjustments	85	0
	476	395

5 Tax on profit/loss for the year

	2020 DKK'000	2019 DKK'000
Current tax	1,732	1,996
Change in deferred tax	0	6
	1,732	2,002

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000
Cost beginning of year	169	21
Cost end of year	169	21
Depreciation and impairment losses beginning of year	(16)	(1)
Depreciation for the year	(29)	(4)
Depreciation and impairment losses end of year	(45)	(5)
Carrying amount end of year	124	16

7 Financial assets

	Deposits DKK'000
Cost beginning of year	56
Additions	1
Cost end of year	57
Carrying amount end of year	57

8 Non-current liabilities other than provisions

	Due after more than 12 months 2020 DKK'000
Other payables	1,774
	1,774

9 Other payables

	2020 DKK'000	2019 DKK'000
VAT and duties	45	9
Wages and salaries, personal income taxes, social security costs, etc payable	3,100	546
Holiday pay obligation	764	1,659
Other costs payable	4,901	4,948
	8,810	7,162

10 Contingent liabilities

After the balance sheet date the company has lost a case in the city Court. The case has been appealed to the district Court and management does not expect the final outcome to have any significant negative financial impact on the Company. Therefore no reservation has been made in the annual report.

The Entity participates in a Danish joint taxation arrangement where Marsh A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities.

11 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Marsh & McLennan Companies, Inc., 1166 Avenue of Americas, NY 10036 New York, USA.

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Marsh & McLennan Companies, Inc., 1166 Avenue of Americas, NY 10036 New York, USA

Copies of the consolidated financial statements of Marsh & McLennan Companies Inc. may be ordered at the following address:

Marsh & McLennan Companies, Inc., 1166 Avenue of Americas, NY 10036 New York, USA.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue and external expenses.

Revenue

Revenue from the mediation of insurance services is included in revenues when delivery and transfer of risk to the buyer has occurred, at the earliest when the underlying brokered insurance contract is in force.

Revenue from other services is recognized upon delivery.

Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other financial income

Other financial income comprises interest income, net capital gains on payables and foreign currency transactions as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, net capital losses on payables and foreign currency transactions as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	10 years

For leasehold improvements the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.