

**STRATEGIC REPORT, DIRECTORS' REPORT AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
FOR
RISK MANAGEMENT PARTNERS LTD.**

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RISK MANAGEMENT PARTNERS LTD.

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FOR THE YEAR ENDED 31 DECEMBER 2022**

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RISK MANAGEMENT PARTNERS LTD.

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2022**

DIRECTORS:

G Lashmar (Non-Executive)
S Breslin
N Colyer
T Downey
L Hughes
M Lucas

SECRETARY:

A Peel

REGISTERED OFFICE:

The Walbrook Building
25 Walbrook
London
EC4N 8AW

REGISTERED NUMBER:

02989025 (England and Wales)

INDEPENDENT AUDITOR:

Ernst & Young LLP
25 Churchill Place
Canary Wharf
London
E14 5EY

RISK MANAGEMENT PARTNERS LTD.

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their Strategic Report for the year ended 31 December 2022.

REVIEW OF BUSINESS

The principal activity of the Company in the period under review was that of the provision of insurance and risk management services to public sector organisations across the United Kingdom. The Company is regulated by the Financial Conduct Authority ('FCA'). It is expected that there will be no significant change to the nature of the Company's activities in the foreseeable future.

The Company is a wholly owned subsidiary of Arthur J. Gallagher & Co., a company incorporated in the United States of America and is included in the publicly available consolidated financial statements of Arthur J. Gallagher & Co. ("the Group"). The Group's strategic focus continues to be on the organic growth of existing core business and the acquisition of businesses to enhance future turnover and profitability.

The results of the Company for the year ended 31 December 2022 are set out in the financial statements on pages 15 to 25.

The Company's key performance indicators are turnover and profit before tax. For the year ended 31 December 2022 the Company has recorded an increase in turnover of 10% to £15,011k (2021: £13,703k). Profit before tax for the year was £5,766k (2021: £5,812k), a decrease of 1% compared to the prior year due to prior year tax adjustments impacting 2022 profitability. The Company has continued to invest in talent to ensure that its service to customers is maintained at industry leading levels.

The business is not impacted materially by the conflict in Ukraine. The Company has adequate resources to continue in operational existence for a period of at least to 30 April 2024, and no material uncertainties related to going concern have been identified.

SECTION 172 STATEMENT

The Directors of Risk Management Partners Ltd have regard to the interests of the Company's stakeholders in accordance with S172(1) of the Companies Act 2006.

The Directors recognise their responsibility to act in good faith to promote the success of the Company for the benefit of its shareholder, the Gallagher Group, while also considering the impact of their decisions on other stakeholders. These stakeholders include clients, strategic partners (for example, insurance companies), employees, suppliers, our regulator, the environment and the wider community. Engagement with these stakeholders, to understand the issues and factors that are most important to them, is an important aspect of our decision-making process. In making key decisions, the Directors consider the outcomes of engagement with the relevant stakeholders. Set out below are details of how the Directors engaged with the Company's stakeholders in 2022 and how this influenced any decisions taken by the Board.

The table below describes how the directors have performed their duty to promote the success of the Company as required by section 172(1) (a) to (f) of the Companies Act 2006.

RISK MANAGEMENT PARTNERS LTD.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022
SECTION 172 STATEMENT – continued**

Stakeholder Group	Form of Engagement	Key Decisions and Developments
<p>Shareholder</p> <p>Risk Management Partners Ltd. is a subsidiary of Arthur J. Gallagher (UK) Limited, whose parent company is Arthur J. Gallagher Holdings (UK) Limited. It forms part of the Arthur J. Gallagher & Co. group, providing insurance broking, risk management and consulting services.</p> <p>The Company is the public sector division of Pen Underwriting Limited (Pen).</p>	<p>Gallagher Global Broking – UK (GGB-UK) is a significant part of the Arthur J. Gallagher Group's Global Broking (GGB) business.</p> <p>Ensuring that the activities of GGB-UK align with those of the wider Group is essential, and is achieved through regular dialogue with the shareholder, based on a mutual understanding of objectives.</p> <p>The Company's Board of directors includes the Chief Executive Officer (CEO) for Risk Management Partners and the CEO for Pen Underwriting Limited, who is also a member of the GGB-UK and EMEA Executive Committee.</p> <p>The Chairman of Pen is a Non-Executive Director who also sits on the Arthur J Gallagher Holdings (UK) Limited Board. The independent Chair of the Board and the CEO of the Company ensure that there is an effective dialogue between RMP, Pen and Arthur J Gallagher Holdings (UK) Limited.</p> <p>The minutes of the RMP Board's meetings are received by the Pen Board on a quarterly basis.</p>	<p>One of the Board's primary responsibilities is to review, challenge and approve the Company's annual budget. In considering management's budget proposals in 2022, the Board considered how the Risk Management Partner's budget aligned with the GGB UK budget in terms of growth and margin aspirations. Following discussion with management, and after thorough review, the Board approved the Company's 2022 annual budget on 1 February 2022.</p> <p>The Board approved the draft statutory accounts for the year ended 31 December 2021 on 31 August 2022.</p>

RISK MANAGEMENT PARTNERS LTD.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022
SECTION 172 STATEMENT – continued**

Stakeholder Group	Form of Engagement	Key Decisions and Developments
<p>Our People</p> <p>Pen's workforce, as at December 2022, comprised of 464 colleagues including 89 people that are based in India, as part of our Gallagher Service Centre.</p> <p>RMPs workforce, as at December 2022, comprised of 45 colleagues.</p> <p>The Board recognises that the Company's long-term success depends on the expertise, skills and commitment of all of our people.</p>	<p>Engagement with colleagues throughout the business takes a number of forms, including regular communication from the CEOs of Pen and RMP.</p> <p>Colleagues' feedback on all aspects of their experience with Gallagher is sought via our annual Engagement Survey, which was undertaken again in September 2022.</p>	<p>One of the key tools used by the Board in understanding employee sentiment is the annual Employee Engagement Survey. The 2022 Global Employee Engagement Survey was conducted in the third quarter of 2022. The Survey, the first global canvass in five years, enabled the Company to reflect on global benchmarks.</p> <p>The Company's response rate was 100% and an overall engagement score of 89% was achieved with high favourability around ethics and well-being and trust in leadership. The excellent results provided the Board with assurances about the integrity of the results and that, overall, colleagues felt respected and treated fairly at work. A summary of the feedback from the survey was shared with the workforce, and following review meetings with the Company's team leaders, an action plan was drawn up to ensure that the feedback was acted upon. The level of engagement and communication from the business to its people is reflected in the high level of engagement in the survey. The results also demonstrated the effectiveness of agile ways of working, which have long been established by the Company.</p> <p>The Company, its Directors and its management remain fully committed to engaging effectively with the Company's key stakeholders as part of their decision-making process. This aligns with their on-going commitment to design and deliver succession plans, at all levels of the business, over the next five years.</p> <p>In 2022, the Board continued to monitor staff attrition rates, noting management's initiatives to improve recruitment and retention in a challenging employment market and in light of the cost of living crisis. The Board works closely with management to identify opportunities and initiatives to develop young talent within the business and retain existing talent within the Company. This is considered in the context of the wider Pen development and talent programme.</p> <p>In response to rising costs, a cost of living review was undertaken and a living wage increase was granted to nine colleagues.</p>

RISK MANAGEMENT PARTNERS LTD.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022
SECTION 172 STATEMENT – continued**

Stakeholder Group	Form of Engagement	Key Decisions and Developments
<p>Our People (continued)</p>	<p>One of the Company's Directors is Co-chair and Executive sponsor of GGB-UK's Inclusion & Diversity (I&D) Steering Committee that provides visible leadership on matters relating to equity, diversity and inclusion. The Steering Committee reports to the GGB-UK Executive Committee and assists Gallagher in the delivery of its I&D strategy and monitoring of agreed action plans to address equality, inclusion and diversity issues.</p>	<p>As part of the Company's mental health awareness campaign, employees were awarded an additional day's annual leave in the summer of 2022. Other Inclusion and Diversity initiatives included a data disclosure campaign, in which colleagues were encouraged to provide their diversity data on a voluntary basis, with a view to improving disclosure rates across the business, improving the Board's visibility of the composition of the workforce.</p>
<p>Customers</p> <p>The Company's customer base comprises a wide range of customers in the UK and worldwide, including 500 public sector clients (from small District Councils up to complex Unitary Authorities, police and fire authorities) and large educational establishments.</p>	<p>One of the Board's stated responsibilities is ensuring fair outcomes for our customers.</p> <p>The Company works with brokers and their clients across local government, police, fire and education to develop and deliver insurance programmes across multiple risk classes. The Company also provides advice and training (through its website) to help improve risk management practices.</p> <p>Gallagher Bassett, one of the world's largest third-party claims handler, is also a key operational partner.</p>	<p>Throughout 2022, the Company considered both the retention of existing business and the growth and diversification of the business through potential opportunities in the UK and Europe. Opportunities to expand further the Higher Education business were of particular interest to the Board, and senior management was praised for sizable wins in 2022. The Company's client relationships, including those with brokers and carriers at a senior leadership level and between trading teams, were closely monitored in 2022. The relationship with Pen Underwriting Limited was also considered in relation to business activity and expansion opportunities.</p> <p>The Board was regularly briefed by senior management on customer relationships, and provided with updates on customer and conduct matters. This included oversight of how the Company worked with insurer partners on pricing. The Board also closely monitored the claims handling service and raised a number of queries to ensure that this aspect of the business was meeting the expectations of both the Company and its customers.</p> <p>The Board closely monitors the Company's relationships with carrier partners and actively explores, with management, future potential opportunities for the business.</p>

RISK MANAGEMENT PARTNERS LTD.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022
SECTION 172 STATEMENT – continued**

Stakeholder Group	Form of Engagement	Key Decisions and Developments
<p>Suppliers</p> <p>The Company is dependent on the provision of services by a number of external suppliers to support their operations.</p>	<p>The Board recognises the importance of the Company's relationship with external suppliers in respect of claims handling (Gallagher Bassett), brand promotion and marketing (Free Partners) and PSIMS provision (Charles Taylor). Our partner insurers are also a key supplier.</p>	<p>During the year, the Board was kept apprised of supplier relationships.</p> <p>The Board was updated about a range of upgrades to RMP's core administration system PSIMS, which is provided by Charles Taylor. The upgrades ensured that accurate data is retained in respect of policy limits and deductibles. Work was also conducted to add further capacity to the system.</p> <p>The Board provided careful oversight of a project to implement, in 2023, a new claims management tool. An update on project delivery was shared with the Board at its November meeting.</p>
<p>Regulator</p> <p>The Company's principal subsidiaries are subject to regulation by the UK financial services regulator, the Financial Conduct Authority (FCA). Gallagher is regulated by the FCA as a fixed portfolio firm.</p>	<p>The Company maintains a dialogue with the FCA through a number of channels and ongoing provision of information to the regulator by our Compliance function.</p> <p>The Company submitted data to the regulator in response to a series of information requests throughout 2022.</p> <p>2022 saw the Publication of the FCA's final rules and a policy in respect of Operational Resilience to improve the operational resilience of the UK financial sector. The rules and the policy are intended to ensure that firms and the sector can prevent, adapt, respond to, recover and learn from operational disruptions that can cause intolerable harm to consumers, firms and financial markets.</p>	<p>The Compliance function ensures that the Board is kept up-to-date of regulatory developments and new requirements, including, throughout 2022, a material regulatory agenda of new initiatives and updated requirements. Throughout the year, this covered the regulator's overall assessment of the UK regulated entity firms in the group, its key priorities as regards supervision of our sector, and the Proactive Engagement Work Programme planned for our firm.</p> <p>The Board has continued to monitor, carefully, compliance matters applicable to the Company, as well as those for which the Company remains out of scope, but where there might be helpful read across or lessons to be learned.</p> <p>The new rules require RMP to assess its operational resilience capabilities against the FCA's Operational Resilience Framework; determine impact tolerances in respect of disruption to important business services; and implement an Operational Resilience Policy by no later than 31 March 2023. In 2022, the Board carefully monitored the Company's progress to comply with the new rules and, on a quarterly basis, considered and approved Self-Assessment reviews, which detailed progress against the identification of our Important Business Services and any associated vulnerabilities in operational resilience, with a clear remediation action plan. The Board will remain fully engaged in monitoring this activity and any necessary adjustments to ensure full compliance by 31 March 2025.</p>

RISK MANAGEMENT PARTNERS LTD.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022
SECTION 172 STATEMENT – continued**

Stakeholder Group	Form of Engagement	Key Decisions and Developments
<p>Community and Society</p> <p>The Company recognises its obligations to the communities in which it operates and, as part of a large organisation, its positive impacts on wider society.</p>	<p>The Board regularly considers RMP's project involvement with environmental, social, and corporate governance (ESG) as a business critical issue.</p>	<p>GGB-UK's on boarding of two key partners, Neighbourly, for its community programme, and NUS Consulting for environmental reporting, significantly improved our understanding and reporting of ESG impact. The Board monitors the Company's ESG response within tenders, acknowledging the value of a strong ESG proposition to clients. RMP is working closely in the wider context with Gallagher to support a holistic ESG approach to the Public Sector as well as part of wider Pen developments.</p> <p>The Company's Chief Finance Officer is a member of the GGB-UK and EMEA ESG Committee and lead member for the CSR work stream.</p> <p>All RMP employees are entitled to take three days annually as volunteering days. Through GGB-UK's partnership with Neighbourly, with whom it launched a partnership in 2022, we are connected to more than 20,000 charities, making it easy for our colleagues to find nearby volunteering opportunities, and make a measurable impact to local causes. In 2022, colleagues undertook 3,785 hours of volunteering.</p> <p>In addition, an increasingly popular GGB-UK cash grant programme (Community Fund) saw a 126% increase in applications in 2022, with £214,000 from GGB-UK going to 190 individual charities.</p> <p>Gallagher has been the title partner of Premiership Rugby since 2018, and has used its position as sponsor of the Gallagher Premiership as part of its outreach programme to local communities.</p>
<p>Insurers</p> <p>Insurers provide capacity to the Company and delegate underwriting authority to the employees of the Company where RMP have expertise and access to customers.</p> <p>The Board recognises that Insurer capacity is the lifeblood of the business and that the Company must act in the best interests of the insurer in all its undertakings.</p>	<p>The Company conducts regular business reviews with Insurers where underwriting and financial performance are reviewed.</p> <p>These reviews are an opportunity for two-way dialogue. RMP provides Management Information to the Insurers in advance of these reviews.</p>	<p>The Board has been regularly updated by the Chief Underwriting Officer (CUO) function on the underwriting performance of the Company on behalf of the Insurers.</p> <p>RMP continually reviews its relationships with Insurers and seeks to strengthen these, where possible, with long term partnerships.</p>

RISK MANAGEMENT PARTNERS LTD.

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

In accordance with the UK government's Streamlined Energy and Carbon Reporting (SECR) policy, which was implemented on 1 April 2019, the UK Group reports on its energy use and associated greenhouse gas emissions relating to gas, electricity and transport fuel as well as an intensity ratio and information relating to energy efficiency action using a third party provider.

For GGB UK companies, the Directors decided to aggregate the report and consolidate the energy and carbon information under SECR. Detailed disclosures can be found within the Strategic Report of Arthur J Gallagher Holdings (UK) Limited year ended 31 December 2022 financial statements

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's international operations and debt profile expose it to a variety of financial and operational risks including the effects of change in foreign currency exchange rates, counterparty credit risks, compliance risk, liquidity and interest rates. The UK Group's Board of Directors are responsible for setting the UK Group's risk appetite and ensuring that it has an appropriate and effective risk management framework and monitors the ongoing process for identifying, evaluating, managing, and reporting the most material risks. To facilitate this, the UK Group maintains a risk framework, through which the key risks affecting the UK Group are identified, assessed and monitored. Each business entity also undertakes a similar process and these risk profiles help inform the overall risk profile of the UK business. This is reviewed by each business division's risk and conduct committee and in turn the combined risk profile is overseen by the GGB-UK Risk Committee, which is chaired and attended by independent non-executive members, and reports to the Board of Directors.

The UK Group has in place a risk management programme and policies in the context of the wider Group risk framework. This risk management programme seeks to manage any adverse impact upon the Group caused by the nature of its principal activity.

During 2022, there were a number of significant global events, the Russian invasion of Ukraine, the latter stages of Covid-19 and a number of significant natural catastrophe events. The Company is fully operational, has deployed continuity protocols and has not been materially impacted by these events. The Company has adequate resources to continue in operational existence for a period of at least to 30 April 2024, and no material uncertainties related to going concern have been identified.

Inflation risk

The business is exposed to the effects of operating in the current high inflation economic environment. This is managed through prudent cost controls operating over suppliers, staffing and other costs.

Compliance risk

The Group is exposed to regulatory risk from the potential failure to comply with the relevant laws and regulations for insurance intermediaries. To mitigate this, the Group has a risk and compliance function, comprising members with experience of working at regulators, insurers, brokers and other financial institutions and has a control framework that has been rolled out and embedded within the culture throughout the Group to reduce the risk of non-compliance. Regular assessments by this function, are undertaken within the business, to gain assurance on compliance and monitoring of the compliance and regulatory requirements. The outcomes of these reviews are regularly reported to the Risk Committee and Board of Directors. The Group has a proactive, open relationship with its regulator

Cyber risk

A programme of activities to reduce both the likelihood and impact of any cyber events is ongoing, through a collaboration of the IT teams based in the UK and the Corporate US function.

RISK MANAGEMENT PARTNERS LTD.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

PRINCIPAL RISKS AND UNCERTAINTIES - continued

Operational Risk

The Group has identified the key operational risks to which it is exposed, principal among which are, the protection of client information, the prevention of cyber and financial crime, suppliers, facilities and IT resilience, M&A and Integration, compliance with regulations and employee related risk. This also takes into account areas such as ESG. An appropriate control framework has been deployed to manage and mitigate these key operational risks. A broader Operational Resilience Programme is underway to meet the FCA's operational resilience requirements and builds on the existing measures in place in this respect. There is a defined risk framework for the assessment of the risks through the acquisition of organisations and their integration into Gallagher. The assessment of risks also includes a regular programme of stress testing and assessments of both the operational and financial resilience of the business to a variety of more extreme operational scenarios.

The key operational risks facing the business at present are those around the following:

- inappropriate use or loss of data by the business or one of our suppliers;
- the potential for system breaches due to malicious or accidental activity;
- the resilience of IT systems, both internal and those dependencies externally;
- financial crime risks;
- the risks of errors or omissions;
- the loss of key individuals or teams; and
- the completion of the integration activities in relation to recent acquisitions.

BY ORDER OF THE BOARD:

Alistair C. Peel

.....
A Peel – Secretary

Date: 12 May 2023

RISK MANAGEMENT PARTNERS LTD.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their report with the audited financial statements of the Company for the year ended 31 December 2022. The principal activities, and the results for the Company for the year ended 31 December 2022 are discussed in the Strategic Report, along with the Section 172 statement, SECR reporting and analysis of principal risks and uncertainties. Future developments are also discussed in the Strategic Report. Details of the financial risk management objectives and policies are included as part of principal risks and uncertainties disclosed in the Strategic Report.

DIRECTORS OF THE COMPANY

The Directors who have held office during the period from 1 January 2022 to the date of this report are as follows:

G Lashmar (Non-Executive)
S Breslin
N Colyer
T Downey
L Hughes
M Lucas

There are no changes in Directors holding office.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2022 (2021: £nil).

EVENTS AFTER THE REPORTING PERIOD

Information relating to events after the reporting period is given in note 15 to the financial statements.

FUTURE DEVELOPMENTS

The company will continue to operate as it is for the foreseeable future with no significant changes planned.

EMPLOYEES

The Company is an equal opportunities employer and bases all decisions on individual ability regardless of race, religion, gender, age or disability. The s172 statement on page 4 in the Strategic Report provides further detail on employee engagement.

DIRECTORS' INDEMNITY PROVISIONS

The Directors have benefited from qualifying third party indemnity provisions during the financial year and to the date of this report.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies in accordance with Section 10 of FRS 102, Accounting Policies, Estimates and Errors and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides, relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company financial position and financial performance;

RISK MANAGEMENT PARTNERS LTD.

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

DIRECTORS' RESPONSIBILITIES STATEMENT- continued

- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditor is unaware, and each Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

AUDITOR

The auditor, Ernst & Young LLP, will be proposed for re-appointment in accordance with section 487(2) of the Companies Act 2006.

BY ORDER OF THE BOARD:

Alistair C. Peel

.....
A Peel - Secretary

Date: 12 May 2023
.....

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RISK MANAGEMENT PARTNERS LTD.

Opinion

We have audited the financial statements of Risk Management Partners Ltd. for the year ended 31 December 2022 ("the company") which comprise the Statement of comprehensive income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 15, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RISK MANAGEMENT PARTNERS LTD.

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 directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on pages 10 and 11, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RISK MANAGEMENT PARTNERS LTD.

Explanation as to what extent 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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are direct laws and regulations related to the financial reporting framework (UK GAAP and the Companies Act 2006) and the relevant direct and indirect tax compliance regulation in the United Kingdom. Our considerations of other laws and regulations that may have a material effect on the company included the permissions and supervisory requirements of the Financial Conduct Authority ('FCA').
- We understood how the company is complying with the legal and regulatory frameworks by making enquiries of management, internal audit, and those responsible for legal and compliance matters of the company. In assessing the effectiveness of the control environment, we also reviewed significant correspondence between the company and regulatory bodies. We reviewed minutes of the Board to identify any areas of non-compliance with laws and regulations. We also obtained an understanding of the company's approach to governance.
- For direct laws and regulations, we considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.
- For both direct and other laws and regulations, our procedures involved: making enquiries of the directors of the company and senior management for their awareness of any noncompliance of laws or regulations; enquiring about the policies that have been established to prevent non-compliance with laws and regulations by officers and employees; enquiring about the company's methods of enforcing and monitoring compliance with such policies; and inspecting significant correspondence with the FCA.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the controls that the company has implemented to address risks identified by the company, or that otherwise seek to prevent, deter or detect fraud. We also considered areas of significant judgement, including complex transactions, performance targets, economic or external pressures and the impact these have on the control environment. Where this risk was considered to be higher in areas such as the valuation of intangible assets and revenue recognition, we performed audit procedures to address each identified fraud risk. Our procedures also included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

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

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.

DocuSigned by:

Ernst & Young LLP

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Benjamin Gregory, Senior Statutory Auditor
For and on behalf of Ernst & Young LLP
London

Date: 12 May 2023

RISK MANAGEMENT PARTNERS LTD.

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £'000	2021 £'000
TURNOVER	2	15,011	13,703
Administrative expenses		<u>(9,278)</u>	<u>(7,898)</u>
GROSS PROFIT	5	5,733	5,805
Interest receivable and similar income	6	<u>33</u>	<u>7</u>
PROFIT BEFORE TAXATION		5,766	5,812
Tax on profit	7	<u>(2,934)</u>	<u>209</u>
PROFIT FOR THE FINANCIAL YEAR		<u>2,832</u>	<u>6,021</u>

All balances above are in relation to continuing operations.

The notes form part of these financial statements

RISK MANAGEMENT PARTNERS LTD. (REGISTERED NUMBER: 02989025)

**STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2022**

	Notes	£'000	2022 £'000	£'000	2021 £'000
FIXED ASSETS					
Tangible assets	8		<u>351</u>		<u>241</u>
			351		241
CURRENT ASSETS					
Debtors	9	44,566		36,851	
Cash at bank		<u>363</u>		<u>318</u>	
		44,929		37,169	
CREDITORS					
Amounts falling due within one year	10	<u>5,675</u>		<u>637</u>	
NET CURRENT ASSETS			<u>39,254</u>		<u>36,532</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>39,605</u>		<u>36,773</u>
CAPITAL AND RESERVES					
Called up share capital	11		20		20
Retained earnings	12		<u>39,585</u>		<u>36,753</u>
SHAREHOLDERS' FUNDS			<u>39,605</u>		<u>36,773</u>

The financial statements were approved by the Board of Directors and authorised for issue on 12 May 2023 and were signed on its behalf by:

Sarah Breslin

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S Breslin - Director

The notes form part of these financial statements

RISK MANAGEMENT PARTNERS LTD.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2021	20	30,732	30,752
Changes in equity			
Profit for the financial year	-	6,021	6,021
Balance at 31 December 2021	<u>20</u>	<u>36,753</u>	<u>36,773</u>
Changes in equity			
Profit for the financial year	-	2,832	2,832
Balance at 31 December 2022	<u>20</u>	<u>39,585</u>	<u>39,605</u>

The notes form part of these financial statements

RISK MANAGEMENT PARTNERS LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES

Accounting convention

These financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland", and with the requirements of the Companies Act 2006 including the provisions of the Large and Medium sized Companies and Groups (Accounts and Reports) regulations 2008.

The Company (registered number: 02989025) is a private company, limited by share capital, incorporated and domiciled in the UK. The address of its registered office is The Walbrook Building, 25 Walbrook, London, EC4N 8AW. The financial statements are presented in Pound Sterling ("GBP") which is the Company's functional currency. All amounts have been rounded to the nearest thousand pounds, unless otherwise indicated.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The Company has taken advantage of the exemptions, under FRS 102 paragraph 1.12(b) & (e) respectively, from preparing a Statement of Cash Flows and disclosure of key management compensation, on the basis that it is a qualifying entity and its ultimate parent company, Arthur J. Gallagher & Co., includes such disclosures in its own consolidated financial statements. The Company has also taken advantage of the exemptions available under paragraph 33.1A of FRS 102 Related Party Disclosures, not to disclose transactions that have taken place between members of the Group where the party to the transaction is a wholly owned member.

The financial statements have been prepared on a going concern basis, under the historical cost basis. Given the external developments and geopolitical disruption in relation to the ongoing COVID-19 pandemic, future forecasts and projections have taken these conditions into account. The disruption caused by the COVID-19 pandemic has reduced since the prior year and no additional risk is expected. The Company is fully operational, has deployed continuity protocols and has not been materially impacted by the COVID-19 pandemic. The business is not impacted materially by the conflict in Ukraine. The Company has adequate resources to continue in operational existence for a period of at least to 30 April 2024, and no material uncertainties related to going concern have been identified. The Directors therefore continue to prepare the accounts on a going concern basis.

Significant judgements and estimates

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. However, there are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

i. Turnover

Turnover represents brokerage and fees associated with placing insurance and reinsurance contracts. Turnover is recognised to the extent that it is probable that economic benefits will flow to the Company and the revenue 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.

Turnover is split into three classifications which are defined as follows:

- Net Brokerage: derived from commission less brokerage expenses such as 'payaway' and introducer fees which are generally a percentage of premiums for insurance coverage placed;
- Fees: comprised of fees and other income arising from the provision of an agreed level of service to clients; and
- Commission: Supplemental (ISA) income and contingent commission income (or profit share).

Please refer to the accounting policies for further information.

RISK MANAGEMENT PARTNERS LTD.

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES – continued

Turnover

Rendering of services:

Turnover from a contract to provide services is recognised in the year 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.

Contingent Commission income:

A contingent commission is a commission paid by an insurance carrier that is based on the overall profit and/or volume of the business placed with that insurance carrier during a particular calendar year and is determined after the contractual period. Contingent commissions are accrued to the company's best estimate of the full value of the contract over the period in which the revenue is earned. Contingent revenue must be estimated in advance for each contract, and this revenue is accrued until the cash can be collected (which may be a number of years in the future). The value of the contingent revenue from these contracts may change over this time, as premium and claim values are realised over time. Gallagher policy requires that contingent accruals be regularly reviewed, and any change in estimate be recognised immediately. Contingent commissions are recognised as revenue – and included within Prepayments and Accrued Income on the Statement of Financial Position – when the value can be reasonably determined by the Company using an expected value approach which utilises historical averages and other factors.

Interest receivable

Interest receivable is recognised in the Statement of Comprehensive Income on an accruals basis using the effective interest method based on the terms of the underlying contracts or agreements.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense. In determining whether it is probable that deferred tax assets will be recovered, the Company takes into consideration its business plans and forecasts to assess the likely reversal pattern of temporary differences.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using the straight-line method based on the assets' useful lives.

The useful lives of the following tangible fixed assets are:

Fixtures and fittings	- over 3 years
Motor vehicles	- between 2 and 4 years
Computer equipment	- over 3 years

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

RISK MANAGEMENT PARTNERS LTD.

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES – continued

Short term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Comprehensive Income in other operating expenses.

Loans to/from group undertakings

Loans to/from other Group undertakings are initially recognised at transaction price, less any transactional costs unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future payments discounted at a market rate of interest. In subsequent years, the loans are carried at amortised cost, using the effective interest rate method. Where loans are repayable on demand they are classified as short term debtors/creditors and recognised at the full amount payable. The loans are derecognised when the liability is extinguished, that is when the contractual obligation is discharged or cancelled.

Cash and cash equivalents

Cash and cash equivalents include cash balances and all highly liquid investments with initial maturities of three months or less. The estimated fair value of cash and cash equivalents and short-term investments approximates their carrying values.

Foreign currencies

The Company's functional and presentation currency is GBP. Transactions in foreign currencies are recorded and translated into GBP at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the date of the Statement of Financial Position. All exchange rate differences are taken to the Statement of Comprehensive Income.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2022 £'000	2021 £'000
Commission income	15,011	13,703
	<u>15,011</u>	<u>13,703</u>

An analysis of turnover by geographical market is given below:

	2022 £'000	2021 £'000
United Kingdom	15,011	13,703
	<u>15,011</u>	<u>13,703</u>

3. STAFF COSTS

The amounts relating to staff costs were incurred by Arthur J. Gallagher Services (UK) Limited. An amount of £4,431k (2021: £4,167k) was recharged back to the Company, and is accounted for in administrative expenses.

4. DIRECTORS' REMUNERATION

	2022 £'000	2021 £'000
Directors' remuneration	1,159	1,468
Directors' pension contributions to money purchase schemes	15	16
	<u>1,174</u>	<u>1,484</u>

RISK MANAGEMENT PARTNERS LTD.**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022****4. DIRECTORS' REMUNERATION - continued**

The number of Directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>5</u>	<u>5</u>
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Information regarding the highest paid Director is as follows:

	2022 £'000	2021 £'000
Director's remuneration	357	407
Director's pension contributions to money purchase schemes	<u>-</u>	<u>-</u>
	<u>357</u>	<u>407</u>

The above amounts represent remuneration allocated to the Directors based on their directorships of entities within the Group. This is on a different basis to which Directors remunerations are recharged to the Company and accounted for in administrative expenses.

5. GROSS PROFIT

Gross profit is stated after charging/(crediting):

	2022 £000	2021 £000
Depreciation of tangible assets – owned	144	143
Auditor's remuneration		
- statutory audit fees	33	10
- audit related assurance services	-	7
Foreign exchange differences	35	20
Gain on Disposal	<u>(45)</u>	<u>(32)</u>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2022 £000	2021 £000
Interest on loans to associated undertakings	<u>33</u>	<u>7</u>

7. TAXATION**Analysis of the tax charge/(credit)**

The tax charge/(credit) on the profit for the year was as follows:

	2022 £'000	2021 £'000
Current tax:		
UK Corporation tax	1,500	-
Adjustment in respect of previous periods	<u>1,438</u>	<u>(183)</u>
Total current tax	<u>2,938</u>	<u>(183)</u>

RISK MANAGEMENT PARTNERS LTD.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

7. TAXATION - continued

Deferred tax:		
Timing differences	(3)	(8)
Effect of changes in tax rates	<u>(1)</u>	<u>(18)</u>
Total deferred tax	<u>(4)</u>	<u>(26)</u>
Tax on profit	<u>2,934</u>	<u>(209)</u>

UK corporation tax has been charged at 19% (2021 - 19%).

Reconciliation of total tax charge/(credit) included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2022	2021
	£'000	£'000
Profit before tax	<u>5,776</u>	<u>5,812</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	1,096	1,105
Effects of:		
Expenses not deductible for tax purposes	20	5
Transfer pricing adjustments	381	319
Tax rate changes	(1)	(18)
Non-taxable gain on sale of business to fellow group subsidiary	-	-
Adjustment from previous period	1,438	(183)
Effects of group relief/ other reliefs	<u>-</u>	<u>(1,437)</u>
Total tax charge/(credit)	<u>2,934</u>	<u>(209)</u>

Factors that may affect future tax charges

The Company profits are taxable in the UK under the standard rate of corporation tax being 19% (2021: 19%). The Company is expected to continue to attract the standard rate of UK corporation tax. On 10 June 2022 the UK Government legislated to increase the main rate of corporation tax to 25% as of 1 April 2023. Following a change in leadership, this increase was then confirmed on 14 October 2022. This increase in rate has been reflected in the 2022 closing deferred tax asset. The amount of deferred tax that will unwind in the following accounting period is uncertain at this stage and therefore not quantifiable.

RISK MANAGEMENT PARTNERS LTD.

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

8. TANGIBLE FIXED ASSETS

	Fixtures and fittings £'000	Motor vehicles £'000	Computer equipment £'000	Totals £'000
COST				
At 1 January 2022	13	351	45	409
Additions	-	313	-	313
Disposals	-	(71)	-	(71)
At 31 December 2022	13	593	45	651
DEPRECIATION				
At 1 January 2022	13	111	44	168
Charge for year	-	144	-	144
Eliminated on disposal	-	(12)	-	(12)
At 31 December 2022	13	243	44	300
NET BOOK VALUE				
At 31 December 2022	-	350	1	351
At 31 December 2021	-	240	1	241

9. DEBTORS

	2022 £'000	2021 £'000
Amounts falling due within one year:		
Amounts owed by associated undertakings	41,314	33,613
Amounts owed by parent undertakings	2,906	2,939
Prepayments and accrued income	54	29
Deferred tax asset	78	73
	<u>44,352</u>	<u>36,654</u>

Amounts falling due after more than one year:

Amounts owed by associated undertakings	<u>214</u>	<u>197</u>
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Aggregate amounts

<u>44,566</u>	<u>36,851</u>
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Amounts owed by associated and parent undertakings are unsecured and repayable on demand. All loans are interest free with the exception of:

Aggregate loan value	Interest rate	Interest terms	Repayment period	Aggregate carrying value
£3,700k	0%	Compounding. Interest charge up to 31 Dec 2017. Thereafter from 1 Jan 2018 interest at 0%.	10 years from commencement (2023) but the Lender can recall on demand.	£4,883k
£800k	0%	Compounding. Interest charge up to 31 Dec 2017. Thereafter from 1 Jan 2018 interest at 0%.	The Lender can recall on demand.	£1,041k
£1,500k	0%	Non-compounding. Interest charge up to 31 Dec 2017. Thereafter from 1 Jan 2018 interest at 0%.	10 years from commencement (2025) but the Lender can recall on demand.	£1,719k
£6,000k	0%	Non-compounding. Interest charge up to 31 Dec 2017. Thereafter from 1 Jan 2018 interest at 0%.	10 years from commencement (2026) but the Lender can recall on demand.	£6,413k

RISK MANAGEMENT PARTNERS LTD.

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31 DECEMBER 2022**

9. DEBTORS - continued

Amounts owed by associated undertakings falling due after more than one year are unsecured and have the following terms and conditions:

Aggregate loan value	Interest rate	Interest terms	Repayment period	Aggregate carrying value
£197k	4%	Compounded annually	10 years from commencement (2030)	£214k

	Deferred tax
	£'000
Balance at 1 January 2022	73
Deferred tax charge	<u>5</u>
Balance at 31 December 2022	<u><u>78</u></u>

The deferred tax asset represents £78k in relation to fixed asset timing differences (2021: £73k). The amount of deferred tax that will unwind in the following accounting period is uncertain at this stage and is not quantifiable at this time.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£'000	£'000
Amounts owed to associated undertakings	4,063	581
Amounts owed to parent undertakings	80	27
Accruals and deferred income	1	29
Corporation tax	1,499	-
Social security and other taxes	<u>32</u>	<u>-</u>
	<u><u>5,675</u></u>	<u><u>637</u></u>

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2022	2021
			£'000	£'000
20,000	Ordinary	£1	<u><u>20</u></u>	<u><u>20</u></u>

The ordinary shares rank equally in terms of voting rights, one vote for each share, and in the rights to participate in all approved dividend distribution for that class of share.

12. RESERVES

Called Up Share Capital - represents the nominal value of shares that have been issued.

Retained Earnings - includes all current and prior period retained profits and losses.

13. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemptions available under paragraph 33.1A of FRS 102 Related Party Disclosures, not to disclose transactions that have taken place between members of the Group where the party to the transaction is a wholly owned member.

RISK MANAGEMENT PARTNERS LTD.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. PARENT COMPANY AND ULTIMATE HOLDING COMPANY

The immediate parent company is Arthur J. Gallagher (UK) Limited, a company registered in England and Wales. The largest group of undertakings of which the Company is a member and for which financial statements are prepared, is headed up by Arthur J. Gallagher & Co., a company incorporated in the United States of America, which is the ultimate holding company. The registered address of Arthur J. Gallagher & Co. is 2850 W. Golf Rd., Rolling Meadows, IL 60008. A copy of these consolidated financial statements is available from the registered office of the Company.

15. EVENTS AFTER THE REPORTING PERIOD

The Directors confirm that there are no events after the reporting period that are required to be disclosed.