
RKH GROUP LIMITED

**UNAUDITED ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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RKH GROUP LIMITED

COMPANY INFORMATION

Directors	A S W Hall B D Rugge-Price (resigned 21 June 2021) A K Cameron (resigned 31 March 2022) A Barrett (resigned 21 June 2021) S A Davies (resigned 21 June 2021) A Bragoli P W N Redgate (resigned 21 June 2021) J C Birkmire (resigned 21 June 2021) A Farooq (appointed 31 March 2022)
Company secretary	Paraschos Fokou (appointed 13 October 2020)
Registered number	03612207
Registered office	One Creechurch Place London United Kingdom EC3A 5AF

RKH GROUP LIMITED

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RKH GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2021

The Directors present the annual report and the financial statements for the year ended 30 September 2021.

Principal activity

RKH Group Limited ("the Company") is an intermediate holding company within the Howden Broking Group Limited group of companies ("the Group"). The principal activity of the Company during the year was that of a holding and investment company for a group of insurance intermediaries.

Results and dividends

The profit for the year, after taxation, amounted to £109,556k (2020: £71,226k).

The Company paid a dividend during the year of £110m (2020: £95m).

Key performance indicators

Financial position

As at 30 September 2021, the Company has net assets of £45,566k (2020: £46,053k) and net current liabilities of £49,332k (2020: £22,809k). After making appropriate enquires, the Directors have reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months from the date of signing these financial statements. Accordingly, they continue to adopt the going concern basis of preparation for the directors' report and financial statements.

Directors

The Directors who served during the year, and up to the date of this report, were:

A S W Hall
B D Rugge-Price (resigned 21 June 2021)
A K Cameron (resigned 31 March 2022)
A Barrett (resigned 21 June 2021)
S A Davies (resigned 21 June 2021)
A Bragoli
P W N Redgate (resigned 21 June 2021)
J C Birkmire (resigned 21 June 2021)

Future developments

Following the United Kingdom exiting the EU, the Howden Group Holdings Limited group of companies will continue to support clients in EEA Member States through their subsidiaries set up within the EU as necessary.

Covid-19 impact

During 2020 and 2021 a global crisis ("Covid-19") spread across the world. This led to severe disruption, with governments putting in place measures such as temporary closure of sites of business activities and social distancing to limit the spread of Covid-19. Whilst the insurance broking industry is expected to be less impacted than other industries such as retail in this crisis, there is uncertainty in terms of the duration of the pandemic and subsequent impacts on the wider economy. If clients were to undergo financial distress as a result, this could impact the future demand for the Company's services as well as increase the credit risk arising over outstanding amounts due from clients. Government restrictions have led to staff working from home. However, the investment in the IT infrastructure by the Howden Group over the recent years has facilitated this significant operational change.

RKH GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

Directors' indemnities

The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for Directors and Officers of the Company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted, or alleged to have been done or omitted, by them as officers or employees of the Company. Appropriate Directors' and Officers' liability cover is in place in respect of all the Company's Directors.

Post balance sheet events

On 1 November 2021, Howden Reinsurance Brokers Limited was sold to fellow wholly owned group subsidiary Howden Reinsurance Brokers Holdings Limited for £13,603,241.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



Paraschos Fokou
Company Secretary

Date: 8 July 2022

RKH GROUP LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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

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

In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RKH GROUP LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Note	2021 £000	2020 £000
Revenue		-	-
Administrative expenses		(237)	(234)
Operating profit		<u>(237)</u>	<u>(234)</u>
Profit from sale of fixed asset investments		(1)	55
Income from fixed assets investments	7	130,262	70,426
Impairment of fixed asset investments	12	(21,002)	-
Interest receivable and similar income	8	603	310
Interest payable and similar charges	9	-	(21)
Profit on ordinary activities before taxation		<u>109,625</u>	<u>70,536</u>
Taxation on (loss)/profit on ordinary activities	10	(69)	690
Profit for the year		<u><u>109,556</u></u>	<u><u>71,226</u></u>

There were no recognised gains and losses for 2021 or 2020 other than those included in the income statement.

The notes on pages 10 to 23 form part of these financial statements.

All results were derived from continuing operations.

RKH GROUP LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	2021	2020
	£000	£000
Profit for the financial year	109,556	71,226
Other comprehensive income		
Total comprehensive income for the year	<u>109,556</u>	<u>71,226</u>

The notes on pages 10 to 23 form part of these financial statements.

All results were derived from continuing operations .

RKH GROUP LIMITED
REGISTERED NUMBER: 03612207

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

	Note	2021 £000	2020 £000
Fixed assets			
Investments	12	94,898	68,862
		<u>94,898</u>	<u>68,862</u>
Current assets			
Debtors	13	9,936	37,986
Cash at bank and in hand	14	39	52
		<u>9,975</u>	<u>38,038</u>
Creditors: amounts falling due within one year	15	(59,264)	(60,847)
Net current liabilities		(49,289)	(22,809)
Total assets less current liabilities		<u>45,609</u>	<u>46,053</u>
Net assets		<u>45,609</u>	<u>46,053</u>
Capital and reserves			
Called up share capital	17	4,606	4,606
Revaluation reserve	18	33,014	33,014
Merger reserve	18	265	265
Profit and loss account	18	7,724	8,168
		<u>45,609</u>	<u>46,053</u>

RKH GROUP LIMITED
REGISTERED NUMBER: 03612207

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 SEPTEMBER 2021

The Directors consider that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



A Farooq
Director

Date: 8 July 2022

The notes on pages 10 to 23 form part of these financial statements.

RKH GROUP LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Called up share capital £000	Capital contribution reserve £000	Merger reserve £000	Retained earnings £000	Total equity £000
At 1 October 2020	4,606	33,014	265	8,168	46,053
Comprehensive income for the year					
Profit for the year	-	-	-	109,556	109,556
Total comprehensive income for the year					
Dividends: Equity capital (see note 11)	-	-	-	(110,000)	(110,000)
Total transactions with owners					
	-	-	-	(110,000)	(110,000)
At 30 September 2021	4,606	33,014	265	7,724	45,609

The notes on pages 10 to 23 form part of these financial statements.

RKH GROUP LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Called up share capital £000	Capital contribution reserve £000	Merger reserve £000	Retained earnings £000	Total equity £000
At 1 October 2019	4,606	33,014	265	31,942	69,827
Comprehensive income for the year					
Profit for the year	-	-	-	71,226	71,226
Total comprehensive income for the year	-	-	-	71,226	71,226
Dividends: Equity Capital (see note 11)	-	-	-	(95,000)	(95,000)
Total transactions with owners	-	-	-	(95,000)	(95,000)
At 30 September 2020	4,606	33,014	265	8,168	46,053

The notes on pages 10 to 23 form part of these financial statements.

RKH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

1. General information

The Company is a private company limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The address of its registered office is One Creechurch Place, London, United Kingdom, EC3A 5AF. Company number 03612207.

The principal activity of the Company during the year was that of a holding and investment company for a group of insurance intermediaries.

The Company is itself a subsidiary company and is exempt from the requirement to prepare group financial statements by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

2. Accounting policies

2.1 Basis of preparation of financial statements

The following accounting policies have been applied in dealing with items that are considered material in relation to the financial statements.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Monetary amounts in these financial statements are rounded to the nearest £1,000.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company meets the definition of a qualifying entity and has therefore taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 paragraph 1.12 (a) - (e):

- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d)
- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv)
- the requirements of Section 7 Statement of Cash Flows
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Howden Group Holdings Limited as at 30 September 2021.

2.3 Associates and joint ventures

Associates and Joint Ventures are held at cost less impairment.

RKH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

2. Accounting policies (continued)

2.4 Going concern

The Company's future outlook, business risks and uncertainties and risk management are set out in the Directors' Report. As at 30 September 2021, the Company has net assets of £45,566k (2020: £46,053k) and net current liabilities of £49,332k (2020: £22,809k).

The Company's ultimate parent company, Howden Group Holdings Limited, has undertaken to provide financial support to the Company to meet liabilities as they fall due for a period of not less than 12 months after the approval of these financial statements. Having considered the aforementioned, and after making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months from the date of signing/approval of these financial statements. Accordingly, the Company continues to adopt the going concern basis in preparing the financial statements.

2.5 Valuation of investments, associates and joint ventures

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted company shares are stated at historic cost less impairment.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value (including transaction costs), and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

RKH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

2. Accounting policies (continued)

2.8 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value (including transaction costs), and are measured subsequently at amortised cost using the effective interest method.

2.10 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Pounds Sterling (£).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end, foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are translated using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement except when deferred in other comprehensive income as qualifying cash flow hedges.

2.11 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

RKH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

2. Accounting policies (continued)

2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the Shareholders at an annual general meeting.

2.13 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Income Statement in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are made, they are charged to the provision carried in the Statement of Financial Position.

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

RKH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the Company's Directors to exercise judgements and estimates that have been made in preparing the financial statements, as well as make certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

Critical judgements in applying the Company's accounting policies

The critical judgement that the Directors have made in the process of applying the Company's accounting policies that has the most significant effect on the amounts recognised in the statutory financial statements is discussed below.

Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. The recoverable value of an asset is determined based on value-in-use calculations or multiple earnings calculation prepared on the basis of management's assumptions and estimates. For value-in-use calculations, assumptions include discount rates, cash generation potential and long term growth rates depending on regional economic performance and industry trends. For multiple earnings calculations, assumptions include adjustments to historic or projected earnings to form a baseline earning. The Directors' judgement on which multiple to use is based on recent market trends.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing material adjustment to the carrying value of assets and liabilities within the next financial year are discussed below:

The carrying amount of impairment on fixed asset investments on 30 September 2021 was £22,534k (2020: £1,532k).

4. Operating loss

The operating loss is stated after charging:

	2021 £000	2020 £000
Exchange differences	181	247

RKH GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

5. Employees

There were no staff costs during the year (2020: £Nil).

The average monthly number of employees, including the Directors, during the year was as follows:

	2021 No.	2020 No.
Directors	8	8

6. Directors' remuneration

During the year, the Directors were employed by another group company and were remunerated by that company. It has not been possible to apportion an element of their remuneration for the services provided to this Company.

7. Income from fixed asset investments

	2021 £000	2020 £000
Income from current asset investments	262	426
Dividends received from unlisted investments	130,000	70,000

Income of £130,000k (2020 - £70,000k) was received from one subsidiary during the year.

Income of £262k (2020 - £426k) was received from one associate during the year.

8. Interest receivable and similar income

	2021 £000	2020 £000
Interest receivable from group companies	515	310
Other interest receivable	88	-
	603	310

RKH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

9. Interest payable and similar expenses

	2021 £000	2020 £000
Other loan interest payable	-	21

10. Taxation

	2021 £000	2020 £000
Corporation tax		
Current tax on profits for the year	40	13
Adjustments in respect of previous periods	-	(692)
	40	(679)
Total current tax	40	(679)
Deferred tax		
Adjustments in respect of previous periods	-	(8)
Changes to tax rates	29	(3)
Total deferred tax	29	(11)
Taxation on profit/(loss) on ordinary activities	69	(690)

RKH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 -lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £000	2020 £000
Profit on ordinary activities before tax	109,625	70,536
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 -19%)	20,829	13,402
Effects of:		
Expenses not deductible for tax purposes	3,990	3
Non-taxable income	(24,750)	(13,392)
Other differences leading to an increase (decrease) in the tax charge	-	(703)
Total tax charge for the year	69	(690)

11. Dividends

	2021 £000	2020 £000
Dividends paid	110,000	95,000

RKH GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

12. Fixed asset investments

	Investments in subsidiary companies £000	Investments in associates £000	Total £000
Cost or valuation			
At 1 October 2020	68,435	1,959	70,394
Additions	47,038	-	47,038
	<hr/>	<hr/>	<hr/>
At 30 September 2021	115,473	1,959	117,432
	<hr/>	<hr/>	<hr/>
Impairment			
At 1 October 2020	1,532	-	1,532
Charge for the period	21,002	-	21,002
	<hr/>	<hr/>	<hr/>
At 30 September 2021	22,534	-	22,534
	<hr/>	<hr/>	<hr/>
Net book value			
At 30 September 2021	92,939	1,959	94,898
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 30 September 2020	66,903	1,959	68,862
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

RKH GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

12. Fixed asset investments (continued)

Direct Subsidiary and associated undertakings

The following were subsidiary or associated undertakings of the Company:

Name	Registered office	Class of shares	Holding
Howden Reinsurance Brokers Limited (previously - RKH Specialty Limited)*	One Creechurch Place, London, United Kingdom, EC3A 5AF	Ordinary shares	100% -
Howden Specialty Miami LLC*	1221 Brickell Avenue, Suite 1240, Miami FL 33131, USA	Units of membership	100% -
Howden Specialty Asia Pacific Pte Limited*	61 Robinson Road, #20-01 Robinson Centre, 068893, Singapore	Ordinary shares	100% -
Howden Insurance Brokers Nederland B.V.*	Veerhaven 7, 3016 CJ, Rotterdam, Netherlands	Ordinary shares	100% -
Howden Specialty Australia Pty limited*	Level 6, 160 Sussex Street, Sydney, NSW 2000, Australia	Ordinary shares	100% -
Howden Korea Company limited*	8th Floor (Kwanjoeng B/D), 35 Cheonggyecheon-ro, Jongno-gu, Seoul, 03188, Republic of Korea	Ordinary shares	39.9% -
Charterama B.V. *	Veerkade1, 3016 DE, Rotterdam, The Netherlands	Ordinary shares	0.54% -
AlphaXO Risk Partners Pty Limited*	Australian Business Lawyers & Advisers, Level 10, 140 Arthur Street, North Sydney, NSW 2060, Australia	Ordinary shares	33.3% -
Howden M&A limited*	One Creechurch Place, London, United Kingdom, EC3A 5AF	Ordinary	100% -
Howden Specialty Luxembourg S.a r.l.*	21 rue Glesener, L-1631 Luxembourg	Ordinary	100% -
Howden Specialty Agency Luxembourg S.a r.l.*	21 rue Glesener, L-1631 Luxembourg	Ordinary	100% -

RKH GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

12. Fixed asset investments (continued)

Direct Subsidiary and associated undertakings (continued)

Name	Registered office	Class of shares	Holding
PT RKH Specialty Indonesia^	C/O PT Howden Insurance Brokers Indonesia, Mayapada Tower Fl. 08-01, Jl Jend. Sudirman kav. 28, Jakarta Selatan, Indonesia	Ordinary -	80% -

* Direct subsidiary

^ Indirect subsidiary

13. Debtors

	2021 £000	2020 £000
Amounts owed by group undertakings	9,779	37,722
Other debtors	157	235
Deferred taxation	-	29
	<u>9,936</u>	<u>37,986</u>

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

Short term loans to group companies are repayable on demand and interest is charged at 6.5% per annum.

14. Cash and cash equivalents

	2021 £000	2020 £000
Cash at bank and in hand	<u>39</u>	<u>52</u>

RKH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

15. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Amounts owed to group undertakings	39,741	45,669
Corporation tax	-	544
Obligations under finance lease and hire purchase contracts	-	14,412
Other creditors	19,523	-
Accruals and deferred income	-	222
	<u>59,264</u>	<u>60,847</u>

Amounts owed to group undertakings are unsecured and repayable on demand.

16. Deferred taxation

	2021 £000	2020 £000
At beginning of year	29	18
Charged to profit or loss	(29)	11
At end of year	<u>-</u>	<u>29</u>

The deferred tax asset is made up as follows:

	2021 £000	2020 £000
Losses carried forward	<u>-</u>	<u>29</u>

17. Share capital

	2021 £000	2020 £000
Allotted, called up and fully paid		
4,606,002,590 Ordinary shares of £0.001 each	<u>4,606</u>	<u>4,606</u>

The Company has one class of ordinary shares which carry voting rights but no right to fixed income.

RKH GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

18. Reserves

Share premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Capital contribution reserve

This reserve consists of the total contribution to the equity capital of the Company that was not made in exchange for shares.

Merger reserve

This reserve records the difference in nominal value of shares issued and fair value of assets acquired upon a merger or demerger.

Profit and loss account

This reserve consists of current and prior period retained profits and losses, less any dividends paid.

19. Contingent liabilities

On 29 April 2015, the ultimate parent company Howden Group Holdings Limited along with the Company and fellow subsidiary Hyperion Refinance S.à r.l., entered into a financing agreement with Morgan Stanley Senior Funding, Inc., Royal Bank of Canada, HSBC Bank plc, Lloyds Bank plc, Royal Bank of Scotland and ING Capital LLC. Under the terms of this agreement, the Company together with a number of other subsidiaries have given guarantees in respect of Hyperion Refinance S.à r.l.'s obligations under the terms of the agreement.

On 20 December 2017, the ultimate parent company Howden Group Holdings Limited along with fellow subsidiaries HIG Finance 2 Limited and Hyperion Refinance S.à r.l. entered into an amended and restated credit agreement with the Group's lenders in respect of the Group's main lending facilities. As part of the amended and restated credit agreement the Company continues to be a guarantor in respect of obligations undertaken by Howden Group Holdings Limited, HIG Finance 2 Limited and Hyperion Refinance S.à r.l..

RKH GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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20. Related party transactions

The Company has taken advantage of the exemption available under Section 33 of FRS 102 to not disclose related party transactions with subsidiaries that are wholly owned within the Group.

As at 30 September 2020, the Company had the following balances with related parties:

	2021 £000	2020 £000
Amounts owed by related parties		
Howden M&A Limited	-	(13,245)

The consolidated financial statements of Howden Group Holdings Limited, within which this Company is included, can be obtained from the address given in note 22.

21. Post balance sheet events

On 1 November 2021, Howden Reinsurance Brokers Limited was sold to fellow wholly owned group subsidiary Howden Reinsurance Brokers Holdings Limited for £13,603,241.

22. Controlling party

The Company's immediate parent undertaking is Howden Broking Group Limited, a company incorporated in the United Kingdom and registered in England and Wales.

The ultimate parent company is Howden Group Holdings Limited, a company incorporated in the United Kingdom and registered in England and Wales.

The largest and smallest group of which the Company is a member for which group financial statements are drawn up is that of Howden Group Holdings Limited. Copies of the financial statements of this Company can be obtained from the Group Finance Department at the registered office, One Creechurch Place, London, United Kingdom, EC3A 5AF.