



Marsh & McLennan Agency A/S

Teknikerbyen 1
2830 Virum
CVR No. 34488797

Annual report 2021

The Annual General Meeting adopted the
annual report on 22.06.2022

Lars Henrik Mathiasen

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2021	8
Balance sheet at 31.12.2021	9
Statement of changes in equity for 2021	11
Notes	12
Accounting policies	15

Entity details

Entity

Marsh & McLennan Agency A/S

Teknikerbyen 1

2830 Virum

Business Registration No.: 34488797

Registered office: Rudersdal

Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Henrik Larsen

Lars Henrik Mathiasen

Palle Stegelmann Kensø

Executive Board

Jørgen Seligmann

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 01.01.2021 - 31.12.2021.

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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

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, 22.06.2022

Executive Board

Jørgen Seligmann

Board of Directors

Henrik Larsen

Lars Henrik Mathiasen

Palle Stegelmann Kensø

Independent auditor's report

To the shareholders of Marsh & McLennan Agency A/S

Opinion

We have audited the financial statements of Marsh & McLennan Agency A/S for the financial year 01.01.2021 - 31.12.2021, 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.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements 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 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 and the additional requirements applicable in Denmark 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.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 audit 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 audit 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 the 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.

Virum, 22.06.2022

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 2,321 compared to DKK'000 8,897 the year before. This is below the expectation for the year.

Outlook

Due to divestment in the activities around the Insurance product Latent Defect Insurance in 2022, the entity expects a decrease around 15% in the gross profit for 2022 and a net result in the same level as 2021.

Events after the balance sheet date

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

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

Income statement for 2021

	Notes	2021 DKK'000	2020 DKK'000
Gross profit/loss		22,640	29,867
Staff costs	1	(19,021)	(18,877)
Depreciation, amortisation and impairment losses	2	(35)	(34)
Operating profit/loss		3,584	10,956
Other financial income	3	61	149
Other financial expenses	4	(638)	(476)
Profit/loss before tax		3,007	10,629
Tax on profit/loss for the year	5	(686)	(1,732)
Profit/loss for the year		2,321	8,897
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		2,000	8,000
Retained earnings		321	897
Proposed distribution of profit and loss		2,321	8,897

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK'000	2020 DKK'000
Other fixtures and fittings, tools and equipment		93	124
Leasehold improvements		12	16
Property, plant and equipment	6	105	140
Deposits		58	57
Financial assets	7	58	57
Fixed assets		163	197
Trade receivables		11,316	6,227
Other receivables		600	0
Receivables		11,916	6,227
Cash		38,310	46,966
Current assets		50,226	53,193
Assets		50,389	53,390

Equity and liabilities

	Notes	2021 DKK'000	2020 DKK'000
Contributed capital		500	500
Retained earnings		1,764	1,443
Proposed dividend		2,000	8,000
Equity		4,264	9,943
Deferred tax		5	7
Provisions		5	7
Other payables		0	1,774
Non-current liabilities other than provisions		0	1,774
Trade payables		29,725	21,800
Payables to group enterprises		1,975	834
Income tax payable		689	2,361
Other payables	8	7,430	8,810
Deferred income		6,301	7,861
Current liabilities other than provisions		46,120	41,666
Liabilities other than provisions		46,120	43,440
Equity and liabilities		50,389	53,390
Contingent liabilities	9		
Group relations	10		

Statement of changes in equity for 2021

	Contributed capital DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000	Total DKK'000
Equity beginning of year	500	1,443	8,000	9,943
Ordinary dividend paid	0	0	(8,000)	(8,000)
Profit/loss for the year	0	321	2,000	2,321
Equity end of year	500	1,764	2,000	4,264

Notes

1 Staff costs

	2021 DKK'000	2020 DKK'000
Wages and salaries	16,957	16,806
Pension costs	1,786	1,846
Other social security costs	278	225
	19,021	18,877
Average number of full-time employees	25	27

2 Depreciation, amortisation and impairment losses

	2021 DKK'000	2020 DKK'000
Depreciation of property, plant and equipment	35	34
	35	34

3 Other financial income

	2021 DKK'000	2020 DKK'000
Exchange rate adjustments	61	149
	61	149

4 Other financial expenses

	2021 DKK'000	2020 DKK'000
Other interest expenses	606	391
Exchange rate adjustments	32	85
	638	476

5 Tax on profit/loss for the year

	2021 DKK'000	2020 DKK'000
Current tax	688	1,732
Change in deferred tax	(2)	0
	686	1,732

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	(45)	(5)
Depreciation for the year	(31)	(4)
Depreciation and impairment losses end of year	(76)	(9)
Carrying amount end of year	93	12

7 Financial assets

	Deposits DKK'000
Cost beginning of year	57
Additions	1
Cost end of year	58
Carrying amount end of year	58

8 Other payables

	2021 DKK'000	2020 DKK'000
VAT and duties	29	45
Wages and salaries, personal income taxes, social security costs, etc payable	471	3,100
Holiday pay obligation	843	764
Other costs payable	6,087	4,901
	7,430	8,810

9 Contingent liabilities

During the financial year 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.

10 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 a few 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.