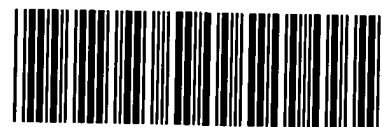


Company Registration No. 04601252

The Bollington Group (Holdings) Limited
Report and Financial Statements
For the year ended 31 December 2022

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The Bollington Group (Holdings) Limited

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THE BOLLINGTON GROUP (HOLDINGS) LIMITED

COMPANY INFORMATION

Directors

M P Rea
J O Whittingham

Secretary

A Peel

Auditor

Deloitte LLP
Statutory Auditor
The Hanover Building
Corporation Street
Manchester
M4 4AH

Bankers

The Royal Bank of Scotland PLC
56 Cheatergate
Macclesfield
Cheshire
SK11 6BA

Solicitors

DWF Law LLP
1, 2 Scott Place
Hardman Street
Manchester
M3 3AA

Registered office

The Walbrook Building
25 Walbrook
London
England
EC4N 8AW

Registered number

No. 04601252

THE BOLLINGTON GROUP (HOLDINGS) LIMITED

STRATEGIC REPORT

For the year to 31 December 2022

Introduction

The directors are pleased to present their report and audited financial statements for the year ended 31 December 2022.

Principal Activity

The principal activity of The Bollington Group (Holdings) Limited ("the Company") is the provision of management services to the wider Bollington Group's trading entities.

The intention of the directors is to take the entity through run off within 12 months from signing these financial statements. This will include subsequently liquidating the Company.

The Company is domiciled and incorporated in the UK.

Business Review

The Company generated income from the recharging of directly attributable costs to the other companies within the Bollington Group. The majority of the Group's employees that were not engaged in regulated activities were employed by the Company. Key performance indicators include:

	2022 £	2021 £
Turnover	-	4,927,583
Administrative Expenses	(16,213,163)	(4,757,752)
Loss Before Tax	(16,213,163)	-
Total Comprehensive (loss)/profit	(16,072,502)	81,304

The Company made a loss before tax of £16,213,163, (2021: £nil). The operating loss is due to investment impairments in the current year.

On 5 February 2021 Bollington Wilson Group Limited became a wholly owned subsidiary of Gallagher Holdings (UK) Limited, a company incorporated in England.

Bollington Wilson Group Limited is 100% owned and controlled by Arthur J. Gallagher & Co, (the "Group") (Country of incorporation and Domicile: USA), the ultimate holding company.

Following the acquisition of the group to which the company belonged, the coupon rate on all group lending was reduced to 0%.

Principal Risks and Uncertainties

Due to the nature of its business the Company is exposed to various risks which it manages closely using management information which is reviewed regularly by management and the directors at its regular meetings.

The Company transacts its business predominantly within the United Kingdom.

Key risks include:

- Liquidity risk is managed daily by monitoring Group funding.
- Counterparty risk - insurers and banks are reviewed regularly by management. Cash and deposits are with prime financial institutions.

THE BOLLINGTON GROUP (HOLDINGS) LIMITED

STRATEGIC REPORT (Continued)

Going Concern Basis

During the previous financial year the trading entities, for which the company acts as a holding company, ceased trading when their business was hived up to other group entities on 4th October 2022. There is no intention for any of the entities for which the company acts as a holding company to commence trading again in the foreseeable future. The Company is going through a run-off period which is expected to be completed within 12 months of the signing date. Accordingly, the directors have concluded that the company has ceased fulfilling its principal activity. The directors have reviewed the going concern basis and have therefore prepared the financial statements on a basis other than going concern. The Directors do not consider this has led to any material differences than if they were prepared on a going concern basis.

As at 31 December 2022, the Company has net liability of £13,958,755 (2021: net assets of £2,113,747). The ultimate parent undertaking, Gallagher Holdings (UK) Limited, has confirmed its continued support for the company for a period of at least twelve months from the date of approval of the financial statements.

This report was approved by the board on 7 September 2023 and signed on its behalf.

James Whittingham

James Whittingham (Sep 8, 2023 10:32 GMT+1)

J O Whittingham
Director

THE BOLLINGTON GROUP (HOLDINGS) LIMITED

DIRECTORS' REPORT

The directors present their report and the financial statements for the year ended 31 December 2022.

Directors' Responsibilities Statement

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the financial statements and then apply them consistently;
- make judgements 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

An analysis of likely future developments in the business and use of financial instruments is given in the Strategic Report.

Directors

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

M P Rea
J O Whittingham

All directors served throughout the year and thereafter, unless stated otherwise.

Results and Dividends

The results for the year are shown in the Statement of Comprehensive Income on page 12. No dividends were paid or proposed in the year (Prior year: £nil).

THE BOLLINGTON GROUP (HOLDINGS) LIMITED

DIRECTORS' REPORT (Continued)

Environment

The Company is committed to pursuing sound environmental policies in all aspects of its business and seeks to encourage and promote good environmental practice amongst its employees and within the communities in which it operates.

Streamlined energy and carbon reporting (SECR)

The UK government's SECR policy was implemented on 1 April 2019 when "The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018" came into force. The legislation requires that large (as defined in sections 465 and 466 of the Companies Act 2006), unquoted companies report on UK energy use and associated greenhouse gas emissions relating to gas, electricity and transport fuel as well as an intensity ratio and information relating to energy efficiency action, through its annual report

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

Employees

All employees were transferred in the previous year to Arthur J Gallagher Services (UK) Limited, another group company, and the business went into run-off, crystallising its assets and liabilities.

Directors' and officers' indemnities

Qualifying third-party indemnity provisions for the benefit of the Company's directors were made during the year and remain in force at the date of this report.

Disclosure of information to auditor

Each of the persons who are directors at the time when this director's report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This report was approved by the Board on 7 September 2023 and signed on its behalf.

James Whittingham
James Whittingham (Sep 8, 2023 10:32 GMT+1)

J O Whittingham
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOLLINGTON GROUP (HOLDINGS) LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of The Bollington Group (Holdings) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 24.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (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 are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We draw attention to note 1.3 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in 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.

THE BOLLINGTON GROUP (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOLLINGTON GROUP (HOLDINGS) LIMITED (Continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These include the Companies Act 2006 and the Income and Corporation Taxes Act 1988; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. This includes UK general Data Protection Regulation

We discussed among the audit engagement regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

THE BOLLINGTON GROUP (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOLLINGTON GROUP (HOLDINGS) LIMITED (Continued)

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.


We have nothing to report in respect of these matters.

THE BOLLINGTON GROUP (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOLLINGTON GROUP (HOLDINGS) LIMITED (Continued)

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'N Graham'.

Nick Graham (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Manchester

8 SEPTEMBER 2023

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

		Discontinued operations	Discontinued operations
	Note	2022 £	2021 £
Turnover	3	-	4,927,583
Gross Profit		-	4,927,583
Administrative expenses		(16,213,163)	(4,757,752)
Other operating income	4	-	557
Operating (loss)/profit	5	(16,213,163)	170,388
Net interest expense	9	-	(170,388)
Loss before tax		(16,213,163)	-
Tax on (loss)/profit for the year	10	140,661	81,304
(Loss)/profit for the year		(16,072,502)	81,304
Other comprehensive income for the year		-	-
Total comprehensive (loss)/profit for the year		(16,072,502)	81,304
Total comprehensive result for the financial year attributable to:			
Shareholders of the parent Company		(16,072,502)	81,304
		(16,072,502)	81,304

All the result for the financial year is attributable to the controlling interest of the Company and is derived from operations which became discontinued on 4th October 2021.

The notes on pages 15 to 25 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	11	-	16,199,237
Tangible assets	12	19,218	33,144
		19,218	16,232,381
Current assets			
Debtors	13	16,185,130	12,283,515
Cash at bank and in hand	14	-	7,291
		16,185,130	12,290,806
Creditors: amounts falling due within one year	15,16	(30,163,103)	(26,409,440)
Net current liabilities		(13,977,973)	(14,118,634)
Total assets less current liabilities		(13,958,755)	2,113,747
Net (liabilities)/assets		(13,958,755)	2,113,747
Capital and reserves			
Share capital	19	1	1
Profit and loss account		(13,958,756)	2,113,746
Equity shareholders (deficit)/surplus		(13,958,755)	2,113,747

The notes on pages 15 to 25 form part of these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 September 2023.

James Whittingham
James Whittingham (Sep 8, 2023 10:32 GMT+1)

J O Whittingham
Director

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2022

	Called up Share Capital £	Share Premium £	Profit and Loss Account £	Total Equity £
At 1 January 2022	1	-	2,113,746	2,113,747
Loss for the financial year	-	-	(16,072,502)	(16,072,502)
At 31 December 2022	1	-	(13,958,756)	(13,955,755)

	Called up Share Capital £	Share Premium £	Profit and Loss Account £	Total Equity £
At 1 January 2021	12	2,308,102	(11,275,671)	(8,967,557)
Issue of shares	11,000,000	-	-	11,000,000
Cancellation of shares	(11,000,011)	-	11,000,011	-
Share premium conversion	-	(2,308,102)	2,308,102	-
Profit for the financial year	-	-	81,304	81,304
At 31 December 2021	1	-	2,113,746	2,113,747

The notes on pages 15 to 25 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Accounting Policies

1.1 General information and basis of preparation of financial statements

The Bollington Group (Holdings) Limited (the "Company") is a private Company limited by shares incorporated in the United Kingdom under the Companies Act and registered in England. The address of the registered office is given on page 3. The nature of the Group's operations and its principal activities are set out in the Strategic Report on pages 4-5.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The financial statements are prepared in accordance with applicable law and United Kingdom accounting standards. The principle accounting policies are summarised below. All accounting policies have been consistently applied throughout the current and preceding year.

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.

As the Company is a wholly owned subsidiary of Arthur J Gallagher & Co, as permitted by section 400 of the Companies Act 2006, it has not prepared consolidated accounts as its results, cash flows and balance sheet are contained within the consolidated accounts of the ultimate parent Company Arthur J Gallagher & Co.

1.2 Financial Reporting Standard 102 - reduced disclosure exemption

Related party transactions

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

Cash flow statement and key management compensation

The Company meets the definition of a 'qualifying entity' under FRS 102 and as such has elected to take the exemptions under FRS 102, para 1.12(b) & (e) respectively, from preparing a Statement of Cash Flows and disclosure of key management compensation, on the basis that its ultimate parent company, Arthur J Gallagher & Co., includes such disclosures in its own consolidated financial statements.

1.3 Going concern

During the previous financial year the trading entities, for which the company acts as a holding company, ceased trading when their business was hived up to other group entities on 4th October 2021. There is no intention for any of the entities for which the company acts as a holding company to commence trading again in the foreseeable future. Accordingly, the directors have concluded that the company has ceased fulfilling its principal activity. The directors have reviewed the going concern basis and have therefore prepared the financial statements on a basis other than going concern. The Directors do not consider this has led to any material differences than if they were prepared on a going concern basis.

Due to the company's year-end position, the ultimate parent undertaking, Arthur J. Gallagher & Co, has confirmed its continued support for the company for a period of at least twelve months from the date of approval of the financial statements.

THE BOLLINGTON GROUP (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.4 Investment in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

1.5 Revenue

Turnover represents the re-charge of group services provided to other companies within the group during the accounting year and is recognised in the year in which the services were provided.

1.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Income Statement during the year in which they are incurred.

Depreciation is charged to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method on the following basis:

Land and Buildings Freehold - Over 40 years
Motor vehicles - 33%
Fixtures and fittings - 25%
Computer equipment - 25%

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date. Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are recognised in the Income Statement.

1.7 Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower the carrying amount is reduced to its estimated recoverable amount and an impairment loss is recognised immediately in the Income Statement. If the estimated recoverable amount is considered to be £Nil then the asset is fully impaired and the impairment loss is recognised in the Income Statement.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined if no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Income Statement.

THE BOLLINGTON GROUP (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.8 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.

1.9 Leasing

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.10 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all its financial instruments.

The Company enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable 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 payables or receivables, 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 financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting year for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company assesses at each Balance Sheet date whether there is objective evidence that a financial asset or group of financial assets are impaired. A financial asset, or a group of financial assets, is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that loss event (or events) has an impact on estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

THE BOLLINGTON GROUP (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Objective evidence that a financial asset, or group of assets, is impaired includes observable data that comes to the attention of the Company about the following loss events:

- delinquency in contractual payments of principal or interest;
- cash flow difficulties;
- breach of loan covenants or conditions; and
- initiation of bankruptcy proceedings.

1.11 Finance costs

Finance costs are charged to the Income Statement 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.

1.12 Taxation

Current tax is recognised for income tax payable in respect of the taxable profit for the current or past reporting years using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future year, except where:

- the Company can control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Except for changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within Creditors and deferred tax assets within Debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the Company has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority or either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

THE BOLLINGTON GROUP (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.13 Employee benefits

The Company has no employees in the current year. All employees were transferred in the previous year to Arthur J Gallagher Services (UK) Limited. In the previous periods short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the year in which they are incurred.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company'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 year in which the estimate is revised where the revision affects only that year, or in the year of the revision and future years where the revision affects both current and future years. Management do not believe there are any critical accounting judgements or key sources of estimation uncertainty.

3. Turnover

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Management recharges	-	4,927,583
	<u>-</u>	<u>4,927,583</u>

All turnover arose within the United Kingdom.

4. Other operating income

	2022 £	2021 £
Other operating income	-	557
	<u>-</u>	<u>557</u>

5. Operating (loss)/profit

Operating (loss)/profit is stated after charging:

	2022 £	2021 £
Fixed asset investment impairment	16,199,237	-
Depreciation of tangible fixed assets	13,926	19,314
Loss on disposal of fixed assets	-	8,380
Operating lease charges	-	89,250
	<u>16,213,163</u>	<u>116,944</u>

THE BOLLINGTON GROUP (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. Auditors' remuneration

Fees payable to the company's auditor in respect of:

	2022 £	2021 £
Auditing of the financial statements of the Company	17,166	24,000
	17,166	24,000

Auditor's remuneration in the current year has been borne by fellow group undertaking Arthur J. Gallagher Services (UK) Limited and has not been recharged to the Company.

7. Employees

Staff costs of the Company, including directors' remuneration, were as follows:

	2022 £	2020 £
Salaries and related costs	-	3,561,957
Other staffing costs	-	77,012
Costs of defined contribution pension scheme	-	110,190
Social security costs	-	440,723
	-	4,189,882

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

	2022 No.	2021 No.
Directors	-	-
Sales and administration	-	50
	-	50

8. Directors' remuneration

	2022 £	2021 £
Directors' salaries	-	97,339
Social security costs	-	9,509
Defined contribution pension scheme	-	4,345
	-	111,193

All directors receiving remuneration from the company resigned office on 5th February 2021.

During the prior year retirement benefits accrued to 2 directors in respect of defined contribution pension schemes.

The highest paid director in the prior year received remuneration of £27,183 including pension contributions.

The Directors were remunerated during the year by a fellow subsidiary within the Group and Arthur J. Gallagher & Co., the ultimate holding company. None of the Directors received any remuneration during the year in respect of their services as a Director of the Company (2021: £111,193) and it would not be practicable to apportion their remuneration between their services as Directors of the Company and their services for other Group companies. The Company has not been recharged any amount for the remuneration of these Directors (2021: £111,193).

THE BOLLINGTON GROUP (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. Interest payable and similar expense

	2022 £	2021 £
Interest on bank overdrafts and loans	-	3
Loan note interest	-	170,385
	-	<u>170,388</u>

10. Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the period	(144,383)	(58,461)
Adjustments in respect of previous periods	(418)	-
Total current tax	<u>(144,801)</u>	<u>(58,461)</u>
Deferred tax		
Origination and reversal of timing differences	2,102	(17,361)
Adjustments in respect of previous periods	1,374	-
Effect of changes in tax rates	664	(5,482)
Total deferred tax	<u>4,140</u>	<u>(22,843)</u>
Total tax per income statement	<u>(140,661)</u>	<u>(81,304)</u>
Standard rate of corporation tax in the UK	19.00%	19.00%

Corporation tax is calculated at the UK standard rate of corporation tax on the estimated assessable profit or loss for the year.

The charge for the year can be reconciled to the income statement as follows:

	2022 £	2021 £
Loss for the period:	(16,213,163)	-
Tax at UK corporation tax rate of 19% (2021 – 19%)	(3,080,501)	-
Effects of:		
Expenses not deductible for tax purposes	3,079,081	1,699
Transfer pricing adjustment	(140,861)	(59,170)
Adjustment from previous periods	956	-
Tax rate changes	664	(5,482)
Deferred tax not provided	-	(18,352)
Other	-	1
Total tax credit for the period	<u>(140,661)</u>	<u>(81,304)</u>

The Company profits are taxable in the UK under the standard rate of corporation tax being 19% (2021: 19%). The Company is expected to continue to attract the standard rate of UK corporation tax. On 10 June 2022 the UK Government legislated to increase the main rate of corporation tax to 25% as of 1 April 2023. This increase has been reflected in the 2021 closing deferred tax asset.

THE BOLLINGTON GROUP (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. Fixed asset investments

	2021 £	2021 £
Cost or valuation		
At 1 January 2022	16,199,237	16,199,237
Impairment	(16,199,237)	-
At 31 December 2022	-	16,199,237

Held by Company:
Name

	Country of Incorporation	Holding	Principal activity	Company number
Bollington Underwriting Ltd	UK	100%	Insurance broking	2074674
Bollington Insurance Brokers Ltd	UK	100%	Insurance broking	2918954

The registered office address of all of the above subsidiary companies is The Walbrook Building, 25 Walbrook, London, England EC4N 8AW.

Bollington Underwriting Ltd and Bollington Insurance Brokers Ltd ceased trading during 2021 and are in run-off. Therefore they are considered fully impaired.

12. Tangible fixed assets

	Land and Buildings £	Fixtures and Fittings £	Office Equipment £	Total £
Cost				
At 1 January 2022	10,182	315,210	633,490	958,882
At 31 December 2022	10,182	315,210	633,490	958,882
Depreciation				
At 1 January 2022	6,696	314,861	604,181	925,738
Charge for year	1,406	267	12,253	13,926
At 31 December 2022	8,102	315,128	616,434	939,664
Net Book Value				
At 31 December 2022	2,080	82	17,056	19,218
At 31 December 2021	3,486	349	29,309	33,144

THE BOLLINGTON GROUP (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. Debtors

Amounts falling due within one year

	2022 £	2021 £
Prepayments and accrued income	-	177,870
Amounts owed by group companies	16,022,043	12,024,341
Corporation Tax	144,383	58,461
Deferred Tax	18,704	22,843
	16,185,130	12,283,515

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

14. Cash at bank

	2022 £	2021 £
Cash at bank	-	7,291
	-	7,291

15. Creditors

Amounts falling due within one year

	2022 £	2021 £
Trade creditors	-	11,797
Loans from group companies	15,795,000	15,795,000
Owed to group companies	14,368,103	10,602,643
	30,163,103	26,409,440

Amounts owed to group undertakings are unsecured, repayable on demand and are on an interest free basis.

16. Loans

	2022 £	2021 £
Amounts falling due within 1 year:		
Loans from group Company	15,795,000	15,795,000
	15,795,000	15,795,000

The Loan from group company was advanced from Bollington Wilson Limited. The loan is repayable on demand and previously carried a coupon of 10%. Following the acquisition of the Bollington Group by Arthur J Gallagher & Co during the period, coupon rates on all group borrowings were reduced to 0%.

THE BOLLINGTON GROUP (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. Deferred tax

	2022 £	2021 £
Deferred tax assets:		
At 1 January 2022	22,843	-
Adjustment in respect of prior years	(1,373)	22,843
Deferred tax charge to income statement for the period	(2,766)	22,843
At 31 December 2022	18,704	22,843
Fixed asset timing differences	18,704	22,844
Rounding's	-	(1)
	18,704	22,843

18. Operating lease commitments

	2022 £	2021 £
Not later than 1 year	136,211	49,440
Later than 1 year and not later than 5 years	-	82,400
In over 5 years	-	-
	136,211	131,840

Operating lease charges are borne by the trading companies deriving benefits from the operating leases.

19. Share capital

	2022 No.	2021 No.	2022 £	2021 £
Authorised:				
Ordinary shares of £0.1 each	10	120	1	12
	10	120	1	12
Allotted, called up and fully paid:				
Ordinary shares of £0.1 each	10	120	1	12
	10	120	1	12

THE BOLLINGTON GROUP (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. Share premium

	2022 £	2021 £
At 1 January 2022	-	2,308,102
Cancelled in period	-	(2,308,102)
At 31 December 2022	-	-

During the prior period, as part of the capital reduction exercise, the whole of the share premium account was cancelled and transferred to profit and loss reserves.

21. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund. Contributions to the scheme by the Company amounted to £nil (prior year: £110,190).

22. Related party transactions

The Company has taken advantage of the exemption conferred by FRS102 section 33 "related party disclosures" not to disclose transactions with members of the Group claiming 100% of the voting rights in the Company are controlled within that Group and the Company is included in the consolidated financial statements.

23. Parent and ultimate holding company

The immediate parent company is Talbot Deane Limited, a company incorporated in England. The largest group of undertakings which the Company is a member of and for which financial statements are prepared is Arthur J Gallagher & Co. a company incorporated in the United States of America, which is the ultimate holding company.

The Bollington Group (Holdings) Limited is 100% owned and controlled by Arthur J. Gallagher & Co (Country of incorporation and Domicile: USA), the ultimate holding company.

24. Post balance sheet events

There are no post balance sheet events that require disclosure.