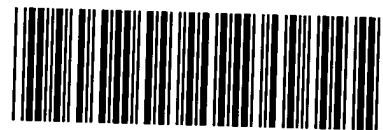


**STRATEGIC REPORT, DIRECTORS' REPORT AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014
FOR
ACUMUS HOLDINGS LIMITED**

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ACUMUS HOLDINGS LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2014**

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ACUMUS HOLDINGS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2014**

DIRECTORS:

M Pike
T Gallagher

SECRETARY:

W McGowan

REGISTERED OFFICE:

The Walbrook Building
25 Walbrook
London
EC4N 8AW

REGISTERED NUMBER:

06874140 (England and Wales)

INDEPENDENT AUDITOR:

Ernst & Young LLP
Statutory Auditor
1 More London Place
London
SE1 2AF

BANKERS:

Barclays Bank PLC
1 Churchill Place
London
E14 2AF

ACUMUS HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The Directors present their Strategic Report for the year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The Company's principal activity has been that of a holding Company whose subsidiary carries out the placement of property related risks for Housing Association clients.

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 consolidated financial statements of Arthur J. Gallagher & Co. ("the Group") which are publicly available.

REVIEW OF BUSINESS

The Company has a 77.5% holding in Arthur J. Gallagher Housing Limited. During 2014, Acumus Holdings Limited undertook no trading activity, and incurred administrative expenses totalling £4k (2013:£nil).

RESULTS AND DIVIDENDS

The results for the year ended 31 December 2014 are set out in these financial statements on pages 5 to 10. The total recognised loss for the year of £3k (2013:£nil) was transferred to reserves. No dividends were paid during the year (2013:£nil). The Directors have not recommended the payment of a final dividend (2013:£nil).

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's operations and debt profile expose it to a variety of financial risk including the effects of changes in liquidity. The Company has in place a risk management programme and policies that seek to limit the adverse impact upon the Company of these financial risks.

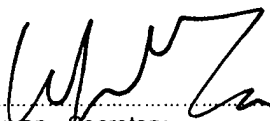
Borrowing facilities and liquidity risk

The Group maintains facilities to ensure it has adequate funds available to finance operations and the growth of the business.

Risk management

The Company's ultimate parent is Arthur J. Gallagher & Co. Robust risk management is fundamental to the achievement of the Group's objectives. The Group's Board of Directors are responsible for setting the 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 significant risks faced. To facilitate this, the Group maintains a Risk Framework, through which the key risks affecting the Group are identified, assessed and monitored.

BY ORDER OF THE BOARD:


.....
W McGowan - Secretary

Date: 28 September 2015

ACUMUS HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The Directors presents their report with the financial statements of the Company for the year ended 31 December 2014.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2014.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

Changes in Directors holding office are as follows:

M Mugge - resigned 26 January 2015
D Ross - resigned 9 February 2015
S Dalgarno - resigned 17 March 2015
M Pike - appointed 9 February 2015
T Gallagher - appointed 17 March 2015

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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.

DIRECTORS' INDEMNITY PROVISION

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

AUDITOR

Ernst & Young LLP are deemed to be re-appointed as the Company's auditor in accordance with section 487(2) of the Companies Act 2006.

BY ORDER OF THE BOARD:


W McGowan - Secretary

Date: 28 September 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACUMUS HOLDINGS LIMITED

We have audited the financial statements of Acumus Holdings Limited for the year ended 31 December 2014, which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report, Director's Report and Financial Statements for the year ended 31 December 2014 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its loss for the period 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

Ernst & Young LLP

John Headley (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP
Statutory Auditor
London

Date: *28 September 2015*

ACUMUS HOLDINGS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	2014 £'000	2013 £'000
TURNOVER		-	-
Administrative expenses		<u>(4)</u>	<u>-</u>
OPERATING LOSS and LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(4)	-
Tax on loss on ordinary activities	4	<u>1</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		<u><u>(3)</u></u>	<u><u>-</u></u>

CONTINUING OPERATIONS

None of the Company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

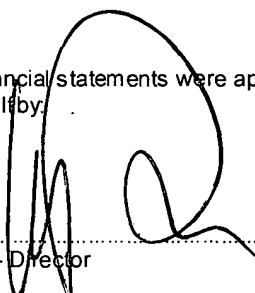
The Company has no recognised gains or losses other than the loss for the current year.

ACUMUS HOLDINGS LIMITED (REGISTERED NUMBER: 06874140)

BALANCE SHEET
31 DECEMBER 2014

	Notes	£'000	2014 £'000	£'000	2013 £'000
FIXED ASSETS					
Tangible assets	5		3		-
Investments	6		<u>25</u>		<u>25</u>
			28		25
CURRENT ASSETS					
Debtors	7	42		-	
CREDITORS					
Amounts falling due within one year	8	<u>48</u>		<u>-</u>	
NET CURRENT LIABILITIES			<u>(6)</u>		<u>-</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>22</u>		<u>25</u>
CAPITAL AND RESERVES					
Called up share capital	9		-		-
Profit and loss account	10		<u>22</u>		<u>25</u>
SHAREHOLDERS' FUNDS	13		<u>22</u>		<u>25</u>

The financial statements were approved by the Board of Directors on 28 September 2015 and were signed on its behalf by:


.....
M Pike - Director

The notes on pages 7 to 9 form part of these financial statements

ACUMUS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

Accounting convention

These financial statements have been prepared on a going concern basis, under the historical cost convention, in accordance with the Companies Act 2006 and comply with UK GAAP. These accounting policies have been applied consistently during the year.

The Directors have taken advantage of section 401 of the Companies Act 2006 in not preparing consolidated financial statements on the basis that the results of the Company are included within the consolidated financial statements of Arthur J. Gallagher & Co., a Company incorporated in the United States of America and for which accounts are publicly available from the Company's registered office.

The Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1. The Company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Arthur J. Gallagher & Co. Group or investees of the Arthur J. Gallagher & Co. Group.

Fixed asset investments

Fixed asset investments in the financial statements are stated at cost less provision for any impairment in value.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All rate of exchange differences are taken to the Profit and Loss Account.

Taxation

Provision is made at current rates for taxation. In accordance with FRS19, deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax in future periods.

Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are not discounted.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Computer equipment - 3 years straight line

2. DIRECTORS' EMOLUMENTS

The Directors were remunerated during the year by a fellow subsidiary within the Group, and Arthur J. Gallagher & Co., the ultimate parent undertaking. Neither of these Directors received any emoluments during the year in respect of their services as a Director of the Company (2013: £nil) and it would not be practicable to apportion their emoluments between their services as Directors of the Company and their services as Directors of other Group companies. The Company has not been recharged any amount for the emoluments of these Directors (2013: £nil).

3. OPERATING LOSS

The operating loss is stated after charging:

	2014 £'000	2013 £'000
Depreciation - owned assets	<u>1</u>	<u>-</u>

ACUMUS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2014

3. OPERATING LOSS - continued

The Company did not trade in the year and incurred administrative expenses of £4k, therefore had an operating loss of £4k (2013: £nil). These expenses include 1k of depreciation of tangible fixed assets.

Auditor remuneration for the year ended 31 December 2014 amounted to £2,450 (2013: £2,500). This was borne by a fellow Group subsidiary and not recharged to the Company.

4. TAXATION

Analysis of the tax credit

The tax credit on the loss on ordinary activities for the year was as follows:

	2014	2013
	£'000	£'000
Current tax		
Group relief (surrendered to)/claimed from fellow Group companies	(1)	-
Tax on loss on ordinary activities	(1)	-

Factors affecting the tax charge

	2014	2013
	£'000	£'000
Loss on ordinary activities before tax	(4)	-
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%)	(1)	-
Effects of: Depreciation in excess of capital allowances	-	-
Current tax charge	(1)	-

The Company profits are taxable in the UK under the standard rate of corporation tax being 21.5% (2013: 23.25%). The Company is expected to continue to attract the standard rate of UK corporation tax. The UK government legislated during 2013 to reduce the main rate of corporation tax to 21%, applicable from 1 April 2014, with a further reduction of 1% to 20% to apply from 1 April 2015. These reductions have been reflected in the closing deferred tax asset, as they were enacted at the balance sheet date. There is a deferred tax asset for fixed asset timing differences, but this amount is not material enough to be disclosed in the financial statements due to rounding. Further legislation has been announced, due to be enacted post September 2015, to reduce the corporation tax rate to 18% from 1 April 2017 and 18% from 1 April 2020. The impact of these changes is not quantifiable at this time.

5. TANGIBLE FIXED ASSETS

	Computer equipment £'000
COST	
Additions	4
At 31 December 2014	4
DEPRECIATION	
Charge for year	1
At 31 December 2014	1
NET BOOK VALUE	
At 31 December 2014	3

ACUMUS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014**

6. FIXED ASSET INVESTMENTS

	Shares in group undertakings £'000
COST	
At 1 January 2014	
and 31 December 2014	<u>25</u>
NET BOOK VALUE	
At 31 December 2014	<u>25</u>
At 31 December 2013	<u>25</u>

At 31 December 2014, the Company held the share capital in a number of companies, both directly and indirectly. A full listing of these entities is detailed in note 14.

The Directors believe that the carrying value of the investments is supported by their underlying net assets.

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £'000	2013 £'000
Amounts owed by group undertakings	<u>42</u>	<u>-</u>

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

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £'000	2013 £'000
Amounts owed to group undertakings	<u>48</u>	<u>-</u>

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

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2014	2013
Number:	Class:	Nominal value:	£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

ACUMUS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2014

10. RESERVES

	Profit and loss account £'000
At 1 January 2014	25
Loss for the year	(3)
At 31 December 2014	<u>22</u>

11. PARENT COMPANY AND ULTIMATE HOLDING COMPANY

The immediate parent Company is Acumus Interco 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 parent undertaking. A copy of these consolidated financial statements is available from the registered office of Arthur J. Gallagher (UK) Limited.

12. POST BALANCE SHEET EVENTS

The Directors agree that there are no post balance sheet events to disclose.

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014 £'000	2013 £'000
Loss for the financial year	(3)	-
Net (reduction)/addition to shareholders' funds	(3)	-
Opening shareholders' funds	<u>25</u>	<u>25</u>
Closing shareholders' funds	<u>22</u>	<u>25</u>

14. INVESTMENT IN SUBSIDIARIES

The Company held a 77.5% holding in Arthur J. Gallagher Housing Limited at 31 December 2014 (31 December 2013: 77.5%). The remaining investment is held by fellow subsidiary companies.

Name of Company	Country of registration	Holding	Proportion of shares held
Arthur J. Gallagher Housing Limited	England & Wales	Ordinary Shares	100%
Igloo Insurance PCC Limited*	Guernsey	Ordinary Shares	100%

* Held indirectly