REGISTERED NUMBER: 01615055 (England and Wales)

ANNUAL REPORT AND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

FOR

BUCK CONSULTANTS LIMITED

BUCK CONSULTANTS LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2022

BUCK CONSULTANTS LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2022

Directors:	D G Piltz M Young A N L Green G A Rice
Secretary:	Alistair Peel
Registered office:	20 Wood Street London EC2V 7AF
Registered number:	01615055 (England and Wales)
Independent auditors:	BDO LLP 55 Baker Street London W1U 7EU

The directors present their strategic report on the group for the year ended 31 December 2022.

Review of business
Principal activities

The principal activity of the Buck Group is the provision of actuarial, employee benefit consulting, employee and pension communications and pension administration services.

Results and performance

The results of the Group for the financial year and the position of the Group at the year-end are set out in the attached financial statements.

The Directors note the reduced profitability of the Group in its main business areas including the provision of actuarial and employee benefit consulting. In 2022 revenue increased by £5.934m to £68.605m (2021: £62.671m), driven by new clients and additional work for existing client such as GMP equalisation and data cleanse projects. Administrative expenses increased by £6.489m to £65.374m (2021: £58.885m) due to an increase in staff costs of £2.331m, higher foreign exchange charge of £1.873m on balances in US Dollars following the volatility in currency markets in the final quarter of 2022 and an increase in audit fees, utilities and intercompany recharges from the US Group (for corporate costs incurred for services provided to the UK). Interest receivable has increased by £0.147m, due to higher interest on pension scheme assets. Interest payable has slightly increased by £0.052m which is mainly due to higher intercompany interest. This leads to an overall positive profit before tax in 2022 of £3.080m (2021: £3.540m).

A tax charge of £0.315m (2021: £1.635m) has been recognised in the current year after group relief and other deductions (see note 10). As a result, the net profit for the year was £2.765m (2021: £1.905m).

On the balance sheet, fixed assets and right-of-use assets have decreased due to depreciation. Intangible assets have had a small increase due to the capitalisation of staff costs relating to enhancement to the Buck flexible benefit system, Delta+ and to the pensions administration system, MasterKEY (note 13) in the year, which is offset by the amortisation. Trade and other receivables have increased by £0.853m driven mainly by higher trade receivables. Pension asset decreased by £16,134m driven by the volatility in the markets in the last quarter of 2022 (LDI crisis). Trade and other payables have increased by £5.088m which is due to an increase in intercompany balance with other group companies.

2022 has been a year of strong cash performance for the Group, with an increase in cash of £1,845m. Cash inflow from operating activities has increased which reflects the solid revenue performance of the Group. In the prior year there was an acquisition of Caburn Hope Limited which was partly funded by the US Group, and no equivalent acquisition or loan in 2022. Cash outflow from financing activities in 2022 increased as intercompany loans to the US Group were partially repaid. However the cash outflows were overall lower than the increase in revenue and billing.

The Group acquired Concert Consulting UK Limited in October 2020 and Caburn Hope Limited in April 2021. Following the acquisitions, these entities performed strongly in 2021 however there were operational challenges in these businesses in 2022, causing impairment indicators to be triggered (note 13), however following steps taken by management the 2023 performance is showing year on year growth and a strategy has been developed to enhance this growth further in 2024 and beyond by building new external client relationships and maximising opportunities within the wider Buck and Gallagher group. As a result management are of the view that there has been no impairment to either of the acquisitions.

On 3 April 2023, Arthur J. Gallagher ("Gallagher"), a global insurance brokerage, risk management and consulting services firm purchased the Group. Following the Gallagher acquisition, Buck Group will be integrated into Gallagher over the next 2- 3 years, with no immediate impact to the UK legal entities and operations as plans are drawn up and the impacts are assessed.

Principal risks and uncertainties
The management of the business and the execution of the Group's strategy are subject to a number of risks. The main risks facing the business are detailed as follows:

a) Credit Risk: the risk of loss caused by the failure of a client, bank or counterparty to perform its contractual obligations.
The main sources of risk the Company is exposed to are cash held in bank accounts and to external debtors (consisting of trade debtors and intercompany debtors). The Company mitigates its credit risk through its business model which is highly diversified by industry and type, and through the credit worthiness of the client portfolio. The business monitors the payment history of existing clients to further mitigate the credit risk exposure.

b) Operational Risk: the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk may arise from processing errors, fraud, system failures or other events.
Operational risk is managed through a detailed and comprehensive suite of Corporate Policies & Procedures which are binding on all employees and monitored. Compliance with the Corporate Policies & Procedures is monitored by the Compliance, Finance and HR departments with breaches being appropriately escalated. Reports of the perceived major risks areas are presented for review and discussion at the UK Board Meetings. Updates to the systems and controls to monitor those risks on a regular basis are being introduced.

c) Business Risk: these include employee retention and competition from other service providers. These risks are mitigated by ensuring that the continued support and resources of the group are made available to the Company. The Company is not reliant on any one individual for generating revenues or for running the business.

d) Liquidity Risk: the risk that the business, although solvent, does not have sufficient available resources to enable it to meet its obligations as they fall due, or can secure them only at excessive cost. The Company relies on A.J.G Co Inc, and its Group to provide additional funding if required. Cash is managed by the finance team responsible for the Company and its subsidiaries. In addition, the directors are common to all three companies giving assurance that no detrimental steps would be taken towards the Company.

e) Interest rate risk
The Group has no significant interest-bearing assets or interest-bearing liabilities with third parties. Interest is charged on the basis of arm's length commercial rates on rolling monthly or quarterly balances with other affiliated companies. AJG manages all significant relationships with the external debt market.

g) Economic risk
The Russian invasion of Ukraine in 2022 has led to increased economic uncertainty, market volatility, energy problems across the world and high inflation rates. The Company has considered the impact of these, as well as a period of market downturn and the possibility of a recession and concluded that there are two main areas impacted. The first is due to the proximity of the Romanian office to the Ukraine and emergency plans are already in place to allow staff to work remotely if they needed to move to another part of the country. Secondly the impact of inflation and recession, which has been monitored closely throughout 2022 and the impact on wages and utilities and other costs has been incorporated into the budget for 2023. The Middle East Palestine /Israeli crisis in October 2023 has not impacted the Group materially and the situation will be monitored.

g) Defined Benefit Pension Scheme deficit risk
The company sponsors a defined benefit pension scheme, and there exists a principal risk associated with the scheme entering into a deficit position. A deficit in the pension scheme arises when the present value of the scheme's liabilities exceeds the value of its assets. This situation may result from various factors, including changes in actuarial assumptions, investment performance, and demographic variables. In the event of a deficit, the company may be required to make additional contributions to the pension scheme to meet its obligations to current and future retirees. Management closely monitors the actuarial assumptions, investment strategies, and regulatory developments affecting the pension scheme. However, there is inherent uncertainty in predicting future pension obligations and investment returns. Following the triennial review, Buck Consultants Limited will continue to make contributions to the Buck pension scheme until December 2026.

Section 172(1) statement
Section 172 of the Companies Act 2006 requires the Directors of the Group to act in a way that they consider, in good faith, will most likely promote the success of the Group for the benefit of all stakeholders. In doing so, the Directors should have regard (amongst other matters) to:
- the likely consequences of any decision in the long term;
- the interests of the Group's employees;
- the need to foster the Group's business relationships with suppliers. customers and others;
- the impact of the Group's operations on the community and the environment
- the desirability of the Group maintaining a reputation for high standards of business conduct and
- the need to act fairly as between members of the Group.

The Board considers its significant stakeholder groups to be its Shareholders (including Arthur J Gallagher & Co), its employees, its customers and its suppliers. The Group takes a number of steps to understand the views of its key stakeholders and considers these along with the matters set out above in Board discussions and decision making.

Shareholders:
The Group was purchased by Arthur J Gallagher & Co ("AJG") on the 3rd April 2023 and, AJG is now considered to be the ultimate parent company (see note 26).

The immediate parent company is Arthur J Gallagher & Co who is also regarded by the directors as being the Group's ultimate parent company. Since acquisition on 3rd April 2023, the strategic direction is set by AJG. The Managing Director of the Group is a member of the Buck Global Executive Leadership Team ("ELT") and the ELT meets with AJG each month to review performance of the global business, including that of the Group, against the objectives set at the start of the year.

Employees:
The Group's employees are its most important asset. Ongoing training programmes are supported for staff to acquire relevant professional qualifications, and management seek to ensure that staff build on their skills and capabilities.

The Directors of Buck Consultants Limited ("BCL") manage the day to day activities of the Group and meet on a regular basis to provide information for management to cascade to their teams. Internal communications are designed to ensure that all employees are informed about the business and development of the Group. The Group also provides internal publications, an intranet, communication programmes (including email) and management and staff meetings as well as a confidential whistleblowing hotline. The Group provide a employee training platform which is used for mandatory training courses as well as skill based training courses, AJG has a similar platform which is now being used by employees.

Employees behaviour is governed by the Buck Global Code of Conduct Policy which sets out the expected levels of conduct for all employees and provides a comprehensive set of policies which the Group requires them to abide by.

The Directors' report provides further details on employee involvement in the business, equal opportunities and the Group's approach to employing people with disabilities.

The success of the business depends on attracting, retaining and motivating employees. From ensuring that the Group remains a responsible employer, from pay and benefits to the health, safety and workplace environment, the BCL Directors factor the implications of decisions on employees and the wider workforce, where relevant and feasible. The BCL Directors recognise that Buck pensioners, though no longer employees, also remain important stakeholders.

Clients:
The businesses continuously assess the priorities related to customers and those with whom we do business, and the BCL Board engages with the businesses on these topics, for example, within the context of business strategy updates and investment proposals. The BCL Directors receive updates on the business operations on a weekly basis at meetings with the senior management team, and the operations management are represented on the BCL Board by the Managing Director.

Suppliers:
Relationships with suppliers is principally governed by the Vendor Management Policy and Procedure which describes the process Buck employs to carefully select and monitor the performance of subcontractors and vendors that it employs. The Group's statement on the Modern Slavery Act is published at www.Buck.co.uk in accordance with the requirements of section 54 of the Modern Slavery Act 2015 and the Modern Slavery Act 2015 (Transparency in Supply Chains) Regulations 2015. Also published on the website is the Group's statement on GDPR and Transparency.

Developments and key decisions made during the period:

1) Management did not declare a dividend in the year.
2) To support the Buck growth strategy, management continued to recruit additional staff to fulfil additional business requirements.
3) In the aftermath of the COVID global pandemic, the Group continues to operate a hybrid working system for its staff and all offices are fully open.
4) GMP Equalisation (Square) is a service offered to existing and new clients and activity continues to be strong. Buck helps to prepare and equalise GMP benefits for a number of impacted Trust based pension schemes. A dedicated team of experts are focussed on providing these services, which we expect to continue well into 2024 and beyond.
5) Pensions Administration project work such as data cleanse continued in 2022. As a number of our pension scheme clients prepare for liability management exercises and ultimately full buy-out of pension assets, Buck have been working strategically with Trustees to ensure the underlying data and member information is accurate and available to support their needs. A dedicated and growing National Projects Team is on hand to support these data cleanse requirements.
6) Delta + is Buck's flexible benefit platform launched in April 2021 and we continue to enhance the features to meet clients needs. With an increasing number of companies investing in financial well-being, we continue to invest heavily in our client technology solutions to deliver benefit selection, member engagement and administration services for our clients' benefit programmes.
7) Continual development of MasterKEY, Buck's pension administration platform, to ensure that it meets the requirements of existing and new clients and to maintain competitiveness in the market and meet legal requirements.
8) Launch of Orion+, which is a branding of our pension administration proposition reflecting the changing demands of a scheme administrator to deliver strategic client support, enhanced technology solutions as well the existing high-quality administration services.
9) Launch of Echelon+, which is a solution that will provide inclusive actuarial, governance, administration and investment advice to defined benefit pension scheme clients, aimed at assisting pension scheme trustees who are facing increasing governance requirements for defined benefit schemes.
10) Carl Hitchman, a Principal within the Investment Team and its Chief Investment Officer, was appointed as Head of UK Investment Consulting. Carl took the opportunity to review the roles and responsibilities within the team to reflect the changing needs of our clients and our business.
11) Over the past few years the Investment Team has developed a new investment approach, referred to as Cashflow Centred Investment or CCI. The benefits of this approach became particularly evident during the market turmoil in 2022 and this continues to be rolled out across our clients.

Community and the environment:

Community: Fund raising for nominated charities was supported in the year and the Group allowed time for staff to get involved in the activities.

Having been acquired by AJG the organisation culture is in a period of transition to the Gallagher way, which is similar to the existing Buck culture. Management plans for future commitments to the community still include time-off to support local charities or community work for charitable organisations in line with AJG policies.

At Buck and in AJG, diversity and inclusion are integral parts of the new social contract with all of our colleagues, potential colleagues, alumni, clients, and partners to establish and cultivate a culture to be proud to call our own. By fostering and accepting diverse thoughts, ideas, and backgrounds we ensure that all the talents of our staff and others are brought forth and valued. Buck and AJG are committed to develop and welcome excellence, innovation, and creativity through inclusive leaders, colleagues, and opportunities so that everyone has the same chance of success.

As a professional services provider, the Group does not operate in an industry where modern slavery is prevalent, but nevertheless has a commitment to the elimination of slavery and human trafficking. We expect all our people to treat each other, and those we deal with, respectfully and with dignity.

Environment: Buck seeks to minimise the impact of our operations on the environment through the pursuit of good business practices and is committed to:

- continually making improvements by designing and implementing environment management systems in its offices to reduce, reuse and recycle general waste;
- prioritise sourcing sustainable office space, including appropriate choices in our fit-outs, re-using office furniture and switching to LED lighting where possible; and
- working collaboratively with contractors and suppliers to reduce emissions through sourcing locally and address any issues such as use of plastic packaging, and where possible implement the best sustainable solution.

Key performance indicators
The Group uses two key indicators to measure and monitor performance. These are turnover and operating profit margin. Key Performance Indicators are calculated and reviewed at divisional, line of business, legal entity and consolidated levels. There are no non-financial KPIs used by the Group.

Turnover has increased in 2022 by £5.934m from £62.671m to £68.605m. This reflected the good client retention, increased project work with existing clients and winning new clients. Operating profit has decreased from £3.786m in 2021 to £3.231m in 2022 with a decrease in corresponding operating margin from 6.0% in 2021 to 4.7% in 2022. This was mainly due to an increase in the number of staff as well as wage inflation, an increase in utilities, audit fees and recharges from the US Group and also a weakened pound in the last quarter of 2022 resulting in high foreign exchange charges.

On behalf of the board:

....
A N L Green - Director

Date: 15th December 2023

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report, together with the audited financial statements of the Group for the year ended 31 December 2022.

Principal activities
The principle activities of the Buck Group is the provision of healthcare and life assurance benefits consulting, investment consulting, employee benefit consulting, employee benefit administration services, actuarial and employee benefit consulting and employee and pension communications within the UK.

Results and dividends
The profit for the year for the Group after taxation amounted to £2.765m (profit 2021: £1.905m) which are set out in the profit and loss account and comprehensive income on pages 13 and 14.
The Directors have not proposed the payment of a dividend (2021: nil), being nil per share (2021: nil per share).

Future developments
The Directors expect the turnover of the Group to increase in 2023 following continued focus on profitable revenue growth and as a result of continued investments in staff and resources in 2022.

Going concern

In consideration of the Group's current resources and review of financial forecasts and projections, the Board of directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least 12 months from the approval of the Annual Report. Refer to note 1 for further details.

Post balance sheet events
On 3 April 2023, Arthur J. Gallagher ("Gallagher"), a global insurance brokerage, risk management and consulting services firm purchased the Group.

Directors
The directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report.

D G Piltz
M Young
A N L Green
G A Rice

Remuneration policy
The aggregate wages and salaries in the year to 31 December 2022 was £37,724,000 (2021: £35,886,000). The Company's Remuneration policy is detailed in a Board approved Policy Statement. The remuneration of the Company's Directors and staff is determined by the Board of Directors and their line managers, and overseen by the Remuneration Committee respectively and is ultimately approved by the Company's US parent. Base pay is set by level and experience, performance payments are discretionary and are based on the performance of the Company and its UK and US parents using three Performance Indicators at a Global level - Turnover, EBIT (earnings before interest and taxes) and Accounts Receivable collection performance.

Employees
Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicants concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Group's continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

The Group's policy is to consult and discuss with employees at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information e-mails and conference calls which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Directors indemnity provision
During the year end and up to the date of approval of the financial statements, the Group had in place a third party indemnity provision for the benefit of all Directors of the Group.

Streamlined Energy and Carbon Reporting ("SECR")
The Buck Consultants Group is required to report on energy consumption and Greenhouse Gas ("GHG" emissions and energy) consumed by the Group under the Streamlined Energy and carbon Reporting regulations.

Scope 2 emission (indirect)
The following Scope 2 emissions are associated with the consumption of purchased electricity, heat, steam and cooling. These are indirect emissions that are a consequence of activities that are not owned or controlled by Buck Consultants Group.
Quantification and reporting methodology

Energy usages information (electricity) has been obtained directly from energy suppliers and estimation techniques have been used where the data has been incomplete to calculate annual consumption.

			2022		2021
Energy Type	Definition	**Total volume (kWh)**	**Calculated emissions (tCO2e)**	**Total volume (kWh)**	**Calculated emissions (tCO2e)**
Electricity	Emissions from purchased electricity	487,735	94.32	309,429	65.70
	Total Scope 2 Emissions		94.32		65.70

The Greenhouse Gas Protocol Corporate Accounting and Reporting Standard has been followed as the methodology to calculate the energy and carbon reporting and where needed the UK Government GHG Conversion Factors for Company Reporting 2022 have been used for emission factor conversions. Energy totals are reported in kilowatt-hours (kWh) and GHG totals are reported in tonnes of carbon dioxide equivalent (tCO2e).

As a professional services business, Buck Consultants Group is a relatively low environmental impact business compared to other industries. The Group has outlined how it seeks to minimise the impact to the environment of its operations in the Strategic Report, Section 172(1) statement (page 5).

Statement of directors' responsibilities
The directors are responsible for preparing the Annual 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 group financial statements in accordance with UK adopted international accounting standards and the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 United Kingdom Accounting Standards, comprising UK adopted international 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 Group 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.

The directors 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.

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 auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the board:

....
A N L Green - Director

Date: 15th December 2023

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF BUCK CONSULTANTS LIMITED

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2022 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006

We have audited the financial statements of Buck Consultants Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2022 which comprise the Consolidated Statement of Profit or Loss, the Consolidated Statement of Comprehensive income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Company Statement of Financial Position, the Company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent 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.

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 Group or Parent Company's ability to continue as a going concem for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other matter

The consolidated corresponding figures are unaudited.

Other information

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

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

We have *nothing to report in this regard.*

Other Companies Act 2006 reporting
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.

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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 Statement of Directors Responsibilities, 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 Group's and the Parent 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 Group or the Parent 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

Non-compliance with laws and regulations
Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance as well as the legal counsel; and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations;

we considered the significant laws and regulations to be the applicable accounting framework and UK tax legislation.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation, Companies Act 2006, the Financial Services and Markets Act 2000 and the Pensions Act 2008.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;

- Review of financial statement disclosures and agreeing to supporting documentation;
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud
We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
    - Detecting and responding to the risks of fraud; and
    - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be the timing of revenue recognition and manual journal entries, as well as estimates and other areas of judgement exercised by management.

Our procedures in respect of the above included, but was not limited to:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Performing substantive testing on account balances which were considered to be a greater risk of susceptibility to fraud;
- Critically assessing the accounting policies and areas of the financial statements which include judgement and estimates, as set out in the financial statements.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available 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 Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
David Butcher
062B3C7BEEC645B...
David Butcher (Senior Statutory Auditor)
for and on behalf of BDO LLP, Statutory Auditor
London,UK

Date: 15 December 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

BUCK CONSULTANTS LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £'000	2021 unaudited £'000
Turnover	4	68,605	62,671
Administrative expenses	5	(65,374)	(58,885)
Operating profit		3,231	3,786
Finance income	8	521	374
Finance expense	9	(672)	(620)
Profit before taxation	10	3,080	3,540
Tax on profit	11	(315)	(1,635)
Profit for the financial year		2,765	1,905

The Income Statement has been prepared on a basis that all operations are continuing operations.

The notes on pages 18 to 51 form part of these financial statements

BUCK CONSULTANTS LIMITED

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

	2022 £'000	2021 unaudited £'000
Profit for the year	2,765	1,905
Other comprehensive (loss)/income		
Items that will not be reclassified to profit or loss:		
Actuarial (loss)/gain on defined benefit pension scheme	(20,206)	3,815
Income tax relating to items that will not be reclassified to profit or loss	4,831	(954)
Other comprehensive (loss)/income for the year, net of income tax	(15,375)	2,861
Total comprehensive (loss)/income for the year	(12,610)	4,766

The notes on pages 18 to 51 form part of these financial statements

BUCK CONSULTANTS LIMITED (REGISTERED NUMBER: 11391138)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2022

	Note	2022 £'000	2021 Unaudited £'000	2020 Unaudited £'000
Non- current assets				
Tangible fixed assets	12	2,105	2,436	2,295
Goodwill	13	5,590	5,590	4,489
Intangibles	13	4,785	4,627	2,658
Right of use asset	12	8,192	9,583	9,937
Loan due from other group company	14	15,037	12,448	4,963
		35,709	34,684	24,342
Current assets				
Pension asset	25	5,468	21,602	15,364
Trade and other receivable	14	17,392	16,539	21,126
Deferred tax assets	18	493	205	160
Current tax		43	39	51
Cash at bank		4,192	2,347	3,685
		27,588	40,732	40,386
Current liabilities				
Trade and other payables	15	(18,814)	(13,726)	(13,508)
Lease liabilities	19	(1,236)	(1,145)	(1,264)
Deferred income	16	(208)	(743)	(668)
		(20,258)	(15,614)	(15,440)
Net current assets		7,330	25,118	24,946
Total assets less current liabilities		43,039	59,802	49,288
Non-current liabilities				
Loans and borrowing	17	(3,151)	(2,798)	-
Lease liabilities	19	(8,129)	(9,365)	(9,163)
Provisions	20	(1,089)	(991)	(1,030)
Deferred tax liabilities	18	(885)	(5,243)	(2,456)
		(13,254)	(18,397)	(12,649)
Nets assets		29,785	41,405	36,639
Capital and reserves				
Called up share capital	23	10,296	10,296	10,296
Share premium account		5,581	5,581	5,581
Other reserve		1,307	317	317
Retained earnings		12,601	25,211	20,445
		29,785	41,405	36,639

The financial statements were approved by the Board of Directors and authorised for issue on 15th December 2023 and were signed on its behalf by:

A N L Green- Director

The notes on pages 18 to 51 form part of these financial statements

BUCK CONSULTANTS LIMITED

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

	Called up share capital £'000	Share premium account £'000	Other reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2021- Unaudited	10,296	5,581	317	20,445	36,639
Changes in equity					
Profit for the year	-	-	-	1,905	1,905
Actuarial gain on defined benefit pension (note 25)	-	-	-	2,861	2,861
Balance at 31 December 2021- Unaudited	10,296	5,581	317	25,211	41,405
Changes in equity					
Profit for the year	-	-	-	2,765	2,765
Actuarial loss on defined benefit pension (note 25)	-	-	-	(15,375)	(15,375)
Contribution from the shareholders (note 15)	-	-	990	-	990
Balance at 31 December 2022	10,296	5,581	1,307	12,601	29,785

The notes on pages 18 to 51 form part of these financial statements

BUCK CONSULTANTS LIMITED

CONSOLIDATED STATEMENT OF CASHFLOW
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £'000	2021 unaudited £'000
Cash flows from operating activities			
Profit for the year		2,765	1,905
Adjustment for;			
Income tax		315	1,635
Other non-cash movements		99	26
Foreign exchange loss/(gain)	5	1,873	(49)
Depreciation of property, plant and equipment	12	2,409	2,574
Amortisation of intangible assets	13	399	349
Amortisation of costs to fulfil a contract	14	142	127
Amortisation of costs to obtain a contract	14	170	79
Amortisation of internal developed costs	13	153	-
Release of contingent consideration		147	-
Finance income	8	(521)	(374)
Finance expense	9	672	620
		5,858	4,987
Changes in:			
Increase in trade and other receivables		(1,585)	(6,331)
Decrease in trade and other payables		2,693	5,669
Cash used in operations		1,108	(662)
Pension fund contributions		(3,058)	(2,167)
Interest paid		(28)	(10)
Income taxes paid		(74)	(339)
Net Cash inflow from operating activities		6,571	3,714
Cash Flows from Investing activities			
Acquisition of subsidiary	22	(297)	(3,320)
Purchases of property, plant and equipment	12	(743)	(1,271)
Lending to other group companies		(2,325)	(1,646)
Net Cash outflow from investing activities		(3,365)	(6,237)
Cash Flows from Financing activities			
Interest paid on lease liabilities	19	(568)	(610)
Payments on lease liabilities	19	(1,145)	(1,004)
Lending from other group companies		352	2,799
Net Cash (outflow)/inflow from financing activities		(1,361)	1,185
Net increase/(decrease) in cash and cash equivalents		1,845	(1,338)
Cash and cash equivalents at beginning of year		2,347	3,685
Cash and cash equivalents at the end of year		4,192	2,347

The notes on pages 18 to 51 form part of these financial statements

1. **Statutory information**

The consolidated financial statements for the year ended 31 December 2022 are those of Buck Consultants Limited (the "Company") and its subsidiary undertakings (together, the "Group"). The Company is a private company limited by shares and is incorporated and domiciled in the UK. The address of its registered office is 20 Wood Street, London, EC2V 7AF.

2. **Accounting policies**

Basis of preparation

The consolidated financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with UK adopted international accounting standards. This is the first set of consolidated financial statements prepared for the Group under UK adopted international accounting standards. In the prior years, an exemption was taken which allowed for Company only financial statements to be prepared under FRS 101 "Reduced Disclosure Framework".

The financial statements have been prepared in sterling and are rounded to thousands.

The principal accounting policies are set out below and have been applied consistently throughout the years presented unless otherwise stated.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December 2022. Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The consolidated financial statements present the results of the Group as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at fair value at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained.

Going concern

The Directors have at the time of approving the financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and they continue to adopt the going concern basis of accounting in preparing the financial statements. The Group's going concern position has been reviewed by the Directors taking into account its business activities, financial performance to date and projected performance for the 12 months from the date these financial statements were countersigned. This is supported by cash flow forecasting and the Group's access to cash through other group companies.

The Directors have prepared a cash forecast for the 12 months from the date these financial statements were countersigned which assumes a marginal increase in revenue and a small increase in expenses compared to 2022 in line with the strategic direction to grow the business profitably. This drives comparable profitability compared to 2022. A letter of support has been provided from the parent company, Arthur J Gallagher & Co confirming that they will ensure the Company has sufficient funds available to ensure it is able to meet its liabilities as they fall due for at least the next 12 months. The Directors have considered the impact of various risks such as a global pandemic, a large liability claim by a client, after effects of Brexit, the wars in Ukraine and the Middle East, a substantial increase in interest rates and a macroeconomic downturn. While the scenarios have varying levels of impact on the business, there is a low risk of causing a level of disruption that would bring into doubt the viability of the business, due to the significant level of capital and reserves.

2. **Accounting policies - continued**

In addition, the Directors have reviewed a model of a reverse stress test where a combination of the above scenarios were used to understand what level of disruption is required to make the on-going business unviable, and this helped to confirm that the going concern assumption is reasonable.

There are regular reviews of the actual revenue and cost performance versus plan and prior year, as well as monthly reviews of sales forecasts. The Group has seen limited impact of COVID-19 on the operational capabilities of the business and demand for most services has remained consistent to previous years during the COVID-19 pandemic.

The Group continues to invest in its staff and in technological solutions to ensure that its services are up to date and meet the requirements of its current and future customers. Overall, the review of performance, cash needs and future revenue growth demonstrate that the Group will be able to pay its debts as they fall due for the 12 months from the date these financial statements were countersigned and supports the assumption to prepare the financial statements on a going concern basis.

At the time of approving the financial statements, the Group has a new ultimate parent following the purchase by Arthur J Gallagher & Co. The Group will continue with its operations and there is no impact to the Group's going concern position.

Revenue recognition
On inception of the contract the Group identifies a "performance obligation" for each of the distinct services that has been promised to be provided to the customer. The consideration specified in the contract with the customer is allocated to each performance obligation identified and is recognised as revenue as they are satisfied. Fee term can be in the form of fixed fees, time cost and commission. Payment is typically due on a monthly basis and the Group is entitled to be reimbursed for work performed to date in the event of termination.

The recognition criteria for different streams of revenue in the Group are set out below:

Fixed Fees
A large portion of clients are on fixed price contracts, which generally have 3 or 5 year term and some old contract are evergreen. These cover the group's three main areas of services which are provision of actuarial, employee benefit administration and pension administration services. Revenue is generally recognised over time, because clients are simultaneously receiving and consuming the benefits of the services. For most fixed fee arrangements revenue is recognised proportionally over the life of the contract, on a straight line basis, as this is taken as an appropriate measure in determining the measure of progress of the overall work done.

Time cost
Whilst some contract may be mainly time cost based, all projects include time cost for out of scope work aswell as the option of a fixed fee, as set out in the contract. These cover the group's main areas of service which are provision of actuarial, employee benefit administration and pension administration services. Revenue is recognised as hours are worked, as this is considered an appropriate measure in determining the transfer of agreed services to the client.

Commission
The Group acts as an intermediary in the placement of insurance policies for the clients looking to obtain insurance coverage for their employees. The primary performance obligation under the majority of these arrangements is to provide consulting services to develop and set up health insurance programs and find the best insurance provider for these services that meet the client's and employees needs. For most of these arrangements, the Group places these policies for the client as a broker and receives commissions from the carriers.

Communication services
The Group provides communication and technology services in all areas of human resources and employee benefits communication, including health and welfare, wellness, voluntary benefits, retirement, compensation and performance management, employee research, as well as total rewards campaigns and employee value proposition initiatives. These services are recognised over time and revenue is recognised based on the stage of completion of the project, which is estimated based on the progress made on the project (e.g. an output based method).

2. **Accounting policies - continued**

Cost to obtain contracts
Costs to obtain customers include sales commission paid to employees who played a significant role in executing a new contract signing. The relevant costs incurred to obtain the contracts are recognised as an asset and amortised over the duration of the contract. The net amount of costs to obtain contracts is included in other receivables in the consolidated balance sheet

Costs to fulfil contracts
Costs to fulfil a contract include costs incurred by the Group that are expected to be recovered within the expected period. Capitalised costs pertain mainly to the system implementation activities, such as transition to a platform or implementing a call centre for new clients and include external and internal costs recorded through time entry. Costs to fulfil contracts are amortised over the term of the relating contract. The net amount of costs to fulfil contract is included in trade and other receivables in the consolidated balance sheet.

Contract assets
Contract assets relate to accrued revenue represents consultants' time and fees which had not been billed to clients at the year end which is recoverable. This has been included in accrued income.

Contract liabilities
Contract liabilities relate to deferred income and include services which have not been delivered to the customer which is recognised as revenue when the performance obligations are satisfied.

Operating segments
The Directors consider there to be one operating segment, which is the UK region.

Dividends
Dividends payable are recognised when they become legally binding, being on approval by the directors in a board meeting, subject to availability of distributable reserves.

Goodwill
Goodwill represents the excess of the cost of a business combination over the Group's interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired. Goodwill is initially recognised as an intangible asset at cost and is subsequently measured at cost less any accumulated impairment losses.

Intangible assets
Intangible assets that meet the recognition criteria of IAS 38, "Intangible Assets" are capitalised and carried at cost less amortisation and any impairment losses. Intangible assets comprise of customer relationships, trade name and capitalised development costs.

Customer relationships and trade name
Intangible assets acquired as part of a business combination are initially recognised at their fair value and subsequently amortised on a straight-line basis over their useful economic lives. Amortisation of intangible assets is calculated over the following periods on a straight-line basis:

Customer relationships	- useful life of 10 years
Trade name	- useful life of 3 and 10 years

The amortisation is charged to administrative expenses in the consolidated income statement.

2. **Accounting policies - continued**

Capitalised development costs
Capitalised development costs relate to staff costs incurred in relation to software development of a product.
Development expenditure is capitalised only if:
- development costs can be measured reliably
- the product is technically and commercially feasible
- future economic benefits are probable; and
- the Group has sufficient resources to, complete development and to use the asset

Subsequent to initial recognition, development costs are measured at cost less accumulated amortisation and any accumulated impairment losses. Capitalised development costs are amortised on a straight-line basis over their useful economic lives, of 5 years. The amortisation expense is included within administrative expense in the consolidated income statement.

Impairment of non-financial assets
Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ("CGU"). Goodwill is allocated on initial recognition to each Group's CGU that are expected to benefit from a business combination that gives rise to the goodwill.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Leasehold improvements	-	20% on cost
Software development	-	25% on cost
Fixtures and fittings	-	20% on cost
Office and IT equipment	-	33% on cost and 20% on cost

2. **Accounting policies - continued**

Financial instruments
Financial assets
Financial assets of the group comprise of trade, loans receivables and other receivables (excluding prepaid expenses) and cash and cash equivalents.

Financial assets are recognised in the statement of financial position when the Group becomes party to the contractual provisions of the instrument and are derecognised when the contractual rights to the cash flows from the financial assets expire, or when the financial assets and all substantial risks and reward are transferred.

Financial assets are also derecognised (written-off) when the Group has no reasonable expectation of recovering the financial asset. Indicators of where there is no reasonable expectation of recovery include indicators of a customer's inability to pay or losses arising in relation to contract disputes.

The Group classifies all of its financial assets as assets measured at amortised cost. Financial assets are measured at amortised cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flow.

Trade receivables are non-interest bearing and are stated at their nominal value, as reduced by appropriate allowances for estimated irrecoverable amounts.

Impairment of financial assets under IFRS 9

Expected credit losses applies to trade debtors, contract assets and loan receivables. The Group applies IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision. The expected loss rates are based on the Group's historical credit losses experiences over the three year period prior to the year end. The Group uses a provision matrix to determine expected credit losses of trade debtors based on the ageing of unpaid invoices from their due date and such provisions are recorded in a separate provision account with the loss being recognised in profit or loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associate provision.

Impairment losses on financial assets carried at amortised costs are reversed in subsequent period if the expected credit losses decrease.

Financial liabilities
Financial liabilities include borrowings and trade and other payables (excluding deferred revenue).

Financial liabilities are obligations to pay cash or other financial assets and are recognised in the statement of financial position when, and only when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially recognised at fair value adjusted for any directly attributable transaction costs.

A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

(a) Financial liabilities and equity
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that gives a residual interest in the assets of the Group after deducting all of its liabilities

(b) Interest-bearing borrowings
Interest-bearing loans are initially recorded at the proceeds received, net of associated transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings.

(c) Trade payables
Trade payables are non-interest bearing and are stated at their nominal value.

2. **Accounting policies - continued**

(d) Equity instruments
Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Taxation
(a) Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

(b) Deferred tax
Provision is made for corporation tax at the current rates on the excess of taxable income over allowable expenses. Deferred taxation is provided on all timing differences that have originated but not reversed by the balance sheet date other than those differences regarded as permanent. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain. Any deferred tax assets and liabilities recognised are provided at the average rate of tax expected to apply when the asset and liability crystallises and are not discounted.

Foreign currencies
The presentation currency of the Group is pound sterling. Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Non-Monetary asset and liability transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in the profit or loss and included in administrative expenses.

The Statements of Financial Position of the foreign subsidiaries are translated into sterling at the rate ruling at the year end. The results of the foreign subsidiaries are translated into sterling at the average rate of exchange during the financial year. Exchange differences which arise from the translation of the opening net assets of the foreign subsidiary undertakings are included in the Consolidated Statement of Comprehensive Income.

Leases
Leases are recognised as finance leases. The lease liability is initially recognised at the present value of the lease payments which have not yet been made and subsequently measured under the amortised cost method. The initial cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, lease payments made prior to the lease commencement date, initial direct costs and the estimated costs of removing or dismantling the underlying asset per the conditions of the contract.

Where ownership of the right-of-use asset transfers to the lessee at the end of the lease term, the right-of-use asset is depreciated over the asset's remaining useful life. If ownership of the right-of-use asset does not transfer to the lessee at the end of the lease term, depreciation is charged over the shorter of the useful life of the right-of-use asset and the lease term.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for leases of low value assets and leases with a duration of 12 months or less.

Employee benefit costs
The group operates various post-employment schemes, including both defined benefit and defined contribution pension plans.

Pension obligations
<u>Defined contribution plan</u>
A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

2. **Accounting policies – continued**

For defined contribution plans, the group pays contributions to privately administered pension insurance plans on a agreed basis, which can be altered if necessary. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plan
A defined benefit plan is a pension plan that is not a defined contribution plan.
Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.
A pension asset in the balance sheet would arise when the fair value of plan assets exceeds the present value of the defined benefit obligation.

The defined benefit obligation is calculated annually by qualified actuaries of the Group using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to shareholders' funds in other comprehensive income in the period in which they arise.

The amount charged or credited to finance costs is a net interest amount calculated by applying the liability discount rate to the net defined benefit liability or asset.

Past-service costs are recognised immediately in the income statement.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

Interest receivables
The Group receives interest from intercompany loans as well as from deposit with major bank.
Loan interest receivable from intercompany is recognised on an accruals basis and in line with the loan agreement between the parties.

Expenditure
The Group recognises expenses on accrual basis net of Value Added Tax (VAT).

Capital and Reserves
(a) Share capital
Represents the nominal (par) value of shares that have been issued. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Group.

(b) Share Premium
The share premium account represents the difference between the par value of the shares issued and the subscription or issue price.

(c) Other reserves
Other reserves relate to capital contribution reserves. This reserve arose from the reimbursement of certain expenses by way of a non-refundable cash injection from the then ultimate parent undertaking. This is a distributable reserve.

2. **Accounting policies – continued**

(d) Retained Earnings
Retained Earnings represents cumulative profit or losses, net of dividends paid and other adjustments.

Provisions
Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Investments in associates and subsidiaries
Investments in subsidiaries are stated at cost plus incidental expenses less any provision for permanent diminution in value. The Group's directors regularly review the carrying value of investments for impairment.

Critical accounting estimates and judgements
In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Provision for errors and omission
The Group exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation (as detailed in note 20 to the financial statements). Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

(b) Impairment of trade receivables
The Group makes an estimate of the recoverable value of trade and loan receivables. When assessing impairment of trade and loan receivables, management considers factors including the ageing profile of the receivables and historical experience.

A provision matrix is applied to the debtor balances to determine expected credit losses. The provision matrix is based on the ageing of unpaid invoices from their due date, and is calculated as 25% of the value of invoices that are 181 - 365 days past their due date, 100% of value for invoices over 365 days past their due date and any specific client risk. The Directors consider this is to be appropriate based on past experience. (see note 14)

(d) Accrued income
The Group exercises judgement in estimating the provision for accrued income (WIP) by carrying out a detailed review of the aged WIP which includes discussions with client executives and making an estimate based on the likelihood that the WIP will be billed to the client. In addition, a provision is calculated based on the average percentage level of write downs over the last 6 months and to the extent that this does not cover the risk identified by the detailed analysis the provision would be adjusted. (see note 14)

2. **Accounting policies - continued**

(e) Provisions for dilapidations
The Group exercises judgement in measuring and recognising provisions related to dilapidation recharges arising from leasehold premises the Group occupies (see note 20 to the financial statements). Judgement is necessary in assessing the likelihood that a liability will arise and to quantify the possible range of the financial settlement with the landlord. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

(f) Defined benefit pension scheme
The Group has an obligation to pay pension benefit to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, assets valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 25 for the disclosures of the defined benefit pension scheme.

(g) Impairment of investment
IFRS requires management to test for impairment if events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of the investments can be supported by its net assets. In assessing the impairment of its subsidiary, the Group considers the future trading activities of its subsidiary as well as the value of distributable reserves in the subsidiary post balance sheet.

(h)Impairment of goodwill and intangible assets
Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating units and the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the cash-generating unit. The fair value of each cash generating unit is estimated using the income approach, on a discounted cash flow methodology. This analysis requires significant estimates, including estimation of future cash flows, which is dependant on internal forecasts, estimation of the long-term rate of growth for the business and determination of our weighted average cost of capital. See note 13 for more detail.

Intangible assets are tested for impairment if an indicator of impairment exists. Similar to goodwill, the indictor could be a significant change to the business climate, legal factors, operating performance indicators, competition, changes to the technological environment or another, external or internal factor observed by management. As with goodwill, application of an impairment test here will require judgement and the use of estimates.

The Group determines that there is no impairment of any of its cash-generating units or group of cash-generating units containing goodwill or intangible assets with indefinite useful lives. The recoverable amounts (ie higher of value in use and fair value less costs of disposal) of those units and group of units are determined on the basis of value in use calculations. Management has determined that the recoverable amount calculations are most sensitive to changes in the revenue growth relative to expenses.

(i) Incremental borrowing rate used to measure lease liabilities
Where the interest rate implicit in the lease cannot be readily determined, lease liabilities are discounted at the lessee's incremental borrowing rate. This is the rate of interest that the lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. This involves assumptions and estimates, which would affect the carrying value of the lease liabilities (note 19) and the corresponding right-of-use assets (note 12).

To determine the incremental borrowing rate the group used an estimate based on their financial position and adjusted this for conditions specific to the lease such as its term and security.

The group used incremental borrowing rates specific to each lease at inception estimated to be 4% and for new leases in 2021 the company used 7%. There were no new leases in 2022. A 1% increase/(decrease) in the rate would cause the lease liability to (reduce)/increase by £0.284m and £0.300m, with a corresponding movement in the 'cost' of the right-of-use asset which would increase/(reduce) the associated amortisation.

2. **Accounting policies – continued**

(j) Valuation of separate intangible assets on acquisition.
The Group engages independent valuation experts to perform fair value analysis of the purchase considerations, opening balance sheet and certain intangible assets as part of its acquisition in accordance with IFRS 3. Management identified the separable intangible assets utilising the information provided by the valuation experts and using IFRS 3 guidance to assess whether the assets meet the separability criteria as outlined in IFRS 3. The valuation approaches used are the income approach, the market approach and cost approach. The valuation analysis is prepared on the basis of financial projections, underlying information provided by the target company and financial due diligence. There is a risk that the projections and the valuations are inaccurate. To mitigate the risk management reviews the draft reports for factual accuracy.

New standards, interpretations and amendments effective for the period ended 31 December 2022

New standards that are effective for the first time in the year 2022 and do not have an impact on the group's consolidated financial statements are;

- Annual Improvements to IFRS: 2018-2020 Cycle
- Conceptual Framework for Financial Reporting (Amendments to IFRS 3)
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendment – Onerous Contracts – Cost of Fulfilling a Contract)
- IAS 16 Property, Plant and Equipment (Amendment – Proceeds before Intended Use)

New standards, interpretations and amendments not yet effective are IFRS 17 Insurance contracts including Amendments to IFRS 17, IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information, IFRS 2 Climate-related Disclosures, Amendments to IAS 1: Classification of Liabilities as Current or Non-current , IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment, IAS 37 Provisions, Contingent Liabilities and Contingent Assets, IAS 8 - Definition of Accounting Estimates, IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction, IAS 7 and IFRS 7 - Supplier Finance Arrangements and IAS 12 - International Tax Reform – Pillar Two Model Rules and Annual Improvements to IFRSs (2018-2020 Cycle): IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16 and IAS 41. The Group is currently assessing the impact of these new standards and amendments and does not expect them to have a material impact to the Group.

3. **Financial Instruments**

The Group is exposed to the following financial risks:
(a) Credit risk
(b) Market risk
(c) Liquidity risk

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables

a) Credit risk

The Group's principal financial assets are cash and cash equivalents and trade and other receivables. Credit risk is the risk of financial loss to the Group if a customer fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

The Group applies IFRS 9 simplified approach and uses a provision matrix based on the aging of the debt (note 2). For trade receivables over 6 months old, a 25% provision is made, over 12 months old 100% provision is made and in addition known specific risks are provided for. Debt ageing and collections are monitored on a regular basis.

3. **Financial Instruments- continued**

Aging of trade receivables are summarized as follows:

	2022	**2021 unaudited**
Up to 30 days	5,737	5,638
30- 90 days	2,503	1,623
More than 90 days	503	777
Gross	8,743	8,038
Less provision for impairment of trade receivables	(19)	(417)
	8,724	7,621

b) Market risk

Market risk refers to fluctuations in interest rates, inflation rates and exchange rates, which will affect the Group's income or the value of its holdings of financial instruments.

Interest rate risk

The Group has no significant interest-bearing liabilities with third parties and therefore management do not consider interest rate movements to be a significant risk to the Group.

Foreign currency risk

The Group is predominantly exposed to currency risk on transactions with its counterparties in the USA.

Each of the companies in the Group trades almost exclusively in its functional currency, minimising transactional foreign exchange risk.

Inflation rate risk

The Group is largely protected from a high inflation environment because of its contractual ability to increase revenue from the majority of customers by an amount linked to inflation. Therefore, management do not consider this to be a significant risk to the Group.

c) Liquidity risk

Liquidity risk is the risk that the businesses in the Group, although solvent, do not have sufficient available resources to enable them to meet their obligations as they fall due, or can secure them only at excessive cost. Liquidity Risk is being managed by the Group's Finance Team both locally in the UK and globally in the US. The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due and to achieve this, the daily cash balances are monitored locally in the UK. The Ultimate Parent company for the year ended 31 December 2022, HIG, ensures that there is access to sufficient funding for the Group to meet its obligations as they fall due. On the 3 April 2023, the Group was acquired by Arthur J. Gallagher & Co ("AJG") and going forward AJG would support the Group obligations as they fall due.

The below table shows the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities at the reporting date:

At 31 December 2022:	**Less than one year**	**2 to 4 years**	**More than 5 years**	**Total**
Lease liabilities	1,236	3,643	4,486	9,365
Trade and other payables	18,814	-	-	18,814
Deferred income	208	-	-	208
Loans and borrowing	-	353	2,798	3,151
	20,258	3,996	7,284	31,538

At 31 December 2021 (unaudited):	**Less than one year**	**2 to 4 years**	**More than 5 years**	**Total**
Lease liabilities	1,145	3,607	5,758	10,510
Trade and other payables	13,726	-	-	13,726
Deferred income	743	-	-	743
Loans and borrowing	-	-	2,798	2,798
	15,614	3,607	8,556	27,777

The table below is a reconciliation of liabilities arising from financing activities:

	2021	Cashflow	Non-Cash Flow	2022
Loans from other group company	2,798	353	-	3,151
Lease liabilities	10,510	(1,713)	568	9,365
Total	13,308	(1,360)	568	12,516

4. **Revenue**

The turnover and profit before taxation are attributable to the principal activities of the Group.

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

	2022 £'000	2021 unaudited £'000
Time-cost	25,854	23,282
Fixed fees	37,477	33,034
Communication services	2,863	3,759
Commission	2,411	2,596
	68,605	62,671

An analysis of turnover by geographical market is given below:

	2022 £'000	2021 unaudited £'000
United Kingdom	67,875	62,029
United States of America	182	215
Europe	548	427
	68,605	62,671

5. **Expenses by nature**

	2022 £'000	2021 unaudited £'000
Staff costs (note 6)	42,784	40,453
Staff related expenses	2,452	1,746
Depreciation (note 12)	2,408	2,579
Amortisation on intangibles (note 13)	552	349
Amortisation of costs to fulfil a contact (note 14)	142	127
Amortisation of costs to obtain a contract (note 14)	170	79
Foreign exchange difference	1,873	(49)
Auditors remuneration	511	249
Legal costs	178	652
Office related expenses	1,631	1,068
IT related expenses	942	1,272
Corporate expenses	5,633	4,686
Printing, postage and operational expenses	1,587	2,223
General expenses	3,024	2,203
Other expenses	1,487	1,248
	65,374	58,885

6. Employees and key management personnel

	2022 £'000	2021 unaudited £'000
Wages and salaries	37,724	35,886
Social security costs	2,599	2,410
Other pension costs	1,478	1,364
Defined contribution pension costs	983	793
	42,784	40,453

The average number of employees during the year was as follows:

	2022	2021 unaudited
Actuarial & Benefit Consulting	165	150
Pension Administration	501	442
Health & Productivity	48	49
Investment Consultancy	14	27
Support Services	55	56
Other	21	19
	804	743

7. Key management personnel's' emoluments

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the businesses within the Group, which are the directors listed on page 7.

The aggregate amount of emoluments paid to the Directors are shown below along with information of the highest paid director.

	2022 £'000	2021 unaudited £'000
Directors' remuneration	726	711
Directors' social security	99	88
Directors' pension contribution to money purchase schemes	40	40

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

Number of Directors	3	4

Information regarding the highest paid Director is as follows:

	2022 £'000	2021 unaudited £'000
Emoluments	309	311
Pension contributions to money purchase schemes	-	2

No directors received share under long term incentive schemes during the year (2021 - nil).

8. Finance income

	2022 £'000	2021 unaudited £'000
Interest on pension scheme assets	468	256
Interest on loan to other group companies (see note 14)	53	97
Unwinding of discount	-	21
	521	374

9. Finance expense

	2022 £'000	2021 unaudited £'000
Interest on cash at bank	33	10
Interest on loan due to other group company	22	-
Interest on lease liability	568	610
Interest on contingent liability payable	49	-
	672	620

10. Profit before taxation

The profit before taxation is stated after charging:

	2022 £'000	2021 unaudited £'000
Depreciation - owned assets	950	1,121
Depreciation - right of use asset	1,391	1,458
Amortisation on intangibles	552	349
Amortisation deferred contract costs	142	127
Foreign exchange difference	1,873	(49)
Auditors remuneration	687	264
Errors and omission charge	177	33
Provision on doubtful debts	(76)	(43)

	2022	2021
Amounts paid to the auditor of the Group:		
Fees related to the audit of the group	511	249
Tax compliance	52	15
Other non-audit service	123	17
	686	281

11. Taxation

Analysis of tax expense/(income)

	2022 £'000	2021 unaudited £'000
Current tax:		
Tax	691	-
Foreign tax	23	-
Adjustment in respect of prior years	112	177
Total current tax	826	177
Deferred tax:		
Origination and reversal of temporary difference	(154)	455
Adjustment in respect of prior years	(353)	48
Effect of difference in tax rates	(4)	955
Total deferred tax	(511)	-
Total tax expense in income statement	315	1,635

Factors affecting the tax expense

The tax assessed for the year is higher (2021 - lower) than the standard rate of corporation tax in the UK. The difference is explained below:

	2022 £'000	2021 unaudited £'000
Profit before income tax	3,080	3,540
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	585	673
Effects of:		
Non deductible expenses	121	202
Income not taxable for tax purposes	(26)	92
Foreign tax charge net of UK tax relief	23	-
Group relief surrender/(claimed)	(146)	(512)
Adjustments to tax charge in respect of previous periods	80	177
Adjustments to tax charge in respect of previous periods - deferred tax	(353)	48
Adjustments to tax charge in respect of previous periods - foreign tax	32	-
Change in tax rates	(1)	955
Tax expense/(income)	315	1,635

11. **Taxation- continued**

Tax effects relating to effects of other comprehensive income

	2022		
	Gross £'000	Tax £'000	Net £'000
Actuarial loss on defined benefit pension	(20,206)	4,831	(15,375)
	(20,206)	4,831	(15,375)

	2021		
	Gross £'000	Tax £'000	Net £'000
Actuarial loss on defined benefit pension	3,815	(954)	2,861
	3,815	(954)	2,861

The tax assessed for the year is the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%).

The provision for deferred tax is calculated based on the tax rates enacted or substantially enacted at the balance sheet date. In the UK budget on 15 March 2021, the Chancellor announced that the rate of corporation tax would increase from its current level of 19% to 25% with effect from 1 April 2023. The rate will remain at 19% until that date. This amendment was enacted by Parliament on 24 May 2021 and received Royal Assent on 10 June 2021 and should increase the amount of corporation tax payable in the future. The provision for deferred tax in the financial statements has been based upon the expected rate of reversal for each major part of deferred tax.

12. Tangible fixed assets

	Right of use asset	Leasehold improvement	Licences and software	Fixtures and fittings	Office and IT equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 January 2022	14,542	1,604	615	858	4,029	21,648
Additions	-	478	67	3	195	743
Disposal	-	(147)	(6)	(193)	(11)	(357)
Exchange difference	-	18	-	-	-	18
At 31 December 2022	14,542	1,953	676	668	4,213	22,052
Depreciation						
At 1 January 2022	4,959	583	317	389	3,381	9,629
Charge for the year	1,391	352	152	58	455	2,408
Elminated on disposal	-	(126)	(6)	(150)	-	(282)
At 31 December 2022	6,350	809	463	297	3,836	11,755
Net Book Value						
At 31 December 2022	8,192	1,144	213	371	377	10,297
At 31 December 2021 (unaudited)	9,583	1,021	298	469	648	12,019

Unaudited	Right of use asset	Leasehold improvement	Licences and software	Fixtures and fittings	Office and IT equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 January 2021	13,442	845	615	634	3,753	19,289
Additions	1,172	769	-	214	285	2,440
Disposal	(207)	-	-	-	(27)	(234)
Modification	22	-		-		22
Acquisition through business combination	113	12	-	10	17	152
Exchange difference	-	(22)	-	-	1	(21)
At 31 December 2021	14,542	1,604	615	858	4,029	21,648
Depreciation						
At 1 January 2021	3,505	463	117	344	2,628	7,057
Charge for the year	1,454	120	200	45	753	2,572
At 31 December 2021	4,959	583	317	389	3,381	9,629
Net Book Value						
At 31 December 2021	9,583	1,021	298	469	648	12,019
At 31 December 2020	9,937	382	498	290	1,125	12,232

13. Intangible assets

	Goodwill	Customer Relationship	Trade name	Development costs	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 January 2022	5,590	3,990	309	719	10,608
Additions	-	-	-	710	710
	5,590	3,990	309	1,429	11,318
Cost Amortisation and impairment					
At 1 January 2022	-	391	-	-	391
Provided for the year	-	399	-	153	552
At 31 December 2022	-	790	-	153	943
Carrying value					
At 31 December 2022	5,590	3,200	309	1,276	10,375
At 31 December 2021 (unaudited)	5,590	3,599	309	719	10,217

Unaudited	Goodwill	Customer Relationship	Trade name	Development costs	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 January 2021	4,489	2,500	200	-	7,189
Additions	1,101	1,490	109	719	3,419
	5,590	3,990	309	719	10,608
Cost Amortisation and impairment					
At 1 January 2021	-	42	-	-	42
Provided for the year	-	349	-	-	349
At 31 December 2021	-	391	-	-	391
Carrying value					
At 31 December 2021	5,590	3,599	309	719	10,217
At 31 December 2020 (unaudited)	4,489	2,458	200	-	7,147

Development costs are predominately capitalised staff costs associated with the enhancement of the benefits administration platform (Delta +) and the administration system used by the UK Pension Administration business (MasterKEY).

The amortisation charge on intangible assets is included in administrative expenses in the Consolidated statement of profit and loss and other comprehensive income.

The carrying amount of the intangible assets is allocated across cash-generating units ("CGUs"). A CGU is defined as the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups thereof. The recoverable amount of the CGUs is determined using value in use ("VIU") calculations.

The carrying amount of goodwill is allocated to the cash generating units (CGUs) as follows:

	Goodwill £'000
Caburn Hope Limited	923
Concert Consulting UK Limited	4,667
	5,590

The recoverable amount of each CGU is determined based on the value in use calculations. The use of this method required the estimation of future cash flow and the determination of a discount rate to calculate the present value of the cash flows.

The recoverable amounts of the above CGUs have been determined from value in use calculations based on cash flow projections covering a 4 year period to 31 December 2026. Other major assumptions are as follows:

	Revenue growth rate 2023	Revenue growth rate 2024 onwards	Pre- tax Discount rate	Terminal growth rate after period 4	Period of forecasts
Caburn Hope Limited	11%	10%	11.4%	2%	4 years
Concert Consulting UK Limited	7%	10%	11.4%	2%	4 years

Discount rate is based on the weighted cost of capital which is derived using the following components: (a) Beta: calculated to estimated how volatile the Group's equity is, (b) Risk-free rate: using a 20-year Treasury Bond yield and (c) Equity risk premium: used to assess the price of risk in equity markets . The growth rate after period 4 is based on a blend of average growth rates experienced by the Group and management's assessment of industry and macroeconomic outlooks. The Directors believe they will be sufficiently representative of actual results.

The impairment review concluded that there was no impairment to the CGU's during the financial period.

The Group performed sensitivity analysis by recalculating the present value of the cashflows considering a decrease in performance in each CGU. If any one of the following changes were made to the key assumptions, the recoverable amount remains higher than the carrying amount and no impairment is required.

	Caburn Hope Limited	Concert Consulting UK Limited
Revenue growth rate	Reduction from 10% to 7%	Reduction from 10% to 7%
Discount rate	Increase from 11.4% to 15%	Increase from 11.4% to 15%
Terminal growth rate after period 4	Reduction from 2% to 1%	Reduction from 2% to 1%

For Buck Consultants Limited standalone accounts, there were indicators of impairment in the investment in subsidiary of Caburn Hope Limited and Concert Consulting Limited. The impairment review was performed and management have concluded that no impairment is required. Following sensitivity analysis on Caburn Hope, if the WACC was increased by 1% to 12.4% it would result in an impairment of £61,317 and if revenue growth was decreased by 1% to 9% growth an impairment of £20,210 would be required. If the same sensitivity analysis was performed on Concert Consulting UK Limited no impairment is required.

14. Trade and other receivables

	2022 £'000	2021 unaudited £'000
Amounts falling due within one year:		
Trade receivables	8,743	8,038
Less: provision for impairment of trade receivable	(19)	(417)
Trade receivables	**8,724**	**7,621**
Accrued income	4,566	4,174
Loan due from other group company	1,661	2,393
Amounts owed by group undertakings	155	78
Deferred contract costs	523	543
Costs incurred to obtain and fulfil a contract	406	332
Other debtors	163	160
Prepayments	1,194	1,238
	17,392	16,539
Amounts falling due after more than one year:		
Loan due from other group company	15,037	12,448
	32,429	28,987

Reconciliation of accrued income:

	2022 £'000	2021 unaudited £'000
As at 1 January 2022	4,174	3,330
Transfer in the period from contract assets to trade receivables	(4,174)	(3,330)
Excess of revenue recognised over cash (or rights to cash) being recognised during the period	4,566	4,174
As at 31 December 2022	**4,566**	**4,174**

Reconciliation of deferred contract costs:

	2022 £'000	2021 unaudited £'000
As at 1 January 2022	543	339
Additions	122	331
Amortisation	(142)	(127)
As at 31 December 2022	**523**	**543**

14. **Trade and other receivables (continued)**

Reconciliation of costs incurred to obtain and fulfil a contract	2022	2021 unaudited
	£'000	£'000
As at 1 January 2022	332	206
Additions	244	205
Amortisation	(170)	(79)
As at 31 December 2022	**406**	**332**

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment and are repayable on demand.

The loan due from another company, within amounts falling due within one year are with Buck Global Deutschland GmbH and Buck Global LLC which was first provided on 15 August 2018 and was extended on 29 July 2019. The loans maturity date is 4 June 2023 and is repayable on demand. The interest rate charged is GBP LIBOR plus 1.5% per annum (see also note 8).

The loan due from another company, falling due after more than one year is with BCHR UK Holdings Limited, it is interest free and payable on demand. The loan is due to Buck Consultant Limited settling a liability on behalf of BCHR UK Holdings Limited.

Receivables are recorded and measured in accordance with accounting policy in note 2 above. With respect to the Expected Credit Loss, ECL model, a provision matrix is applied to the debtor balances to determine expected credit losses. The Directors have assessed the Group's receivables using the provision matrix and have calculated a specific debt provision based on age of debt and specific client knowledge.

15. Creditors: amounts falling due within one year

	2022	2021 unaudited
	£'000	£'000
Trade creditors	1,232	1,371
Amounts owed to group undertakings	10,109	4,708
Social security and other taxes	1,293	1,243
VAT	2,368	2,021
Contingent consideration	-	387
Other creditors	831	534
Accruals	2,981	3,462
	18,814	13,726

Amount due to group undertakings are unsecured, interest free and have no fixed date of repayment and are repayable on demand. On 31 July 2022, Buck Global LLC waived Buck Consultants Limited repayment obligation of $1,200,000 (£990,000) relating to a portion of the intercompany balance included in amounts owed to group undertakings.

Movement in the contingent consideration is outlined below:

	2022	2021 unaudited
	£'000	£'000
Contingent consideration		
As at 1 January 2022	387	957
Amount paid during the year	(297)	-
Charged to the income statement	57	-
Amount written off to the income statement	(147)	(570)
As at 31 December 2022	**-**	**387**

16. Deferred income

	2022	2021 unaudited
	£'000	£'000
At January 2022	743	668
Acquisition through business combination	-	40
Amounts included in contract liabilities that was recognised as revenue during the period	(743)	(708)
Cash received in advance of performance and not recognised as revenue during the period	208	743
	208	743

17. Loans and Borrowing

	2022	2021 unaudited
	£'000	£'000
Loan from other group companies	3,151	2,798
	3,151	2,798

Includes an interest free loan with BCHR US Acquisition Inc. of £2,798m payable on demand.

During 2022, the Company entered into a on-demand loan facility with Buck Trustees (Guernsey) Limited. The facility maturity date is 31 December 2024 and interest rate payable on the facility is USD LIBOR (or 1% if higher) plus 7.25%.

18. Deferred taxation

The following are the major deferred tax assets recognised by the Group and movement thereon during the current and prior reporting year.

	Asset	Liability	Net	(Charged)/ credited to profit or loss	(Charged) / credited to equity
	2022	2022	2022	2022	2022
	£'000	£'000	£'000	£'000	£'000
Pension		(1,092)	(1,092)	(237)	4,133
Losses	1,093	-	1,093	429	-
**ACA's	235	(2)	233	(6)	-
Business combinations		(871)	(871)	76	-
Other	262	(17)	245	249	-
Tax asset/(Liability)	1,590	(1,982)	(392)	511	4,133
Set off tax	(1,097)	1,097	-	-	-
Net tax assets/(liabilities)	493	(885)	(392)	511	4,133
Unaudited	**2021**	**2021**	**2021**	**2021**	**2021**
	£'000	£'000	£'000	£'000	£'000
Pension	-	(4,988)	(4,988)	(1,507)	(954)
Losses	663	-	663	14	-
**ACA's	243	(5)	238	152	-
Business combinations	-	(947)	(947)	(442)	-
Other	5	(9)	(4)	(4)	-
Tax asset/(Liability)	911	(5,949)	(5,038)	(1,787)	(954)
Set off tax	(706)	706	-	-	-
Net tax assets/(liabilities)	205	(5,243)	(5,038)	(1,787)	(954)

** Accelerated Capital Allowances

Deferred tax assets and liabilities are offset where the Group has a legally enforceable right to do so.

19. Lease liabilities

The leases considered under IFRS 16 in the financial statements are of office space. During 2022, there was no new leases and the lease held directly with Concert Consulting UK Limited ended and was not renewed. The staff from this office were transferred to the Bristol office and this lease is held with Buck Consultants limited.

The liabilities as at 31 December 2022 are:

	2022 £'000	2021 unaudited £'000
Current lease liability	1,236	1,145
Non-current lease liability	8,129	9,365
Total	9,365	10,510

The breakdown of changes in the lease liabilities for the year ended 31 December 2022 is as follows:

	2022 £'000
Balance as at 1 January 2022 -unaudited	10,510
Addition	-
Payment of lease liabilities	(1,713)
Finance expense	568
Balance as at 31 December 2022	9,365

The analysis of the contractual maturity date of the lease liabilities, including current interest is as a follows:

		31 December 2022 £'000			
	Interest rate	Less than one year	2 to 4 years	More than 5 years	Total
Lease liabilities	4%	611	1,491	1,344	3,446
	7%	625	2,152	3,142	5,919
		1,236	3,643	4,486	9,365

		31 December 2021 (unaudited) £'000			
	Interest rate	Less than one year	2 to 4 years	More than 5 years	Total
Lease liabilities	4%	694	1,597	1,849	4,140
	7%	451	2,011	3,908	6,370
		1,145	3,608	5,757	10,510

The interest rate is an indicative borrowing rate for the Group with a major bank. For existing leases at inception 4% is used and for the new lease in 2021 7% is used.

20. Provisions for liabilities

	Provision for dilapidation £'000	Provision for claims and litigation £'000	Total £'000
At 1 January 2022 - Liability/(Asset) – unaudited	685	306	991
Additional provision in the year	43	81	124
Paid in the year	(112)	(134)	(246)
Charge to the Income Statement	269	109	378
Written off to the Income Statement during the year	(44)	(14)	(58)
Reclass to other creditors	-	(100)	(100)
At 31 December 2022	841	248	1,089

The provision for dilapidations accrues the estimated cost of reinstating the original condition of leasehold properties over the term of the lease.

Provision for claims and litigation reflect the Directors' best estimate of such costs.

The Directors' expect the dilapidations provision to be settled between 2-5 years and the claims and litigation provision to be settled within the next 12 months.

21. Contingent liabilities

The Company has received letters of claim from five clients which make the following alleged claims, two claims relate to incorrect calculations of member benefits, one claim relates to investment advisory services, one claim relates to actuarial services and one claim relates to incorrect transfer value calculations. At the date of this report first two claims have not been made in full. The third and fourth claims are under investigation and therefore in respect of these four claims the directors are unable to reliably estimate the amount of any potential future obligations, if any, nor when the matters might be concluded. For the remaining claim, a settlement offer has been made to the client, and as a result of the company's insurance policy a provision of £250,000 (the insurance policy excess) has been made in September 2023.

22. **Business combinations in the prior period**

On 4 May 2021, the Group acquired the entire shareholding of Caburn Hope Limited, for a total consideration of £2,340m in cash and £0.387m contingent consideration. The company is registered in the UK whose principle activity is corporate communications and marketing. The acquisition is to continue, to expand and build on the Group's ability to develop and implement tailored communication strategies for U.K based and multinational clients, particularly in the high-demand areas of reward, talent, brand, wellbeing, culture and change. The amount of deferred tax recognised as part of the acquisition is £0.303m.

Goodwill arose on the acquisition because the cost of the combination included a control premium. The separable assets customer relationship and trade name have been identified as they are capable of being separated from the entity and sold regardless of whether there is an intention to do so. Customer relationship is an important factor in the company generating revenue and the trade name is the 'brand' that the customer recognises.

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows:

	Book Value unaudited £'000	Adjustment unaudited £'000	**Fair Value unaudited £'000**
Customer relationship		1,490	1,490
Trade name		109	109
Cash	607		607
Accounts Receivable	558		558
Fixed assets	37		37
Liabilities	(648)		(648)
Deferred Tax liability		(303)	(303)
Total Fair Value assets	**554**	**1,296**	**1,850**
Cash consideration			2,340
Contingent consideration			387
Completion accounts true-up			46
Total Consideration			**2,773**
Goodwill (note 13)			923

Since the date of acquisition, Caburn Hope Limited has contributed £208,922 of profit to the group.

The value of the contingent consideration cash consideration for the Caburn Hope acquisition in the contract is up a maximum of £0.750m, based on revenue targets being met in the first 12 months following the acquisition (earnout 1) and the following 12 months (earnout 2). A contingent consideration of £0.297m was paid in June 2022 (see note 15).

Included in the purchase agreement was deferred consideration of £1,000m which was paid to the seller in September 2021 and was deemed to be remuneration to the seller and included as an expense in the profit and loss account in 2021.

23. **Called up share capital**

	2022 £'000	2021 unaudited £'000
Authorised ordinary share capital		
10,500,001 shares of £1 each (2021: 10,500,001)	10,500	10,500
Allotted and fully paid		
10,296,115 shares of £1 each (2021: 10,296,115)	10,296	10,296

All shares rank pari passu in all respects.

24. **Capital risk management**

The Group is focused on delivering value for its shareholders while ensuring the Group is able to continue effectively as a going concern. The policies for managing capital are to increase shareholder value by maximising profits and cash. The policy is to set budgets and forecasts in the short and medium term that the Group ensures are achievable. The processes for managing capital are regular reviews of financial data to ensure that the Group is tracking the targets set.

Due to the nature of some of the services provided, two subsidiaries within the Group were regulated by the Financial Conduct Authority (FCA) during the year. They are required to hold a minimum level of capital and this is monitored throughout the year. Formal compliance returns are submitted to the FCA in line with their reporting requirements.

25. Employee benefit obligations

For certain employees, the company operates a defined benefit pension scheme with assets held in a separately administered fund. The scheme provides retirement benefits on the basis of members' final salary. On 31 December 2014, the defined benefit pension scheme was closed to future benefit accrual and Scheme benefits frozen subject only to inflation linked increases. At the same time, the company established a defined contribution scheme to provide benefits to employees. The defined benefit pension scheme operates under the pensions legislation and regulation of the UK, current at the date of disclosure, including the Pensions Act 2004.

The scheme pensions are updated in line with the price inflation subject to certain maximum levels of increases and to meet statutory requirements. Plan assets held in the fund are governed by local regulations and practice in the United Kingdom. Responsibility for the governance of the Scheme - including investment decisions and contribution schedules - lies with the board of trustees of the fund, subject to consultation and agreement of the company as required by the Scheme rules and legislation.

The contributions payable by the Company to the Scheme are agreed between these two parties as part of each triennial funding valuation. The latest funding valuation had an effective date of 30 June 2019 and an updated Schedule of Contributions was agreed on 29 September 2020. Following the advance contribution payments of £9.5m in August 2018, the expected Company contributions over 2021 are £125,000 for April 2021 (payable in May 2021), £291,666.67 per month to 30 June 2022 (June payment made in July 2022) and £312,500 per month for the remainder of 2022 (paid from August 2022 onwards) in respect of funding contributions. In addition, there were payments of £5,833.33 per month for the full 2022 calendar year in respect of Scheme expenses. There is no such policy for charging the net defined benefit cost.

The Scheme comprises deferred pension and pensioner members. There are no active members. The average duration of the Scheme (measured via discount rate sensitivity) is around 17.5 years as at 31 December 2022.

The company has an unconditional right to a refund of surplus from the Scheme in the context of IFRIC14 paragraphs 11(c) and 12 and therefore there is no impact on the Company's IAS19 surplus in respect of the Scheme.

The risks of the scheme are as follows:

(a) Asset volatility
The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit. The plan holds a proportion (approximately 21% at the year end) of equities and other return-seeking assets, which are expected to outperform corporate bonds in the long-term while providing volatility and risk in the short-term. In addition, the plan also holds assets (approximately 63%) for the purposes of hedging interest and inflation rate movements.

The Company has agreed with the Trustees of the Scheme an investment strategy that provides sound long term growth and appropriate security for all beneficiaries. This leads to holding a level of equity (and equity type) investments to manage the Scheme efficiently. As the scheme matures the level of investment risk is expected to be reduced by investing more in assets that better match the liabilities.

Over the year the central target asset allocation has been to hold 21% of investments in return-seeking assets (including equity, diversified growth funds and illiquid multi-asset credit) and 79% of investments in risk-reducing assets (including government and corporate bond funds and liability driven investment funds).

(b) Changes in bond yields
A decrease in corporate bond yields will increase plan liabilities, although this is likely to be partially offset by an increase in the value of the Scheme's bond holdings and liability driven investment funds.

(c) Life expectancy
The majority of the Scheme's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities.

25. **Employee benefit obligations – continued**

(d) Inflation risk
The pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). About 15% of the plan assets (index-linked liability driven investment funds) are correlated with inflation, about 64% of the plan assets (fixed interest bonds and liability driven investment funds) are unaffected by inflation and the balance (equities, diversified growth, and illiquid multi-asset credit) are loosely correlated with inflation, meaning that an increase in inflation will also increase the deficit.

An actuarial valuation of the company pension scheme, using the projected unit basis, was carried out at 31 December 2022 by a qualified actuary. The actuary is an employee of Buck Consultants Limited.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2022	2021
	£'000	£'000
Present value of funded obligations	(58,049)	(99,694)
Fair value of plan assets	63,517	121,296
	5,468	21,602
Present value of unfunded obligations	-	-
Surplus	5,468	21,602
Net asset	5,468	21,602

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	2022	2021
	£'000	£'000
Current service cost	70	70
Net interest from net defined benefit asset/liability	(468)	(256)
Past service cost	-	-
	(398)	(186)
Actual return on plan assets	(57,821)	2,267

The return on the plan assets was:

	2022	2021
	£'000	£'000
Interest income	2,426	1,840
Return of Scheme assets excluding interest income	(60,247)	427
	(57,821)	2,267

25. **Employee benefit obligations – continued**

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2022	2021
	£'000	£'000
Opening defined benefit obligation	99,694	102,982
Current service cost	70	70
Interest cost	1,958	1,584
Actuarial losses/(gains)	(40,041)	(3,388)
Benefits paid	(3,632)	(1,554)
	58,049	99,694

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2022	2021
	£'000	£'000
Opening fair value of scheme assets	121,296	118,346
Contributions by employer	3,674	2,237
Expected return	2,426	1,840
Actuarial gains/(losses)	(60,247)	427
Benefits paid	(3,632)	(1,554)
	63,517	121,296

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2022	2021
	£'000	£'000
Multi-assets credit	10,323	7,829
Equities	2,811	16,696
Corporate Bonds	26,928	35,613
Diversified Growth Funds	-	14,403
LDI Funds	13,751	35,395
Cash	9,704	11,360
	63,517	121,296

25. **Employee benefit obligations - continued**

Amounts recognised in other comprehensive income (OCI) are as follow:

	2022 £'000	2021 £'000
Return on Scheme assets excluding interest income	(60,247)	427
Experience losses on liabilities	(3,606)	45
Gains/(losses) on changes in assumptions - financial	43,795	2,541
Gains on in assumptions - demographics	(148)	802
Actuarial gain/(losses) recognised in OCI	(20,206)	3,815

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2022	2021
Discount rate	4.85%	2.00%
RPM inflation	3.05%	3.20%
CPI inflation	2.50%	2.40%
Pension increases CPI (non-pensioners)	2.50%	3.00%
Pension increases RPI	3.55%	3.65%
Pension increases CPI (non-pensioners)	2.50%	2.75%

Other actuarial assumptions at end of year	**2022**	**2021**
Post-retirement mortality (base table)	100% S3PXA L/100% S3PXA L	102% S3PXA L/102% S3PXA L
Post-retirement mortality (improvements)	CMI 2021(1.25% from2016 (S=7, A=0.25)	CMI 2020(1.5 %/1.25% from2016 (S=7, A=0.5)

All members commute 25% of their pension for cash at retirement, using cash commutation factors currently in force. 75% of male members and 70% of female members are assumed to be married on retirement with males assumed to be three years older than their spouses.

Sensitivity analysis

Based on the assumptions set out above, the impact on the present value of the defined benefit obligations of changing the following individual assumptions (with all other assumptions remaining unchanged) is set out below.

Value of obligations at the end of the year if:	£'000
Assumptions as set out above	58,049
Discount rate increase by 0.25%	-4.0%
Discount rate decreased by 0.25%	+4.3%
RPI inflation (and associated increases) reduced by 0.25%	-2.8%
RPI inflation (and associated increases) increased by 0.25%	+2.8%
CPI inflation (and associated increases) reduced by 0.25%	-2.5%
CPI inflation (and associated increases) increased by 0.25%	+2.7%
Life expectancy decreased by one year	-2.9%
Life expectancy increased by one year	+2.9%

Method and assumptions used to prepare sensitivity analysis, including changes from last year:
The above analyses assume that assumption changes occur in isolation, unless otherwise stated. In practice this is unlikely to occur and some assumptions may be correlated. The same method (projected unit method) has been applied when calculating these sensitivities.

26. **Ultimate parent company and controlling party**

At the year end, the ultimate parent company was H.I.G GPII Inc, a company registered in Delaware, United States. On the 3 April 2023, the ultimate parent company changed to Arthur J. Gallagher & Co, a company incorporated in the United States of America.

The immediate parent company at the year end was BCHR Holdings L.P, a company registered in the Cayman Islands. At the time of publishing the financial statements, the immediate parent is Arthur J. Gallagher & Co.

27. **Events after the reporting period**

On 3 April 2023, Arthur J. Gallagher ("Gallagher"), a global insurance brokerage, risk management and consulting services firm purchased the Group.

28. **Related party disclosures**

The Group received no dividends in the current year and prior year.

The Group entered into the following related party transaction during the period.

Entity Description	2022 £'000 Receivables	2022 £'000 Payables	2021 unaudited £'000 Receivables	2021 unaudited £'000 Payables
Buck Global LLC	125	(9,446)	-	(3,596)
BCHR US Acquisitions Inc	-	(330)		(296)
Buck Canada HR Services Ltd		(3)	-	(601)
Buck Trustees (Guernsey) Limited	30		11	-
Buck Global Deutschland GmbH		(330)	-	(215)
BCHR UK Holdings Limited			67	-
	155	(10,109)	78	(4,708)

Entity Description	2022 £'000 Loan Receivables	2022 £'000 Interest Receivables	2021 unaudited £'000 Loan Receivables	2021 unaudited £'000 Interest Receivables
BCHR UK Holdings Limited (see note 14)	15,037	-	12,412	-
Buck Global Deutschland GmbH (see note 14)	36	6	36	-
Buck Global LLC (see note 14)	1,171	448	2,053	340
	16,244	454	14,501	340

28. **Related party disclosures- continued**

Entity Description	2022 £'000 Loan Payables	2022 £'000 Interest Payables	2021 unaudited £'000 Loan Payables	2021 unaudited £'000 Interest Payables
BCHR US Acquisitions Inc (see note 17)	(2,798)	-	(2,798)	-
Buck Trustees (Guernsey) Limited (see note 17)	(330)	(22)	-	-
	(3,128)	(22)	(2,798)	-

Interest on intercompany loan with Buck Global Deutschland GmbH and Buck Global LLC is charged at GBP Libor plus 1.5% per annum and repayable on 4 June 2023 and can be extended if permitted by the Group.

Loans with BCHR UK Holdings UK and BCHR US Acquisitions Inc. are interest free and repayable on demand.

During the year Group companies entered into the following transactions with related parties who are not member of the Group.

	Sales to related party		Purchase from related party		Management charge	
	2022	2021	2022	2021	2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Buck Global LLC	225	252	263	805	6,214	2,400
Buck Canada HR Services Ltd	-	-	46	118	-	-
Buck Trustees (Guernsey) Limited	189	142	-	-	-	-
Buck Global Deutschland GmbH	-	3	354	288	-	-
BCHR UK Holdings Limited	46	65	-	-	-	-
	460	462	663	1,211	6,214	2,400

BUCK CONSULTANTS LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £'000	2021 £'000
Fixed assets			
Tangible fixed assets	A3	1,844	2,107
Right-of-use assets	A3, A9	5,784	6,655
Investments	A4	26,519	26,519
		34,147	35,281
Current assets			
Pension asset	A11	5,468	21,602
Trade and other receivables	A5	23,154	17,621
Deferred tax asset	A8	254	-
Cash at bank		949	1,874
		29,825	41,097
Creditors: amounts falling due within one year	A6	(21,515)	(25,013)
Net current assets/(liabilities)		8,310	16,084
Total assets less current liabilities		42,457	51,365
Creditors: amounts falling due after more than one year	A7	(9,896)	(10,723)
Deferred tax liability	A8	-	(4,292)
Provisions for liabilities	A10	(694)	(479)
Net assets		31,867	35,871
Capital and reserves			
Called up share capital	A12	10,296	10,296
Share premium account		5,581	5,581
Other reserves		1,307	317
Retained earnings		14,683	19,677
		31,867	35,871

The profit for the financial year of the parent company, Buck Consultants Limited was £10.381m (2021: loss £0.013m). As permitted by section 408 of the Companies Act 2006, no separate Income Statement is presented in respect of the company.

The financial statements were approved by the Board of Directors on 15th December 2023 and were signed on its behalf by:

A N L Green - Director

The notes on pages 54 to 63 form part of these financial statements

BUCK CONSULTANTS LIMITED

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

	share capital £'000	Called up premium account £'000	Share Other reserves £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2021	10,296	5,581	317	16,829	33,023
Changes in equity					
(Loss) for the year		-	-	(13)	(13)
Actuarial profit on defined benefit pension	-	-	-	2,861	2,861
Balance at 31 December 2021	10,296	5,581	317	19,677	35,871
Changes in equity					
Profit for the year	-	-	-	10,381	10,381
Actuarial (loss) on defined benefit pension	-	-	-	(15,375)	(15,375)
Loan Waiver	-	-	990	-	990
Balance at 31 December 2022	10,296	5,581	1,307	14,683	31,867

The notes on pages 54 to 63 form part of these financial statements

A1. Statutory information

The Company is a private company limited by shares and is incorporated and domiciled in the UK. The address of its registered office is 20 Wood Street, London, EC2V 7AF. The principle activities of the Company is the provision of actuarial and employee benefit consulting.

A2. Accounting policies

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
  the requirements of paragraph 58 of IFRS 16;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures.

The accounting policies of the Company are consistent with those adopted by the Group.

A3. Tangible assets

	Right of use £'000	Leasehold improvements £'000	Software development £'000
Cost			
At 1 January 2022	9,940	1,118	615
Additions	-	478	67
Disposals	-	(147)	(6)
At 31 December 2022	9,940	1,449	676
Depreciation			
At 1 January 2022	3,285	286	317
Charge for year	871	282	152
Eliminated on disposal	-	(126)	(6)
At 31 December 2022	4,156	442	463
Net book value			
At 31 December 2022	5,784	1,007	213
At 31 December 2021	6,655	832	298

	Fixtures and fittings £'000	Office and IT equipment £'000	Totals £'000
Cost			
At 1 January 2022	844	3,526	16,043
Additions	3	157	705
Disposals	(193)	(35)	(381)
At 31 December 2022	654	3,648	16,367
Depreciation			
At 1 January 2022	387	3,006	7,281
Charge for year	53	382	1,740
Eliminated on disposal	(150)	-	(282)
At 31 December 2022	290	3,388	8,739
Net book value			
At 31 December 2022	364	260	7,628
At 31 December 2021	457	520	8,762

The breakdown of changes in right of use assets for the year ended 31 December 2022 is listed above. Right of use assets correspond to buildings.

A4. Investments

	Shares in group undertakings £'000
Cost	
At 1 January And 31 December 2022	26,519
Net book value	
At 31 December 2022	26,519
At 31 December 2021	26,519

The Company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Company	Class of shares	Holding	Nature of Business
Buck Consultants (Administration & Investment Ltd	- Ordinary	100%	Investment Consultants and Pension Administration
Buck Consultants (Healthcare) Ltd	- 'A' Shares - 'B' Shares - Deferred Shares	100% 100% 100%	Healthcare Benefit Advisors
Talking People Ltd	-Ordinary	100%	Dormant
Buck Consultants Shareplan Trustees Ltd	- Ordinary	100%	Shareplan Trustees (non-trading)
Concert Consulting UK Limited	-Ordinary	100%	Pension and employee benefits communications consultancy business
Caburn Hope Limited	-Ordinary	100%	Employee benefits communication business

The following investment is held 100% by Buck Consultants Shareplan Trustees Ltd:

Buckingham Trustees Ltd	- Ordinary	100%	Dormant

All of the subsidiaries listed above are registered in England & Wales.
The registered office for all subsidiaries: 20 Wood Street, London EC2V 7AF.

There are indicators of impairment for Concert Consulting UK Limited and Caburn Hope Limited, due to performance issues during 2022 and continuing in 2023. Following an impairment review the Directors are comfortable that no impairment is required (see note 13 of the Group Financial Statement for information on sensitivity analysis). For all the other investments, the Directors believe that the carrying value of the investments is supported by their underlying assets.

On 31 January 2023, Buckingham Trustees Ltd and Talking People Ltd were dissolved.

A5. Trade and other receivables

	2022 £'000	2021 £'000
Amounts falling due within one year:		
Trade debtors and accrued income	4,245	3,760
Amounts owed by group undertakings	925	251
Other debtors	405	332
Loan to other company	1,660	-
Corporation tax	29	109
Prepayments	853	721
	8,117	5,173
Amounts falling due after more than one year:		
Intercompany loan	15,037	12,448
Aggregate amounts	23,154	17,621

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment and are repayable on demand.

The loan from other company is with Buck Global Deutschland GmbH of £36,000 and Buck Global LLP of £1,179,000 was first provided on 15 August 2018 and was extended on 29 July 2019. The loans maturity date is 4 June 2023 and is repayable on demand. The interest rate charged is GBP LIBOR plus 1.5% per annum (see also note A14).

The intercompany loan to BCHR UK Holdings Ltd is interest free and repayable on demand.

Receivables are recorded and measured in accordance with the Group accounting policy in note 2 above. With respect to the Expected Credit Loss, ECL model, a provision matrix is applied to the debtor balances to determine expected credit losses. The Directors have assessed the Group's receivables using the provision matrix and have calculated a specific debt provision based on age of debt and specific client knowledge.

A6. Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Trade creditors	896	790
Amounts owed to group undertakings	12,565	17,407
Intercompany loan	1,635	-
Social security and other taxes	1,205	1,137
VAT	2,199	1,975
Other creditors	197	887
Lease Liability (see note A8)	750	651
Deferred income	-	112
Accruals	2,068	2,054
	21,515	25,013

Amount due to group undertakings are unsecured, interest free and have no fixed date of repayment and are repayable on demand.

The intercompany loans with Buck Consultants (Healthcare) Ltd and Buck Consultants (Administrations & Investments) Ltd and were first provided on 15 August 2018 and were extended on 29 July 2019. The loans maturity date is 4 June 2023. The interest rate payable on the intercompany loan is GBP LIBOR plus 1.5% per annum. The loan with Buck Consultants (Healthcare) Ltd was repaid in full during 2022.

A7. Creditors: amounts falling due after more than one year

	2022 £'000	2021 £'000
Lease Liability (see note A8)	5,997	6,747
Intercompany loan	3,624	3,976
Other creditors	275	-
	9,896	10,723

Included in intercompany loans is interest free loans with Caburn Hope Ltd and BCHR US Acquisition Inc.

During 2022, the Company entered into a on-demand loan facility with Buck Trustees (Guernsey) Limited. The facility maturity date is 31 December 2024 and interest rate payable on the facility is USD LIBOR (or 1% if higher) plus 7.25%.

A8. Deferred taxation

The following are the major deferred tax assets recognised by the Company and movement thereon during the current and prior reporting year.

	Pension £'000	Losses £'000	**ACA s £'000	Other	Total £'000
Deferred tax asset as 1 January 2021	(2,527)	558	18	-	(1,951)
Deferred tax movements in prior year					
Charge to income statement	(1,507)	(44)	164	-	(1,387)
Movement through equity	(954)	-	-	-	(954)
Deferred tax asset/(liability) at 1 January 2022	(4,988)	514	182	-	(4,292)
Deferred tax movements in current year					
Charge to income statement	(237)	465	28	157	413
Movement through equity	4,133				4,133
Deferred tax asset/(liability) at 31 December 2022	(1,092)	979	210	157	254

** Accelerated Capital Allowances

The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2022 £'000	2021 £'000
Deferred tax asset/(liability)	254	(4,292)

A9. Leasing

The leases considered under IFRS 16 in the financial statements are of office space, where the Company is the legal lease holder.

The liabilities as at 31 December 2022, are included in Creditors (see note A5 & A6).

The breakdown of changes in lease liabilities for the year ended 31 December 2022 is as follows:

	2022 £'000
Balance as at 31 December 2021	7,398
Balance as at 1 January 2022	7,398
Payment of lease liabilities	(1,106)
Finance expense	455
Balance as at 31 December 2022	6,747

The interest rate is an indicative borrowing rate for the Company with a major bank. For existing leases at inception 4% is used and for the new lease in 2021 7% is used.

The Company leases office space to its subsidiary Buck Consultants (Administration & Investment) Limited based on headcount. The Company received rental income totalling £401,940 for 2022 (2021: £444,207).

A10. Provision for liabilities

	Provision for dilapidation £'000	Provision for claims and litigation £'000	Total £'000
At 1 January 2022 - Liability/(Asset)	360	119	479
Paid in the year	(28)	(19)	(47)
Charge to the Income Statement	252	110	362
Reclass to other creditors	-	(100)	(100)
At 31 December 2022	584	110	694

The provision for dilapidations accrues the estimated cost of reinstating the original condition of leasehold properties over the term of the lease.

Provision for claims and litigation reflect the Directors' best estimate of such costs.

The Directors' expect the dilapidations provision to be settled between 2-4 years and the claims and litigation provision to be settled within the next 12 months.

A11. Employee benefit obligations

See note 25 of the Group Financial Statements

A12. Called up share capital

	2022 £'000	2021 £'000
Ordinary share capital		
10,500,001 shares of £1 each (2021:10,500,001)	10,500	10,500
Allotted and fully paid		
10,296,115 shares of £1 each (2021:10,5296,115)	10,296	10,296

All shares rank pari passu in all respects.

A13. Ultimate parent company and controlling party

At the year end, the ultimate parent company was H.I.G GPII Inc, a company registered in Delaware, United States. On the 3 April 2023, the ultimate parent company changed to Arthur J. Gallagher & Co, a company incorporated in the United States of America.

The immediate parent company at the year end was BCHR Holdings L.P, a company registered in the Cayman Islands. At the time of publishing the financial statements, the immediate parent is Arthur J. Gallagher & Co.

A14. Related party disclosures

The Company received dividends from its subsidiaries Buck Consultants (Healthcare) Limited of £6,750m (2021: nil), Caburn Hope Limited of £0.700m (2021: nil) and Concert Consulting UK Limited of £1.100 (2021: £0.678m).

Key management personnel of the entity
See note 25 of the Group Financial Statements.

The Company entered into the following related party transaction during the period.

Entity Description		2022 £'000 Receivables	2022 £'000 Payables	2021 £'000 Receivables	2021 £'000 Payables
Buck Consultants (Administration & Investment) Ltd	1.	125	-	-	(4,833)
Buck Consultants (Healthcare) Ltd	1.	-	(3,314)	-	(7,718)
Buckingham Trustees Limited	1.	-	(2)	-	(2)
BCHR UK Holdings Ltd	2.	124	-	65	-
Caburn Hope Limited	1.	340	-	162	-
Buck Global Deutschland GmbH	1.	26	-	24	-
Buck Trustees (Guernsey) Limited		11	-	-	-
Concert Consulting UK Limited	2.	299	-	-	(397)
Buck Global LLC	2.	-	(9,246)	-	(3,880)
Buck Canada HR Services Limited	2.	-	(3)	-	(577)
Total		925	(12,565)	251	(17,407)

Entity Description		2022 £'000 Loan Payables	2022 £'000 Interest Payables	2021 £'000 Loan Payables	2021 £'000 Interest Payables
Buck Consultants (Healthcare) Ltd	1.	-	-	(1,074)	(76)
Buck Consultants (Administration & Investment) Ltd	1.	(1,448)	(188)	(1,448)	(102)
BCHR US Acquisitions Inc	2.	(2,798)	-	(405)	-
Concert Consulting UK Limited	1.	(472)	-	(222)	-
Caburn Hope Limited	1.	-	-	(649)	-
Buck GY	1.	(330)	(22)	-	-
		(5,048)	(210)	(3,798)	(178)

Entity Description		2022 £'000 Loan Receivables	2022 £'000 Interest Receivables	2021 £'000 Loan Receivables	2021 £'000 Interest Receivables
Buck Global Deutschland GmbH	1.	36	5	36	-
Buck Global LLC	2.	1,171	448	-	-
BCHR UK Holdings Ltd	2.	15,037	-	12,412	-
		16,244	453	12,448	-

1 Subsidiary; 2 Fellow subsidiary

A14. Related party disclosures (continued)

Details on intercompany loans are disclosed in notes A4, A5 and A6.

During the year, transactions crediting intercompany accounts with Buck Consultants (Administration & Investment) Ltd related to revenue totalled £36,514,000 Cr (2021: £32,682,000 Cr) and for transactions related to purchases including settlements totalled £41,670,000 Dr (2021: £32,999,000 Dr).

During the year, transactions crediting intercompany accounts with Buck Consultants (Healthcare) Ltd related to revenue totalled £4,411,000 Cr (2021: £4,752,000 Cr) and for transactions related to purchases including settlements totalled £8,840,000 Dr (2021: £3,034,000 Dr).

During the year, transactions with Buck Canada HR Services Limited related to purchases made on behalf of the Company and settlements totalled £574,000 Dr (2021: £112,000 Cr).

During the year, transactions with Buck Global LLC related to purchases made on behalf of the Company and settlements totalled £5,366,000 Cr (2021: £2,872,000 Cr).

During the year, transactions with Concert Consulting UK Limited related to purchases made on behalf of the Company and settlements totalled £696,000 Dr (2021: £397,000 Cr).

During the year, transactions with Caburn Hope Limited related to purchases made on behalf of the Company and settlements totalled £177,000 Dr (2021: £162,000).

During the year, transactions Buck Global Deutschland GmbH related to purchases made on behalf of the Company and settlements totalled £2,000 Dr (2021: £24,000).

During the year, transactions with BCHR UK Holdings Ltd related to purchases made on behalf of the Company and settlements totalled £59,000 Dr (2021: £65,000).

During the year, transactions with BCHR UK Holdings Ltd related to purchases made on behalf of the Company and settlements totalled £11,000 Dr (2021: £nil).

A15. Events after the Balance Sheet Date

See note 27 of the Group Financial Statement.