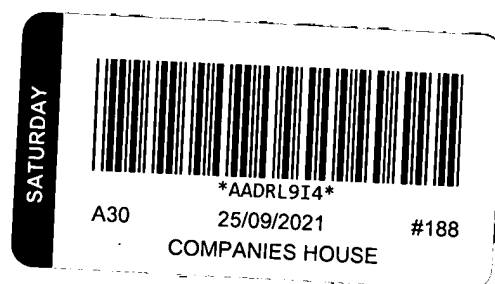


STRATEGIC REPORT, DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020  
FOR  
ARTHUR J. GALLAGHER HOLDINGS (UK)  
LIMITED



**ARTHUR J. GALLAGHER HOLDINGS (UK) LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2020**

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**ARTHUR J. GALLAGHER HOLDINGS (UK) LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**DIRECTORS:**

S Langley (Non-Executive)  
D Coldman (Non-Executive)  
J Drummond-Smith (Non-Executive)  
S Green (Non-Executive)  
T Newbery (Non-Executive)  
L Patten (Non-Executive)  
T Gallagher  
S Matson  
C Scott

**SECRETARY:**

A Peel

**REGISTERED OFFICE:**

The Walbrook Building  
25 Walbrook  
London  
EC4N 8AW

**REGISTERED NUMBER:**

06578719 (England and Wales)

**INDEPENDENT AUDITOR:**

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

## **ARTHUR J. GALLAGHER HOLDINGS (UK) LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

The Directors present their Strategic Report for the year ended 31 December 2020.

#### **REVIEW OF BUSINESS**

The principal activity of the Company in the year under review was that of a holding company whose subsidiaries carried on the business of insurance broking and that of an insurance management agent for insurance companies and Lloyd's underwriters. It is expected that there will be no significant change to the nature of the Company's activities in the foreseeable future.

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

The results of the Company for the year ended 31 December 2020 are set out in these financial statements on pages 16 to 27.

For the year ended 31 December 2020 the Company has recorded a profit before tax of £13,169k compared to the profit of £42,850k in 2019. The principal driver of the decrease in profit was the increase in interest payable on loans and the decrease in dividends received from group undertakings.

During the year, in order to part fund the acquisition made by Gallagher Holdings (UK) for the full ownership of Capsicum Reinsurance Brokers LLP and its subsidiaries by the Gallagher group, the Company acquired 100% of the share capital of GGB Finance 4 Limited for a consideration of £120,000k (see note 7 ) and the Company issued listed unsecured loan notes onto The International Stock Exchange, to the value of £120,000k (see note 9) in exchange for a further investment in its subsidiary Gallagher Holdings (UK).

Given the external developments and geopolitical disruption in relation to the ongoing COVID-19 pandemic, future forecasts and projections have taken these conditions into account. The Company is fully operational, has deployed continuity protocols and has not been materially impacted by the COVID-19 pandemic. The Company has adequate resources to continue in operational existence for a period to 30 September 2022 and that no material uncertainties related to going concern have been identified.

#### **SECTION 172 STATEMENT**

The Directors of Arthur J. Gallagher Holdings (UK) Limited have regard to the interests of the Company's stakeholders in accordance with s172 of the Companies Act 2006.

The Directors recognise their responsibility to act in good faith to promote the success of the Company for the benefit of its shareholder, the Gallagher Group, while also considering the impact of their decisions on other stakeholders. These stakeholders include clients, strategic partners (for example, insurance companies), employees, suppliers, our regulator, the environment and the wider community. Engagement with these stakeholders, to understand the issues and factors which are most important to them, is an important aspect of our decision-making process. In making key decisions, the Directors consider the outcomes of engagement with the relevant stakeholders. Set out below are three key decisions taken by the Directors during 2020, with details of the stakeholder engagement process undertaken in arriving at them, and how it influenced the decisions taken.

#### **Acquisition of Capsicum Re**

##### **Context:**

In January 2020, the Board of Arthur J. Gallagher Holdings (UK) Limited, in conjunction with the board of its subsidiary Arthur J. Gallagher (UK) Limited, approved the decision to purchase the outstanding interests in Capsicum Re, the leading reinsurance business in which Gallagher already held a 33% stake. Capsicum Re is the world's fifth largest reinsurance broker and was originally launched through a strategic partnership with the Gallagher group in December 2013. It now has more than 150 employees, with offices in the US, UK, Bermuda and South America. In September 2020, a decision was taken to re-brand Capsicum Re as Gallagher Re.

##### **How the Directors engaged with stakeholders:**

The Board understood that the acquisition of the outstanding interests in Capsicum Re was attractive to Gallagher, as it would immediately provide a significant reinsurance presence. The Board was also aware that the culture within Capsicum Re was strongly aligned to Gallagher's, because of Capsicum Re's historical connection to Gallagher. The strong relationships with Capsicum Re's clients were also important, and the Board believed that clients would benefit from the deeper integration of Capsicum Re into the Gallagher group, with the wide range of services it is able to provide. During 2020, the Board was briefed regularly on the integration process, and was reassured by management that the relationship with both employees and clients of Capsicum Re was well managed throughout.

## ARTHUR J. GALLAGHER HOLDINGS (UK) LIMITED

### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

#### SECTION 172 STATEMENT - continued

##### Outcomes:

The acquisition, and subsequent integration of, Capsicum Re into our Group in 2020 was successfully executed, and has proved to be in the interests of key stakeholders, including Capsicum Re's employees and clients. The re-branding of the business as Gallagher Re, in September 2020, served to emphasise the success of the integration into the Gallagher group.

#### Employee Engagement Survey

##### Context:

Employees are a key stakeholder group for the Company, being the key producers of revenue for us. As the parent company of the Gallagher Global Broking business in the UK, the Company has a particular responsibility for the workforce, exercised through its subsidiary Arthur J. Gallagher Services (UK) Limited, and this was particularly important during the lockdown periods in 2020, with many employees operating remotely, outside of the normal office environment.

##### How the Directors engaged with stakeholders:

One of the key tools used by the Board in understanding employee sentiment is the annual Employee Engagement Survey, conducted in the third quarter of 2020, led by the HR function and facilitated by an external provider, Ixia. The Board reviewed the results of the 2020 Employee Engagement Survey in December 2020, and concluded that they were very positive considering the circumstances of the pandemic, with the majority of the workforce, and the majority of clients and suppliers, forced to operate remotely. The overall engagement score of 80% was up 6 percentage points compared to the previous year. The response on the question of how Gallagher was responding to the pandemic was very high at 87%. Other high-scoring question areas included Trust (89%), Diversity (86%), Manager Effectiveness (81%) and Future Vision (81%).

##### Outcomes:

The Board agreed that the picture which emerged from the feedback was overwhelmingly positive, and reflected well on efforts to maintain engagement with employees in the difficult circumstances resulting from the COVID-19 pandemic. In response to the 2020 survey, a number of action groups were set up to develop action plans, particularly in areas with lower scores, and many of our colleagues have played an active part in this work. It was felt important to demonstrate to colleagues throughout the Company that their feedback was being heeded at Board level, and that positive action would result.

#### COVID-19

##### Context:

During the 2020 financial year, the COVID-19 pandemic had far-reaching consequences for UK businesses, including Arthur J. Gallagher Holdings (UK) Limited. Throughout the year, the Board considered how the pandemic, and the resultant lockdowns, would impact the business, and each of its stakeholders, including clients, suppliers, our regulator, and the Company's employees. Decisions taken by the Board took into account the impacts of the pandemic on these groups, and sought to ensure that the Company could continue to act in all stakeholders' best interests.

##### How the Directors engaged with stakeholders:

The COVID-19 pandemic affected all our stakeholders. Employees are a key stakeholder group for the Company and, early in the year, the Board was quick to consider the potential impacts on employee well-being and mental health. Decisions were taken swiftly to assist the workforce in the move to home-working and this proved to be successful, with the whole business home-working by Q2 2020, while continuing to maintain high levels of service to clients.

The Board identified potential challenges of engagement and motivation among employees, and actions were taken to address them, with regular weekly contact from line managers and teams through a range of social interactions in different areas of the business, including quizzes, virtual team meetings and lunches, which helped our employees to maintain social contact as well as a sense of belonging. A number of initiatives were taken to raise issues of mental health, and to support good mental health across the workforce. The directors were aware of the need for regular communications with the workforce, and took a particular interest in supporting any staff who might be considered vulnerable. Flexible hours were offered to employees with childcare responsibilities. The aim of these initiatives was to keep our employees engaged and productive, communicating and assisting clients.

The Board was also interested to understand the position of key suppliers, one of which was the Gallagher Service Centre (GSC) based in India. The Board took an interest in the welfare of GSC employees, and was briefed on services levels, which remained high throughout 2020. Efforts were also made to keep our regulator updated, and an increased volume of data was requested by, and provided to, the FCA during the lockdown periods.

The Company put in place a COVID-19 cost reduction plan, which tried to identify savings to mitigate the impact of the pandemic and lockdowns. Savings were achieved in areas such as recruitment and travel and expenses. The establishment of a highly effective in-house recruitment team further assisted in managing the costs associated with recruitment activity.

## **ARTHUR J. GALLAGHER HOLDINGS (UK) LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

#### **SECTION 172 STATEMENT – continued**

##### **Outcomes:**

The Board considers that the workforce remained resilient throughout 2020 and succeeding in maintaining a high level of service to our clients. Staff turnover at the end of the year was low and staff morale remained high, in the circumstances. Careful consideration of our stakeholders, including our valued employee base, and suppliers such as GSC, contributed to a strong performance by Arthur J. Gallagher Holdings (UK) Limited in 2020, in spite of the many challenges resulting from COVID-19.

These decisions underline the importance of consideration of a range of stakeholder interests to the Company's decision-making.

The Company, its Directors and its management remain fully committed to engaging effectively with the Company's key stakeholders as part of their decision-making process, and will continue to do so in future.

#### **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.

AJG Holdings, as the highest UK parent of the UK group of businesses, will be consolidating energy and carbon information under SECR for businesses in the group meeting the qualification criteria.

##### **Methodology**

Scope 1, 2 and 3 consumption and CO2e emission data have been calculated in line with the 2019 UK Government environmental reporting guidance. The following Emission Factor Databases consistent with the 2019 UK Government environmental reporting guidance have been used, utilising the current published kWh gross calorific value (CV) and kgCO2e emissions factors relevant for reporting year 01/01/2020 – 31/12/2020.

##### **Emissions Scopes**

Scope 1 consumption and emissions relate to direct combustion of natural gas, and fuels utilised for transportation operations, such as company vehicle fleets.

Scope 2 consumption and emissions relate to indirect emissions relating to the consumption of purchased electricity in day-to-day business operations.

Scope 3 consumption and emissions relate to emissions resulting from sources not directly owned by the reporting company. For AJG Holdings, this is related to grey fleet (business travel undertaken in employee-owned vehicles) only.

##### **Exclusions**

All AJG Holdings electricity and gas invoices have been entered into a fully managed energy database up to 31st December 2020, and data quality checks have been carried out for data completeness and accuracy. All transport information has also been entered into the energy database up to 31 December 2020. There is no missing invoice data, so full data coverage has been achieved without the need to calculate estimated consumption.

##### **Energy Efficiency Actions**

AJG Holdings are committed to year on year improvements in their operational energy efficiency and sustainability goals.

Within 2020, the decision was taken to reduce the consumption of single use plastics in the business. Staff are encouraged to only use reusable plastics where possible and provisions were made within the office spaces for reusable mugs and water bottles. Single use plastics are now not provided within the offices of AJG Holdings.

A comprehensive replacement policy for lighting has been implemented throughout the portfolio. This ensures that when lighting is replaced throughout the portfolio, the replacements are of an energy efficient LED standard. A second policy has also been instated to ensure all new offices are fitted with the newest most energy efficient LED fittings. LED lighting will remain the standard across the portfolio, with improvements implanted as required alongside technology improvements.

Occupancy timers and sensors have been installed across the portfolio to help reduce out of hours consumption of lighting and IT equipment. Occupancy sensors are crucial in reducing the need for manual switching, and removes likelihood of lighting in particular being operational when not required. This reduction in energy usage will not only provide cost savings for AJG Holdings, but will also assist in the reduction of their carbon footprint in the future.

**ARTHUR J. GALLAGHER HOLDINGS (UK) LIMITED****STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2020****STREAMLINED ENERGY AND CARBON REPORTING (SECR) – continued****Total Energy Consumption**

<b>Scope 1</b>	Gaseous and other fuels (kWh)	246,394
	Transportation (kWh)	82,308
<b>Scope 2</b>	Grid-Supplied Electricity (kWh)	1,281,883
<b>Scope 3</b>	Transportation (kWh)	1,855,156

**Total Emissions (tCO<sub>2</sub>e)**

<b>Scope 1</b>	Gaseous and other fuels (tCO <sub>2</sub> e)	45.30
	Transportation (tCO <sub>2</sub> e)	19.50
<b>Scope 2</b>	Grid-Supplied Electricity (tCO <sub>2</sub> e)	298.86
<b>Scope 3</b>	Transportation (tCO <sub>2</sub> e)	439.44

**Intensity Ratio** (Gross) tCO<sub>2</sub>e emissions/ £ million revenue 1.01

**PRINCIPAL RISKS AND UNCERTAINTIES**

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

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

**Borrowing facilities and liquidity risk**

Operations for the Group are financed by a mixture of shareholders' funds, external borrowing facilities, inter-group borrowings and cash reserves. The objective is to ensure a mix of funding methods offering flexibility and cost effectiveness to match the needs of the Group. Forward looking cash flow projections are prepared on a regular basis to assess funding requirements.

**Foreign currency risk**

The Group's major currency transaction exposure arises in respect of transactions with fellow group undertakings and foreign currency revenue earned in the UK. As a consequence, the Group's results are sensitive to changes in foreign currency exchange rates.

In the management of its exchange rate exposures the Group utilises currency derivatives on a non-speculative basis to hedge future transactions and cash flows and is therefore party to a number of forward foreign currency contracts.

**ARTHUR J. GALLAGHER HOLDINGS (UK) LIMITED**

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**PRINCIPAL RISKS AND UNCERTAINTIES - continued**

**Interest rate risk**

Interest rates on the Group's formal intra-group loans are fixed in nature and set in accordance with the wider Group treasury and transfer pricing policies.

**BY ORDER OF THE BOARD:**

*Alistair C. Peel*

.....  
A Peel - Secretary

Date: 25 August 2021  
.....



## **ARTHUR J. GALLAGHER HOLDINGS (UK) LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

The Directors present their report with the audited financial statements of the Company for the year ended 31 December 2020. The results for the Company for the year ended 31 December 2020 and future developments are discussed in the Strategic Report.

#### **DIRECTORS OF THE COMPANY**

The Directors who have held office during the period from 1 January 2020 to the date of this report are as follows:

S Langley (Non-Executive)  
D Coldman (Non-Executive)  
J Drummond-Smith (Non-Executive)  
S Green (Non-Executive)  
T Newbery (Non-Executive)  
L Patten (Non-Executive)  
T Gallagher  
S Matson  
C Scott

#### **DIVIDENDS**

Interim dividends of £50,786k were declared and distributed for the year ended 31 December 2020 (2019: £67,126k). The directors do not recommend the distribution of any further dividends.

#### **EVENTS AFTER THE REPORTING PERIOD**

Information relating to events after the reporting period is given in note 13 to the financial statements.

#### **EMPLOYEES**

The Company is an equal opportunities employer and bases all decisions on individual ability regardless of race, religion, gender, age or disability.

#### **DIRECTORS' INDEMNITY PROVISIONS**

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

#### **CORPORATE GOVERNANCE STATEMENT**

The Board of Arthur J. Gallagher Holdings (UK) Limited ('AJG Holdings') has formally adopted the Wates Corporate Governance Principles for Large Private Companies as the framework for its corporate governance. The following statement, given under the Companies (Miscellaneous Reporting) Regulations 2018, sets out the corporate governance arrangements which apply to AJG Holdings.

##### **Purpose and Leadership**

AJG Holdings is the holding company for the UK subsidiaries of Arthur J. Gallagher & Co. AJG Holdings' sole shareholder is Gallagher International Holdings (US) Inc., whose parent company is Arthur J. Gallagher & Co., the ultimate parent company of the Arthur J. Gallagher Group.

AJG Holdings is led by a Board of directors (the 'Board'), whose objective is to promote the long-term success of the Company and its UK subsidiaries. The Board meets at least six times each year.

The Board is able to understand the views of its shareholder through ongoing dialogue, both at Board and management level. One of the non-executive directors of AJG Holdings is also a member of the Board of Arthur J. Gallagher & Co. At management level, there is regular dialogue between the executive management of AJG Holdings and that of the Gallagher Group, which covers matters including business strategy, budget setting and remuneration policy.

## **ARTHUR J. GALLAGHER HOLDINGS (UK) LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

#### **CORPORATE GOVERNANCE STATEMENT - continued**

The Board recognises that the Company has a number of other stakeholders in addition to its shareholders. These stakeholders include clients, strategic partners (for example, insurance companies), employees, suppliers, our regulator and the wider community including any impact on the environment. The Board builds relationships with these stakeholders through regular dialogue and interaction, supported by management's reporting and provision of data. This dialogue shows a clear sense of purpose and collective vision, based on the Gallagher Group's aim to form lasting partnerships with clients and insurers. Communication with employees includes annual engagement surveys, through which the Board is able to monitor employee sentiment. The Board oversees the development and implementation by management of action plans in response to the findings of these engagement surveys.

The Board focuses on strategy, both at the level of AJG Holdings and at the level of its principal subsidiaries. Whilst the principal subsidiaries have their own articulations of strategy, the Board of AJG Holdings has sought to bring strategy together across its UK businesses. Strategy is regularly discussed by the Board and executive management.

The Board has a strong focus on the culture of the organisation, and is regularly briefed by executive management on matters relating to culture, such as leadership development, talent and succession, and learning and development. Promoting good culture is particularly important to AJG Holdings. Good culture is embedded in the organisation by the provision of training, awareness campaigns (for example, on inclusion and diversity) and by the example set by the Board and by senior management.

The Gallagher Group's strong commitment to ethical conduct has led to our recognition as one of the World's Most Ethical Companies by the Ethisphere Institute since 2012. We maintain this commitment to ethical conduct in a number of ways, including by our adherence to a statement of the Group's shared values, the 'Gallagher Way'. Gallagher employees are expected to act in accordance with the Gallagher Way, and with integrity at all times, adhering to the spirit and letter of company policies and laws.

Our principal trading subsidiaries are regulated by the Financial Conduct Authority ('FCA'), and as such are subject to the FCA's Conduct Rules.

The Company takes any malpractice seriously, and has in place a Whistleblowing Policy, whose purpose is to ensure that any individual working for the Company can raise any matter that concerns them, in the knowledge that it will be taken seriously, treated as confidential and that no action will be taken against them. The Company also has a Conflicts of Interest Policy designed to ensure that employees will always act in the best interests of the customer.

#### **Board Composition**

The AJG Holdings Board comprises nine directors, three of whom are executive and six non-executive. Five of the non-executive directors are deemed to be independent. The size and composition of the Board are appropriate to the scale and complexity of the Company's business. All Board members have extensive and relevant experience of insurance and financial services, which enables them to understand our business and make decisions effectively.

The roles of Chairman of the AJG Holdings Board, and Chief Executive Officer of Gallagher Global Broking-UK ('GGB-UK') are separate, and are clearly defined. Role descriptions exist for each of these roles. The Chairman, who is an independent non-executive director, is responsible for the leadership of the AJG Holdings Board, whilst the Chief Executive Officer is appointed by the Board to manage the day-to-day business of GGB-UK, with the support of the GGB-UK Executive Committee.

The other executive members of the Board are the Chief Financial Officer of GGB-UK, and the CEO of Gallagher Global Broking.

Our six non-executive directors bring a wider perspective which enables them to constructively challenge management proposals and performance. Non-executive directors are typically appointed for three-year terms, and are expected to serve not more than nine years in total.

In considering new appointments to the Board, a range of factors are taken into consideration, including a candidate's skills, background, experience and knowledge, as well as the overall balance, skillset and diversity of the Board. The Board is supported, in considering senior appointments, by the Remuneration and Nominations Committee, which assists in identifying the required capabilities, and makes appropriate recommendations.

Directors are given regular briefings at Board meetings on different aspects of the business. An annual board evaluation process ensures that strengths and weaknesses of board performance and processes are identified and addressed. All directors have access to the services of the Company Secretary.

## **ARTHUR J. GALLAGHER HOLDINGS (UK) LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

#### **CORPORATE GOVERNANCE STATEMENT - continued**

##### **Director Responsibilities**

The role of the AJG Holdings Board is to promote the long-term success of the Company and its UK subsidiaries. In fulfilling this role, the Board's responsibilities include:

- Overall leadership of the UK Group, and setting appropriate values and standards, including promoting inclusion and diversity;
- Responsibility for the UK Group's culture, and for setting the appropriate 'tone from the top';
- Setting the high level strategy for the UK Group;
- Monitoring performance against strategy;
- Monitoring the effectiveness of the UK Group's compliance with applicable laws and regulatory responsibilities;
- Ensuring fair outcomes for our clients.

The Board is also responsible for reviewing the effective implementation of the risk and control framework. In its oversight of internal financial and operational controls, the Board is assisted by the Audit Committee (which meets at least quarterly), and by Internal Audit and the other control functions (Compliance, Risk and Legal). As part of the annual board evaluation exercise, the Board reviews its own performance and gives feedback on the data provided to it by management.

The responsibilities and accountabilities of executive directors, and of those non-executive directors who act as chairs of board committees or subsidiary boards, are clearly defined as part of the Company's application of the FCA Senior Management and Certification Regime framework. Board committees (Audit, Risk and Remuneration and Nominations) and principal subsidiary boards have terms of reference which clearly set out their remits and decision-making powers, and are part of the corporate governance framework designed to promote effective decision-making throughout the organisation. This corporate governance framework is set out in our Governance Manual. The Governance Manual is approved by the AJG Holdings Board and the Board is supported, in applying the corporate governance framework, by the Company Secretary. Governance processes are reviewed in the context of the annual board evaluation, and initiatives to strengthen the Company's governance (such as the adoption of the Wates Principles) are discussed by the Board.

##### **Opportunity and Risk**

The Company creates long-term value for the Gallagher Group by growing its business in the UK, developing its customer base and advising customers on insurance and risk management. The Company continues to grow its business both organically and through acquisition, and has entered into strategic partnerships to add value to the products and services offered to clients. The Board is regularly briefed by the Chief Executive Officer on new business opportunities, on new client relationships and on mergers and acquisitions activity within the sector. The Board reviews and, where appropriate, approves acquisitions and subsequently oversees the process of integration of the newly-acquired business.

The Board is responsible for the oversight of risk within the business, and has identified a set of board-level risks as a framework for exercising oversight of risk. The Board is supported in this by the Risk Committee, whose objective is to assist the Board's and the principal subsidiaries boards' oversight of risk management, compliance and IT infrastructure in the GGB-UK business. The Risk Committee meets at least quarterly.

AJG Holdings recognises enterprise risk management as a key strategic business discipline, which enables the achievement of its objectives through the effective management of risk across all aspects of the business. AJG Holdings' strategy for managing risk is a combination of the level of risk that the Board is prepared to seek, accept or avoid in executing the Company's strategy and objectives, and the governance structure, policies and business processes by which AJG Holdings manages its risks within appetite, and escalates and remedies any breaches ('the ERM Framework').

The ERM Framework, endorsed by the Board, is designed to comply with UK regulatory requirements, and to follow risk management best practice. It is applied to identify potential events that may affect AJG Holdings, to manage the associated risks and opportunities and to provide reasonable assurance that its objectives will be achieved.

An Enterprise Risk Management report is given at each AJG Holdings Board meeting, updating the Board in respect of changes related to policy reviews, the UK Board risk profile, risk events, risk appetite and horizon risks.

AJG Holdings is committed to providing competitive rewards that attract, retain and incentivise our employees to deliver outstanding performance in the eyes of our customers and shareholder. We have a clearly defined performance management process, which supports our overall business strategy and plans, and links individual pay with business and personal performance, whilst ensuring that individuals adhere to the FCA's principles and rules. This is delivered through the compensation framework overseen by the Executive Committee and the Remuneration and Nominations Committee.

## **ARTHUR J. GALLAGHER HOLDINGS (UK) LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

#### **CORPORATE GOVERNANCE STATEMENT - continued**

The Company manages the rewards of senior leadership through an objective framework that aims to strengthen the link between pay and performance by using a balanced scorecard approach. The Remuneration and Nominations Committee oversees and approves reward and compensation for members of the Executive Committee.

#### **Remuneration**

The Company has in place a Remuneration and Incentives Policy, whose purpose is to promote a performance-driven culture by differentiating total compensation based on the relative performance of businesses and individuals. The Policy seeks to promote and reward the demonstration of Gallagher shared values, and to ensure that remuneration and incentives are driven by consideration of qualitative performance and behaviour, as well as commercial results. Under the Policy, remuneration and compensation programmes, structures and decisions are aligned with shareholder, customer, employee and other stakeholder interests. The Policy aims to reinforce an organisational culture based on the highest ethical standards, and to focus on positive customer outcomes, and mitigates business risks by encouraging prudent decision-making.

The Remuneration and Nominations Committee is responsible for, among other things, reviewing and approving the remuneration packages of those within its scope, which includes the CEO, Chairman & Executive Committee members, and other members of the senior management population. The Remuneration and Nominations Committee also has responsibility for reviewing, approving and recommending to the Board the Company's reward and compensation framework, employee benefits, core organisational policies and reward philosophy and strategy.

#### **Stakeholder Relationships and Engagement**

The Board considers the impacts of the Company's activities on a number of key stakeholders, including our customers, our suppliers, our regulator and our employees.

In relation to customers, the Board is provided, as part of its regular reporting, with detailed management information, including new customer wins, customer retention rates, and information on claims and complaints by customers.

Our key suppliers include the insurers and markets with whom the Company works, and periodic reporting is given to the Board on these relationships, from which the Board is able to identify market trends and developments.

Our principal trading subsidiaries are regulated by the FCA as fixed portfolio firms and, as such, are subject to supervision through thematic and market-based work, along with programmes of communication, engagement and education aligned to the key risks the FCA identify in the insurance sector. We have a Compliance Framework which sets out in detail how our compliance arrangements operate, including our interaction with the FCA. We regard the FCA as a significant stakeholder, and the Board is actively engaged in developing our relationship with them.

Employee relations are monitored through regular reporting by the Human Resources function, and the Board is provided with data on areas such as headcount activity, staff turnover and absence rates. The Board is also able to engage with the workforce through the Company's annual Employee Engagement surveys.

In 2018, Gallagher became the title partner of Premiership Rugby, and has used its position as sponsor of the Gallagher Premiership as part of its outreach programme to local communities. One example of this was Project Rugby, a community initiative which aims to better connect traditionally underrepresented groups with the sport.

Gallagher actively encourages volunteering by employees in charitable and community work. The Company has a volunteering policy which allows employees to take up to three days per year to volunteer during working hours. The Company also operates a matched giving scheme, whereby the Company matches funds raised by employees for charity up to a set maximum amount per individual per calendar year.

The Board supports these initiatives and activities as part of the Company's engagement with local communities in the UK.

## ARTHUR J. GALLAGHER HOLDINGS (UK) LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

#### DIRECTORS' RESPONSIBILITIES STATEMENT

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

#### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

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

#### AUDITOR

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

#### BY ORDER OF THE BOARD:

*Alistair C. Peel*

.....  
A Peel - Secretary

Date: 25 August 2021  
.....

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARTHUR J. GALLAGHER HOLDINGS (UK) LIMITED

### Opinion

We have audited the financial statements of Arthur J. Gallagher Holdings (UK) Limited (the "Company") for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, and the related notes 1 to 14 including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- confirming our understanding of the directors' going concern assessment process and obtaining the assessment which covers the period to 30 September 2022;
- evaluated whether the Company is forecast to remain solvent, generate sufficient cash to settle cash obligations as they fall due over the assessment period, including an assessment of the headroom available in meeting these requirements;
- performed enquiries of management and those charged with governance to identify risks or events that may impact the Company's ability to continue as a going concern. We also read minutes of meetings of the Board and its committees, and made enquiries as to the impact of COVID-19 on the business;
- assessed the appropriateness of the going concern disclosures by comparing the disclosures with management's assessment and for compliance with the relevant reporting requirements; and
- obtained confirmation from the directors of the Company that they have no intentions to either liquidate the entity or to cease operations.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the period to 30 September 2022, being at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

### Overview of our audit approach

Key audit matters	• Impairment – Investment in subsidiaries
Materiality	• Overall materiality of £14.1m which represents 2% of net assets

### An overview of the scope of our audit

#### Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
ARTHUR J. GALLAGHER HOLDINGS (UK) LIMITED - continued**

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

<b>Risk</b>	<b>Our response to the risk</b>	<b>Key observations communicated to the Risk &amp; Audit Committee</b>
<p><b>Impairment – Investment in subsidiaries</b></p> <p>Refer to the Directors' selection of accounting policy in relation to the impairment of investments (page 19) and the schedule of investments (page 21).</p> <p>The Company is a holding Company, existing to hold investments in subsidiaries amounting to £ 2,459,679k as at 31 December 2020 (2019: £ 2,219,679k); the value of investments is inherently significant to the users of the financial statements.</p> <p>Hence, any potential impairment has significant qualitative and quantitative impact and as such is a key audit matter.</p>	<p>Our audit work in respect of the impairment of investment in subsidiaries included:</p> <ul style="list-style-type: none"> <li>• We gained an understanding of Management's processes and controls in place to assess any indicators of impairment and impairment testing.</li> <li>• Evaluated and challenged management's assessment on whether there were any indicators of impairment, including any impact arising from Covid-10 that would trigger an impairment review of any of the intangible assets.</li> </ul>	<p>We concluded to those charged with governance that based on the procedures performed, we concurred with Management's assessment that the investments were not impaired as at 31 December 2020.</p>

**Our application of materiality**

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

**Materiality**

*The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.*

We determined materiality for the Company to be £14.1 million (2019: £14.8 million), which is 2% (2019: 2%) of net assets. The reason for selecting net assets as the basis for our audit materiality consideration is that the entity is a holding Company with its purpose being to hold only subsidiary group entities and intercompany liabilities, and so the most relevant aspect of the entity is its net assets.

During the course of our audit, we re-assessed the basis for our materiality and considered our basis to remain appropriate.

**Performance materiality**

*The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.*

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2019: 75%) of our planning materiality, namely £10.6m (2019: £11.1m). We have set performance materiality at this percentage due to our previous experience as auditors of the Company informing our expectation of the Company's control environment in relation to financial reporting and the likelihood of audit differences.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
ARTHUR J. GALLAGHER HOLDINGS (UK) LIMITED - continued**

**Reporting threshold**

*An amount below which identified misstatements are considered as being clearly trivial.*

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £705k (2019: £742k), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

**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 with the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

**Responsibilities of Directors**

As explained more fully in the directors' responsibilities statement set out on page 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
ARTHUR J. GALLAGHER HOLDINGS (UK) LIMITED - continued**

**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.

**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (FRS 102) and elements of the Companies Act 2006 and tax legislation.
- We understood how the Company is complying with those frameworks by making enquiries of management, and those responsible for legal and compliance matters. We also reviewed minutes of the Board; and gained an understanding of the Company's approach to governance;
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the controls the Company has established to address the risks identified by the entity, or that otherwise seek to prevent, detect, or deter fraud. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements are free from fraud or error;
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. For direct laws and regulations, we considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statement items. For both direct and other laws and regulations, our procedures involved: making inquiry of those charged with governance and senior management for their awareness of any non-compliance of laws or regulations, inquiring about the policies that have been established to prevent non-compliance with laws and regulations by officers and employees, inquiring about the Company's methods of enforcing and monitoring compliance with such policies.

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

**Use of our report**

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

*Ernst & Young LLP*

Vinood Ramabhai (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP  
Statutory Auditor  
London

Date: 25 August 2021

**ARTHUR J. GALLAGHER HOLDINGS (UK) LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 £'000	2019 £'000
Administrative expenses		(2,500)	-
Income from shares in group undertakings	4	<u>111,189</u>	<u>115,484</u>
		108,689	115,484
Interest payable and similar expenses	5	<u>(95,520)</u>	<u>(72,634)</u>
<b>PROFIT BEFORE TAXATION</b>		13,169	42,850
Tax on profit	6	<u>-</u>	<u>-</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><u>13,169</u></u>	<u><u>42,850</u></u>

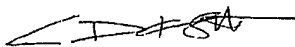
The notes form part of these financial statements

ARTHUR J. GALLAGHER HOLDINGS (UK) LIMITED (REGISTERED NUMBER: 06578719)

STATEMENT OF FINANCIAL POSITION  
31 DECEMBER 2020

	Notes	£'000	2020 £'000	£'000	2019 £'000
<b>FIXED ASSETS</b>					
Investments	7		2,459,679		2,219,679
<b>CURRENT ASSETS</b>					
Debtors	8	1,917		4,417	
Cash at bank		<u>39</u>		<u>39</u>	
		1,956		4,456	
<b>CURRENT ASSETS</b>			<u>1,956</u>		<u>4,456</u>
<b>TOTAL ASSETS</b>			2,461,635		2,224,135
<b>CREDITORS</b>					
Amounts falling due after more than one year	9		<u>1,757,024</u>		<u>1,481,907</u>
<b>NET ASSETS</b>			<u>704,611</u>		<u>742,228</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	10		448,369		448,369
Share premium	11		76,155		76,155
Retained earnings	11		<u>180,087</u>		<u>217,704</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>704,611</u>		<u>742,228</u>

The financial statements were approved and authorised for issue by the Board of Directors on 4 August 2021  
and were signed on its behalf by:



C Scott - Director

25 August 2021

The notes form part of these financial statements

**ARTHUR J. GALLAGHER HOLDINGS (UK) LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>Called up share capital £'000</b>	<b>Share premium £'000</b>	<b>Retained earnings £'000</b>	<b>Total Equity £'000</b>
<b>Balance at 1 January 2019</b>	364,425	-	(131,583)	232,842
<b>Changes in equity</b>				
Share capital issued	279,812	253,850	-	533,662
Share capital cancelled	(195,868)	(177,695)	373,563	-
Dividends declared	-	-	(67,126)	(67,126)
Profit for the financial year	-	-	42,850	42,850
<b>Balance at 31 December 2019</b>	<u>448,369</u>	<u>76,155</u>	<u>217,704</u>	<u>742,228</u>
<b>Changes in equity</b>				
Dividends declared	-	-	(50,786)	(50,786)
Profit for the financial year	-	-	13,169	13,169
<b>Balance at 31 December 2020</b>	<u>448,369</u>	<u>76,155</u>	<u>180,087</u>	<u>704,611</u>

The notes form part of these financial statements

**ARTHUR J. GALLAGHER HOLDINGS (UK) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**1. ACCOUNTING POLICIES**

**Accounting convention**

These financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland", and with the Companies Act 2006.

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

**Basis of preparation**

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

The Company has taken advantage of the exemptions, under FRS 102 paragraph 1.12(b) & (e) respectively, from preparing a Statement of Cash Flows and disclosure of key management compensations, on the basis that it is a qualifying entity and its ultimate holding company, Arthur J. Gallagher & Co., includes such disclosures in its own consolidated financial statements.

The financial statements have been prepared on a going concern basis, under the historical cost basis. Given the external developments and geopolitical disruption in relation to the ongoing COVID-19 pandemic, future forecasts and projections have taken these conditions into account. The Company has adequate resources to continue in operational existence for a period to 30 September 2022, and no material uncertainties related to going concern have been identified. The Company is fully operational, has deployed continuity protocols and has not been materially impacted by the COVID-19 pandemic. The Directors therefore continue to prepare the accounts on a going concern basis.

**Significant judgements and estimates**

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements include:

**i. Impairment of investments**

Where there are indicators of impairment of individual assets, the Group performs impairment tests based on a value in use calculation. The value in use calculation is based on a net asset or revenue multiple basis. Both methods are derived from the financial statements and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The multiple rate used is in line with recent acquisitions.

**Income from shares in group undertakings**

Income from shares in Group Undertakings is recognised in the Statement of Comprehensive Income when the shareholder's right to receive payment is established.

**Interest receivable/payable**

Interest receivable/payable is recognised in the Statement of Comprehensive Income on an accruals basis based on the terms of the underlying contracts or agreements.

**Taxation**

Provision is made at current enacted rates for taxation. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax in future periods.

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

Deferred tax assets and liabilities are not discounted.

**Fixed asset investments**

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

**ARTHUR J. GALLAGHER HOLDINGS (UK) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**1. ACCOUNTING POLICIES - continued**

**Short term debtors and creditors**

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

**Loans to/from group undertakings**

Loans to/from other group undertakings are initially recognised at transaction price, less any transactional costs unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future payments discounted at a market rate of interest. In subsequent years the loans are carried at amortised cost, using the effective interest rate method.

Where loans are repayable on demand they are classified as short term debtors/creditors and recognised at the full amount payable. The loans are derecognised when the liability is extinguished, that is when the contractual obligation is discharged or cancelled.

The loans are recognised using the criteria set out in Section 11 and 12 of FRS102.

**2. DIRECTORS' REMUNERATION**

	2020 £'000	2019 £'000
Directors' remuneration	<u>4,089</u>	<u>270</u>

Information regarding the highest paid Director is as follows:

	2020 £'000	2019 £'000
Director's remuneration	<u>3,819</u>	<u>210</u>

The above amounts represent remuneration allocated to the Directors based on their directorships of entities within the Group. The Directors were remunerated during the year by a fellow subsidiary within the Group and Arthur J. Gallagher & Co., the ultimate holding company. The Company has not been recharged any amount for the remuneration of these Directors (2019: £nil).

**3. OPERATING PROFIT**

Auditor's remuneration in the current year of £7k (2019:£7k) has been borne by a fellow group undertaking and has not been recharged to the Company.

**4. INCOME FROM SHARES IN GROUP UNDERTAKINGS**

	2020 £'000	2019 £'000
Dividend from group undertakings	<u>111,189</u>	<u>115,484</u>

**5. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2020 £'000	2019 £'000
Interest on loans from group undertakings	<u>95,520</u>	<u>72,634</u>

**ARTHUR J. GALLAGHER HOLDINGS (UK) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**6. TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose for the year ended 31 December 2020 nor for the year ended 31 December 2019.

The tax assessed for the year can be reconciled to the profit per the Statement of Comprehensive Income as follows:

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Profit before tax	<u>13,169</u>	<u>42,850</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	2,502	8,141
Effects of:		
Income not taxable for tax purposes	(21,126)	(21,942)
Effects of group relief/ other reliefs	17,740	13,749
Transfer pricing adjustments	409	52
Expenses not deductible	<u>475</u>	<u>-</u>
Total tax charge	<u>-</u>	<u>-</u>

The Company profits are taxable in the UK under the standard rate of corporation tax being 19% (2019: 19%). The Company is expected to continue to attract the standard rate of UK corporation tax. During 2020 the UK Government cancelled a previously legislated reduction in the main rate of corporation tax to 17% which had been reflected in the prior year closing deferred tax balance. The restatement of the 19% rate has been reflected in the closing deferred tax balance. Subsequent to the balance sheet date the UK Government legislated to increase the main rate of corporation tax to 25% as of 1 April 2023. This increase has not been reflected in the 2020 closing deferred tax asset, as it was not enacted at the balance sheet date.

**7. FIXED ASSET INVESTMENTS**

	<b>Shares in group undertakings £'000</b>
<b>COST</b>	
At 1 January 2020	2,219,679
Additions	<u>240,000</u>
At 31 December 2020	<u>2,459,679</u>
<b>NET BOOK VALUE</b>	
At 31 December 2020	<u>2,459,679</u>
At 31 December 2019	<u>2,219,679</u>

During the year the company acquired a further investment in the share capital of Gallagher Holdings (UK) Limited of £120,000k in addition to acquiring 100% of the share capital of GGB Finance 4 Limited for a consideration of £120,000k.

A full listing of investments is detailed in note 14.

**ARTHUR J. GALLAGHER HOLDINGS (UK) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020	2019
	£'000	£'000
Amounts owed by group undertakings	<u>1,917</u>	<u>4,417</u>

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

**9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2020	2019
	£'000	£'000
Amounts owed to group undertakings	<u>1,757,024</u>	<u>1,481,907</u>

In January 2020 the Company issued £120,000k of listed unsecured loan notes through The International Stock Exchange Limited to the immediate parent company.

Additionally, the Company issued an unsecured promissory note to the value of £120,000k to a fellow group undertaking in January 2020 as part of the Capsicum Reinsurance Brokers LLP acquisition.

The carrying value of the loan notes is held within Amounts owed to group undertakings, falling due after more than one year. The loan notes have the following terms and conditions:

Aggregate loan value	Interest rate	Interest terms	Repayment period	Aggregate carrying value
£22,960k	6.75%	Compounded annually	November 2021 for both capital and interest but the borrower can repay in whole or in part without penalty.	£23,092k
£341,461k	6.75%	Compounded annually	2023 for both capital and interest but the borrower can repay in whole or in part without penalty.	£343,332k
£61,356k	6.75%	Compounded annually	2024 for both capital and interest but the borrower can repay in whole or in part without penalty.	£61,713k
£60,936k	6.19%	Compounded annually	2025 for both capital and interest but the borrower can repay in whole or in part without penalty.	£61,260k
£275,000k	5.4%	Compounded annually	2029 for both capital and interest but the borrower can repay in whole or in part without penalty.	£276,244k
£533,662k	5.4%	Compounded annually	2029 for both capital and interest but the borrower can repay in whole or in part without penalty.	£585,676k
£160,000k	5.4%	Compounded annually	2029 for both capital and interest but the borrower can repay in whole or in part without penalty.	£160,724k
£120,000k	4.0%	Compounded annually	2030 for both capital and interest but the borrower can repay in whole or in part without penalty.	£124,637k
£120,000k	4.0%	Compounded annually	2030 for both capital and interest but the borrower can repay in whole or in part without penalty.	£120,346k

**10. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020	2019
			£'000	£'000
448,368,693	Ordinary	£1	<u>448,369</u>	<u>448,369</u>

The shares have attached to them full voting, dividend and capital distribution (including on wind up) rights. The Company may issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or member. In addition, the shares carry pre-emption rights.



**ARTHUR J. GALLAGHER HOLDINGS (UK) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**11. RESERVES**

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

Share Premium - represents the excess of any consideration received for shares issued above the nominal value.

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

**12. PARENT COMPANY AND ULTIMATE HOLDING COMPANY**

The immediate parent company is Gallagher International Holdings (US) Inc. a company incorporated in the United States of America. The largest group of undertakings of which the Company is a member 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 registered address of Arthur J. Gallagher & Co. is 2850 W. Golf Rd., Rolling Meadows, IL 60008. A copy of these consolidated financial statements is available from the registered office of the Company

**13. EVENTS AFTER THE REPORTING PERIOD**

On 28th January 2021, the Company disposed of its shares in GGB Finance 4 Ltd in exchange for additional shares in GGB Finance 3 Ltd. On 4th February 2021, Gallagher Holdings (UK) Limited, a subsidiary of the Company, entered into an agreement to purchase the entire share capital of Bollington Wilson Group Limited for a total value of £241m. The purchase was funded by additional borrowings by the Company from the Gallagher Group (listed unsecured loan notes through The International Stock Exchange Limited) of £175m, the sale of a minority stake in GGB Finance 3 Ltd and GGB Finance 5 Ltd to Gallagher Corporate Services LLC for £50m with the balance from internal resources. The remaining £16m was funded by cash reserves from the UK Group.

The Company also increased its shareholding in Gallagher Holdings (UK) Ltd by £225m and GGB Finance 5 Ltd by £175m.

The Gallagher Group have signed an agreement to acquire reinsurance assets across the globe from Willis Towers Watson. A reasonable element of this will be UK assets and will be purchased by one of the Company's subsidiaries.

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

# **ARTHUR J. GALLAGHER HOLDINGS (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS - continued** **FOR THE YEAR ENDED 31 DECEMBER 2020**

### **14. INVESTMENT IN SUBSIDIARIES**

The Company's investments at the Statement of Financial Position date, in the share capital of group undertakings, comprised the following:

Name of Company	Registered Address	Holding	Proportion of shares held
Gallagher Holdings (UK) Limited	The Walbrook Building	Ordinary Shares	100.00%
Arthur J. Gallagher (UK) Limited*	The Walbrook Building	Ordinary Shares	100.00%
Risk Management Partners Ltd.*	The Walbrook Building	Ordinary Shares	100.00%
Alesco Risk Management Services Limited*	The Walbrook Building	Ordinary Shares	100.00%
		A & B	
Pen Underwriting Limited*	The Walbrook Building	Ordinary Shares	100.00%
Contego Underwriting Limited*	The Walbrook Building	Ordinary Shares	100.00%
Zennor Limited***	The Walbrook Building	Ordinary Shares	100.00%
Risk Services (NW) Limited*	The Walbrook Building	Ordinary Shares	100.00%
		A & B	
Arthur J. Gallagher Services (UK) Limited*	The Walbrook Building	Ordinary Shares	100.00%
HLG Holdings Limited*	The Walbrook Building	Ordinary Shares	100.00%
Friary Intermediate Limited*	The Walbrook Building	Ordinary Shares	100.00%
Acumus Interco Limited*****	The Walbrook Building	Ordinary Shares	100.00%
Acumus Holdings Limited*****	The Walbrook Building	Ordinary Shares	100.00%
		A & B	
Arthur J. Gallagher Housing Limited***	The Walbrook Building	Ordinary Shares	100.00%
		A, B & C	
Belmont Insurance Holdings Limited*	The Walbrook Building	Ordinary Shares	100.00%
		A, B & C	
Belmont International Limited*	The Walbrook Building	Ordinary Shares	100.00%
Blenheim Park Limited*****	The Walbrook Building	Ordinary Shares	100.00%
Blenheim Park Services Limited***	The Walbrook Building	Ordinary Shares	100.00%
Deacon Insurance Services Limited*	The Walbrook Building	Ordinary Shares	100.00%
Evolution Underwriting Group Limited*****	The Walbrook Building	Ordinary Shares	100.00%
Evolution Underwriting Limited***	The Walbrook Building	Ordinary Shares	100.00%
Evolution Risk Services Limited***	The Walbrook Building	Ordinary Shares	100.00%
Evolution Technology Services Limited***	The Walbrook Building	Ordinary Shares	100.00%
Gallagher Holdings Four (UK) Limited*	The Walbrook Building	Ordinary Shares	100.00%
Oamps (UK) Limited*	The Walbrook Building	Ordinary Shares	100.00%
Oamps Special Risks Limited***	The Walbrook Building	Ordinary Shares	100.00%
Gallagher Holdings Three (UK) Limited*	The Walbrook Building	Ordinary Shares	100.00%
Insurance Dialogue Limited*	The Walbrook Building	Ordinary Shares	100.00%
		A, B, E & F	
Fenchurch Trustees Limited*****	The Walbrook Building	Ordinary Shares	100.00%
Heath Lambert Limited*	The Walbrook Building	Ordinary Shares	100.00%
Gallagher Benefits Consulting Limited*	The Walbrook Building	Ordinary Shares	100.00%
Heath Lambert Overseas Limited*	The Walbrook Building	Ordinary Shares	100.00%
Fenchurch Faris Limited*	Jordan	Ordinary Shares	10.00%
Fenchurch Faris Limited (Saudi Arabia)*	Saudi Arabia	Ordinary Shares	14.00%
Oval Limited*	The Walbrook Building	Ordinary Shares & Deferred Shares	100.00%
		A & B	
Bartholomew & James (Properties) Limited****	Metropolitan Building	Ordinary Shares	100.00%
Bartholomew & James Limited*****	Metropolitan Building	Ordinary Shares	100.00%
FMW Risk Services Limited*****	The Walbrook Building	Ordinary Shares	100.00%
		A & B	
Griffin Commercial Insurance Brokers Limited***	The Walbrook Building	Ordinary Shares	100.00%
John Eke And Partners Limited*	The Walbrook Building	Ordinary Shares A	100.00%
Oval EBT Trustees Limited*	The Walbrook Building	Ordinary Shares	100.00%
Oval Financial Limited*****	Spectrum Building	Ordinary Shares	100.00%
Oval Healthcare Limited***	The Walbrook Building	Ordinary Shares	100.00%
Oval Management Services Limited*	The Walbrook Building	Ordinary Shares	100.00%
Cuthbert Service & Jackson Limited*****	Spectrum Building	Ordinary Shares	100.00%
		A & B	
Oval Insurance Broking Limited*	The Walbrook Building	Ordinary Shares	100.00%
The Ward Mitchell Partnership Limited*****	The Walbrook Building	Ordinary Shares	100.00%
		A & B	
Property & Commercial Limited*	The Walbrook Building	Ordinary Shares	100.00%

**ARTHUR J. GALLAGHER HOLDINGS (UK) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**14. INVESTMENT IN SUBSIDIARIES (continued)**

<b>Name of Company</b>	<b>Registered Address</b>	<b>Holding</b>	<b>Proportion of shares held</b>
Riba Insurance Agency Limited*	The Walbrook Building	Ordinary Shares	100.00%
Rio 587 Limited*	The Walbrook Building	Ordinary Shares	100.00%
Rio 588 Limited*	The Walbrook Building	Ordinary Shares	100.00%
Quillco 226 Limited*	Spectrum Building	Ordinary Shares	100.00%
	A & B		
Quillco 227 Limited*	Spectrum Building	Ordinary Shares	100.00%
Giles Holdings Limited*	Spectrum Building	Ordinary Shares	100.00%
R. A. Rossborough Limited*	Liberation House	Ordinary Shares	100.00%
R. A. Rossborough (Guernsey) Limited*	Rossborough House	Ordinary Shares	100.00%
R.A. Rossborough (Insurance Brokers) Limited*	Liberation House	Ordinary Shares	100.00%
Rossborough Healthcare International Limited*	Rossborough House	Ordinary Shares	100.00%
Rossborough Insurance (IOM) Limited*	Victory House	Ordinary Shares	100.00%
Rossborough Insurance Services Limited*	Liberation House	Ordinary Shares	100.00%
Rossborough Insurance Brokers Limited*****	The Walbrook Building	Ordinary Shares	100.00%
Arthur J. Gallagher Insurance Brokers Limited*	Spectrum Building	Ordinary Shares	100.00%
Ink Underwriting Agencies Limited*	The Walbrook Building	Ordinary Shares	100.00%
Carrick Neill & Co. Limited**	Spectrum Building	Ordinary Shares	100.00%
CBG Group Limited*	The Walbrook Building	Ordinary Shares	100.00%
CBG Insurance Brokers Limited*****	The Walbrook Building	Ordinary Shares	100.00%
Flysure Limited***	The Walbrook Building	Ordinary Shares	100.00%
Dickson Insurance Brokers Limited*	The Walbrook Building	Ordinary Shares	100.00%
Robinson Leslie Limited*****	The Walbrook Building	Ordinary Shares	100.00%
Igloo Insurance PCC Limited*	Heritage Hall	Ordinary Shares	100.00%
Capsicum Reinsurance Brokers LLP*	The Walbrook Building	Partnership	33.33%
Capsicum Reinsurance Brokers No.1 LLP*	The Walbrook Building	Partnership	20.00%
Capsicum Reinsurance Brokers No.2 LLP*	The Walbrook Building	Partnership	20.00%
YOA Capsicum Reinsurance Brokers Limited*	Heritage Hall	Ordinary Shares	10.00%
Capsicum Reinsurance Brokers No.3 LLP*	The Walbrook Building	Partnership	20.00%
Capsicum Reinsurance Brokers No.4 LLP*	The Walbrook Building	Partnership	20.00%
Capsicum Reinsurance Brokers Bermuda Limited*	Bermuda	Ordinary Shares	20.00%
Capsicum Reinsurance Brokers No.5 LLP*	The Walbrook Building	Partnership	20.00%
Capsicum Reinsurance Brokers No.6 LLP*	The Walbrook Building	Partnership	20.00%
Capsicum Reinsurance Brokers No.7 LLP*	The Walbrook Building	Partnership	20.00%
Capsicum Re Latin America Corretora De Ressuguros Ltda*	Rua Surubim	Ordinary Shares	20.00%
Capsicum Reinsurance Brokers Miami Inc*	Corporation Trust Center	Ordinary Shares	20.00%
Capsicum CRLA LLP*	The Walbrook Building	Partnership	19.60%
Capsicum Re Brasil Participacoes LTDA*	Rua Surubim	Ordinary Shares	20.00%
Capsicum Reinsurance Brokers No.9 LLP*	The Walbrook Building	Partnership	33.33%
Capsicum Reinsurance Brokers No.10 LLP*****	The Walbrook Building	Partnership	20.00%
Capsicum Reinsurance Brokers No. 11 LLP*	The Walbrook Building	Partnership	20.00%
Alize Limited*	Cumberland House	Ordinary Shares	20.00%
Portmore Insurance Brokers Limited*	The Walbrook Building	Ordinary Shares	100.00%
	A, B & C		
Portmore Insurance Brokers (Wiltshire) Ltd*	The Walbrook Building	Ordinary Shares	100.00%
Pavey Group Holdings (UK) Limited*	The Walbrook Building	Ordinary Shares	100.00%
Pavey Group Holdings Limited*	The Walbrook Building	Ordinary Shares	100.00%
Pavey Group Limited*	The Walbrook Building	Ordinary Shares	100.00%
	A, B & C		
Purple Bridge Group Limited*	The Walbrook Building	Ordinary Shares	100.00%
	A & B		
Just Landlords Insurance Services Ltd*	The Walbrook Building	Ordinary Shares	100.00%
Vasek Insurance Services Limited*	The Walbrook Building	Ordinary Shares	100.00%
Unoccupied Direct Limited*	The Walbrook Building	Ordinary Shares	100.00%
Purple Bridge Investments Limited*	The Walbrook Building	Ordinary Shares	100.00%

**ARTHUR J. GALLAGHER HOLDINGS (UK) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**14. INVESTMENT IN SUBSIDIARIES (continued)**

<b>Name of Company</b>	<b>Registered Address</b>	<b>Holding</b>	<b>Proportion of shares held</b>
Purple Bridge Publishing Limited*	The Walbrook Building	Ordinary Shares	100.00%
Purple Bridge Finance Limited*	The Walbrook Building	Ordinary Shares	100.00%
Purple Bridge Claims Management Limited*	The Walbrook Building	Ordinary Shares	100.00%
Purple Bridge Online Services Limited*	The Walbrook Building	Ordinary Shares	100.00%
Insure My Villa Limited*	The Walbrook Building	Ordinary Shares	100.00%
Stackhouse Poland Limited*	The Walbrook Building	Ordinary Shares	100.00%
Honour Point Limited*	The Walbrook Building	Ordinary Shares	100.00%
Quantum Underwriting Solutions Limited*	The Walbrook Building	Ordinary Shares	100.00%
Title & Covenant Brokers Limited*	The Walbrook Building	Ordinary Shares	100.00%
Symmetry Private Insurance Limited*	The Walbrook Building	Ordinary Shares	100.00%
Foley Healthcare Limited*	The Walbrook Building	Ordinary Shares	100.00%
Stackhouse Poland Group Limited*	The Walbrook Building	Ordinary Shares	100.00%
Stackhouse Poland Midco Limited*	The Walbrook Building	Ordinary Shares	100.00%
Stackhouse Poland Holdings Limited*	The Walbrook Building	Ordinary Shares	100.00%
Antrobus Investments Limited*	The Walbrook Building	Ordinary Shares	100.00%
Coleman Group (Holdings) Limited*	The Walbrook Building	Ordinary Shares	100.00%
Coleman Holdings Limited*	The Walbrook Building	Ordinary Shares	100.00%
Lucas Fettes Limited*	The Walbrook Building	Ordinary Shares	100.00%
Title Investments Limited*	The Walbrook Building	Ordinary Shares	100.00%
Risk Solutions Group Limited*	The Walbrook Building	Ordinary Shares	100.00%
Ptarmigan Underwriting UK Limited*	The Walbrook Building	Ordinary Shares	67.00%
Ptarmigan Underwriting Agency Limited*	The Walbrook Building	Ordinary Shares	100.00%
Property Insurance Initiatives Limited*	The Walbrook Building	Ordinary Shares	100.00%
HR Owen Insurance Services Limited*****	The Walbrook Building	Ordinary Shares	35.00%
Protek Group Limited*	The Walbrook Building	Ordinary Shares	33.00%
Medical Professional Indemnity Group Limited*	The Walbrook Building	Ordinary Shares	100.00%
Lucas Fettes Central Limited*	The Walbrook Building	Ordinary Shares	100.00%
Lucas Fettes and Partners Limited*	The Walbrook Building	Ordinary Shares	100.00%
Plough Court Insurance Services Limited*	The Walbrook Building	Ordinary Shares	100.00%
Insurance Acquisitions Holdings Limited*	The Walbrook Building	Ordinary Shares	100.00%
Stackhouse Poland Bidco Limited*	The Walbrook Building	Ordinary Shares	100.00%
Stackhouse Fisher Limited*	The Walbrook Building	Ordinary Shares	100.00%
Cheam Insurance Brokers Limited*	The Walbrook Building	Ordinary Shares	100.00%
GPIIS Limited*	The Walbrook Building	Ordinary Shares	100.00%
RHB Insurance Services Limited*	The Walbrook Building	Ordinary Shares	100.00%
Plexstar Insurance Services Limited*	The Walbrook Building	Ordinary Shares	100.00%
Coulter Hurst & Co Limited*	The Walbrook Building	Ordinary Shares	100.00%
The Healthcare Management Company (UK) Limited*	The Walbrook Building	Ordinary Shares	100.00%
Sutton Meeers and Company Limited*	The Walbrook Building	Ordinary Shares	100.00%
Parish Council Insurance Brokers Limited*	The Walbrook Building	Ordinary Shares	100.00%
JC Richards Limited*	The Walbrook Building	Ordinary Shares	100.00%
David Fangen Holdings Limited*	The Walbrook Building	Ordinary Shares	100.00%
David Fangen Limited*	The Walbrook Building	Ordinary Shares	100.00%
W Burch & Son Limited*	The Walbrook Building	Ordinary Shares	100.00%
HFM Columbus Insurance Services Limited*	The Walbrook Building	Ordinary Shares	100.00%
Chris Frost Insurance Services Limited*	The Walbrook Building	Ordinary Shares	100.00%
Foster Leighton & Company Limited*	The Walbrook Building	Ordinary Shares	100.00%
Foster Leighton Risk Managers Limited*	The Walbrook Building	Ordinary Shares	100.00%
E Coleman & Co Limited*	The Walbrook Building	Ordinary Shares	100.00%
Coleman Marine Limited*	The Walbrook Building	Ordinary Shares	100.00%
RGA Underwriting Limited*	The Walbrook Building	Ordinary Shares	100.00%
Rentguard Limited*	The Walbrook Building	Ordinary Shares	100.00%
Home & Travel Limited*	The Walbrook Building	Ordinary Shares	100.00%
RGA Referencing Limited*	The Walbrook Building	Ordinary Shares	100.00%
Inspire Underwriting Limited*	The Walbrook Building	Ordinary Shares	100.00%
GGB Finance 1 Limited*	The Walbrook Building	Ordinary Shares	100.00%

# **ARTHUR J. GALLAGHER HOLDINGS (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020**

### **14. INVESTMENT IN SUBSIDIARIES (continued)**

GGB Finance 2 Limited*	The Walbrook Building	Ordinary Shares	100.00%
GGB Finance 3 Limited	The Walbrook Building	Ordinary Shares	100.00%
GGB Finance 4 Limited	The Walbrook Building	Ordinary Shares	100.00%

\* Held indirectly

\*\* Dissolved 6 Oct 2020  
 \*\*\* Dissolved 13 Oct 2020  
 \*\*\*\* Dissolved 5 Jan 2021  
 \*\*\*\*\* Dissolved 26 Jan 2021  
 \*\*\*\*\* Dissolved 16 March 2021  
 \*\*\*\*\* Dissolved 12 January 2021  
 \*\*\*\*\* Dissolved 6 April 2021  
 \*\*\*\*\* Dissolved 27 April 2021  
 \*\*\*\*\* Shareholding sold 28 July 2021

GGB Finance 5 was incorporated 27 Jan 2021

Registered Address	Street Address
The Walbrook Building	25 Walbrook, London, EC4N 8AW
Liberation House	Ground Floor, Liberation House, Castle Street, St Helier, Jersey, JE2 3BT
Heritage Hall	Heritage Hall, P.O. Box 230, Le Marchant Street, St. Peter Port, Guernsey GY1 4JH
Jordan	Jordan Insurance Company Building No.: B, 5th Floor, Office No.: 4, Third Circle, Prince Mohammad Street, P.O. BOX 840371, Jabal Amman 11181 Amman, Jordan
Metropolitan Building	Metropolitan Building, 29-31 Alfred Street, Belfast, BT2 8ED
Victory House	New Wing, Victory House, Prospect Hill, Douglas, Isle of Man, IM1 1EQ
Rosborough House	Rosborough House, Bulwer Avenue, St. Sampsons, Guernsey, GY2 4LF
Spectrum Building	Spectrum Building, 7th Floor, 55 Blythswood Street, Glasgow, G2 7AT
Bermuda	Overbay 106 Pitts Bay Road, Pembroke, Bermuda, HM08
Rua Surubim	Rua Surubim, 577, 21 <sup>st</sup> Floor, Sao Paulo, 04571-050
Corporation Trust Center	1209 Orange Street, Wilmington, New Castle County, Delaware 19801
Cumberland House	1 Victoria Street, Hamilton, Bermuda