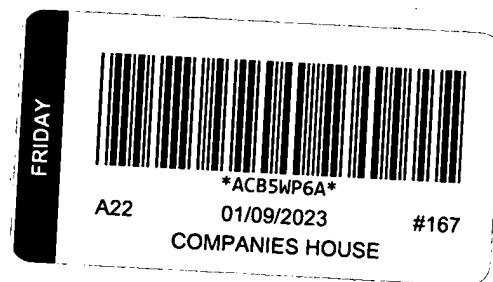


Miller Insurance Services LLP

**Annual report and financial statements for
the year ended 31 December 2022**



Registered Number OC301468

Miller Insurance Services LLP

Annual report and financial statements for the year ended 31 December 2022

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Miller Insurance Services LLP

Partnership information for the year ended 31 December 2022

Members:

Ben Nevis Bidco Limited
Miller 2015 Limited
Dawson Capital Limited (ceased to be a member on 02 February 2023)

Registered office:

70 Mark Lane
London
EC3R 7NQ
United Kingdom

Independent auditor:

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

Bankers:

Barclays Bank PLC
1 Churchill Place
London
E14 5HP
United Kingdom

Registered number:

OC301468

Miller Insurance Services LLP

Partnership Board for the year ended 31 December 2022

Executive

James Hands (Chief Executive Officer)

James became Chief Executive Officer in January 2023 and chairs Miller's Group Executive Committee. James joined Miller in 2015, leading our strategic development in the sports and leisure space, before becoming Head of Sports and Entertainment and Joint-Head of the Special Risks business unit in 2019. Between July 2022 - December 2022, James stepped into the role of Managing Director of Miller's Marine & Energy and Special Risks business units. He is also the Executive Sponsor of Miller's Pride Alliance, whose goal is to ensure LGBTQ+ inclusion across the company. James joined from Aon in 2015, where he was Managing Director of Europe, Middle East and Africa (EMEA) and has extensive experience in developing and managing insurance programmes in the niche Sports & Entertainment sector. He has over 20 years' insurance industry experience, working with a wide variety of clients on a global basis.

Non-executives

Greg Collins (Chairman)

Greg became Non-Executive Chairman in 2023, having previously held the position of Chief Executive Officer from 2017 - 2022. Greg joined Miller in 2004 to lead its professional risks business. He was appointed to the Miller Board in 2007, became COO in 2011 and subsequently Deputy Chief Executive in 2016. Greg has worked in the insurance industry since 1977 and prior to Miller he was a director at a leading global risks insurance broker.

Graham Clarke

Graham became a Non-Executive Chairman from 2017 to 2022 having previously held the position of Chief Executive of Miller from 2000-2016. He joined Miller in 1982 and was appointed to the Board in 1990.

Luigi Sbrozzi

Luigi joined the Board as a Non-Executive in March 2021. Luigi is a Partner in Cinven's Financial Services team, and has been involved in a number of investment opportunities at Cinven, including Compré and Miller. Prior to joining Cinven, Luigi was a Managing Director at Centerbridge Partners, where he was responsible for investing in European financial institutions. Prior to this he worked at CVC Capital Partners as a Director in the European Financial Institution group. Luigi has an MSc in Finance from Bocconi University, Milan.

Juan Monge

Juan joined the Board as a Non-Executive in April 2022. Juan is a member of the Financial Services team at Cinven, and has been involved in a number of transactions, including Miller. Prior to joining Cinven, Juan was a Director at CVC Capital Partners where he was responsible for making investments in Financial Services. Prior to that, Juan worked at Actis in their Financial Services and Business Services team, an emerging market private equity fund making investments across Africa, Asia and Latin America. Juan has an MBA from Stanford Graduate School of Business and an MSc in Industrial Engineering from ICAI-ICADE, Universidad Pontificia Comillas. He joined Cinven in 2020.

Peter Catterall

Peter is Chair of the Cinven Portfolio Review Committee. Prior to this, Peter led the Cinven Consumer Sector team and was a senior member of the Cinven Financial Services team. He has been involved in numerous transactions including Synlab, Hotelbeds, Premium Credit, Avolon, Gondola, Guardian Financial Services and Partnership. Peter joined Cinven in 1997.

Chris Reid

Chris joined the Board as a Non-Executive in March 2021. Chris is a Managing Director and Head of GIC's European Direct Investment Group. Chris joined GIC in 2012 having previously worked at Arle Capital and 3i Group Plc in their private equity business. Previously, Chris trained at Arthur Andersen and then Deloitte in the Financial Services and Transaction Services practices. Chris is a qualified accountant with the ICAEW and graduated from the University of Southampton with an MSc in International Financial Markets. Chris is currently serving as a non-executive Director on the Board of Allfunds Bank.

Miller Insurance Services LLP

Partnership Board for the year ended 31 December 2022 (continued)

Independent non-executives

Nick Lyons

Nick was appointed to the Board in March 2021. Having worked as a corporate financier with JP Morgan, Salomon Brothers and Lehman Brothers for 22 years until 2003, Nick has sat on multiple financial services company boards as a non-executive Director since then. He previously was on the Miller Board from 2004 until 2016, chairing it for 8 years. He has also sat on the boards of Catlin Group, Friends Life, Pension Insurance Corporation and several other companies, and currently sits on the Board of Convex Group.

Karen Green

Karen was appointed to the Board in May 2021. She is also a Non-Executive Director of a number of financial services companies and Council Member of Lloyd's of London. Prior to this she was a Group Senior Executive at Aspen Insurance Holdings ("Aspen"). Before joining Aspen she held various private equity, corporate development and investment banking roles at MMC Capital (now Stonepoint Capital), GE Capital, Schroders and Barings.

Strategic report for the year ended 31 December 2022

1. Corporate developments

During the year to 31 December 2022, the following matters arose in Miller Insurance Services LLP ("the LLP" or "the partnership"):

- On 24 February 2022, the Russian Federation commenced a military invasion of Ukraine. Russian actions with respect to Ukraine have resulted in certain sanctions being imposed by the United Kingdom, the European Union, the United States, and other jurisdictions. The LLP have little or no exposure to the region.
- On 17 March 2022, Henner Sports, a leading French (re)insurance broker specialising in the sports sector, was acquired by Miller Europe SRL, a subsidiary of the LLP, and subsequently renamed Miller Sports and Entertainment S.A.S.
- On 21 June 2022, it was announced that Greg Collins would step down as Chief Executive Officer (CEO) from the end of 2022. James Hands, a member of the Group Executive Committee, became CEO Designate from 1 July 2022, assuming the role of CEO from 1 January 2023. From 1 January 2023, Greg Collins succeeded Graham Clarke as Chair of the Partnership Board, as Graham retired from Miller after 40 years.
- On 7 July 2022, Lead Insurance Services Limited ("Lead"), a leading Japanese marine broker, was acquired by Miller Insurance Holdings Limited, a subsidiary of the LLP.

2. Performance during the year

During the year ended 31 December 2022, the Partnership, as part of the wider Miller group, continues to contribute a significant proportion of the group's profitability during 2022, with higher turnover for the year, offset by increased administrative expenses which reflect investment in the group's future growth prospects; both through organic growth, and inorganic growth through strategic hiring and M&A propositions. Operating profit of £25.9m, slightly lower than prior year (2021: operating profit of £29.7m) reflects this investment.

Profit for the year of £25.9m (2021: (£17.3m) loss) was consistent with operating profit after taking into account losses on derivatives of £13.6m (see note 6), an exceptional inter-company forgiveness of £12.6m (see note 5), and net interest receivable of £1.1m.

The key financial performance indicators used to monitor the financial performance of the partnership and its results for the year to 31 December 2022 are listed below:

- Turnover of £146.6m is up 15% on prior year's figure of £127.1m driven by organic growth across most business lines, in addition to foreign exchange benefits from the LLP writing over two-thirds of its business in US Dollars;
- Administrative expenses increased to £120.6m, up £23.1m (24%) on prior year's figure of £97.5m; the majority of this increase relates to increased salary and benefits cost following growth in the LLP's headcount to support its growth plans (£11.7m), increased travel & entertaining costs following the global pandemic and lockdown restrictions (£2.8m), and exceptional 'one-off' costs in the year of c.£6m in 2022;
- statement of financial position net assets increased by £10.3m to £136.6m, driven by the total comprehensive income for the year of £9.2m;
- the Defined Benefit pension scheme surplus decreased from £28.0m to £21.0m; and
- working capital, expressed by net current assets/liabilities in the statement of financial position has moved into a net current asset position of £14.4m from a £5.5m net current liability position, an increase of £19.9m principally due to increased cash balances driven by profit for the year, in addition to an improved net intercompany balance following the £12.6m loan forgiveness by AG Broking Services Limited.

A number of further performance indicators also used are listed below:

- management profits, which are calculated as earnings before interest and taxation (EBIT), are used to evaluate business unit performance and earnings before interest, taxation, amortisation and depreciation (EBITDA) is used to evaluate the performance of the company and its subsidiaries as a whole;
- the adequacy of financial and non-financial resources are monitored against regulatory solvency requirements and using internal models that stress test our financial plans;
- business units and subsidiary companies are monitored against business plans; and
- other non-financial performance indicators are also used including regulatory and compliance indicators, speed of production of client documentation, contract certainty achievement, market settlement statistics and client, employee and partner satisfaction surveys.

Further commentary on the results of the wider Miller group, which includes the Partnership, is provided in the consolidated report and accounts of Ben Nevis Cleanco Limited, an indirect parent company of the LLP, publicly available on the Companies House website, which also includes additional information in respect of the Henner Sports and Lead acquisitions mentioned above, and prospects of the group going forwards into 2023 and beyond.

Strategic report for the year ended 31 December 2022 (continued)

3. Risks and uncertainties

Risk management framework

Miller's risk management framework is overseen by the Risk Committee. The framework is designed to capture the risks and opportunities associated with the achievement of our strategic and operational objectives. The framework applies to all areas of Miller's business. It continues to evolve and is embedded within the partnership.

The Partnership Board and Group Executive Committee ("GEC") are responsible for the design of the overall approach to corporate governance and internal control. Within this context the maintenance of appropriate internal controls at business unit level and the central functions lies with their senior management teams. Internal audit is responsible for providing independent assurance over the effectiveness of the overall control environment.

Risk register and key risks

Risks and controls are identified, assessed and reported using the risk and control assessment process and the risk register. Each risk is assessed on a gross and net basis; the latter taking account of the strength of the control environment. Each risk is allocated a risk owner, who is generally a board member or senior manager, and is responsible for managing the risk and overseeing associated controls. Each risk has a target assessment level and where risks are in excess of target, the risk owner is required to design and document appropriate mitigation activity, which is tracked through to completion.

The risk register forms the basis of the risk report which is reviewed and challenged at the risk committee and owned by the Partnership Board. The key focus of this report is risks in excess of target or those subject to material changes in the risk and control environment.

Strategy

Description:

The partnership between Cinven, GIC and independent Miller equity holders supports plans for significant growth, achieved both organically and inorganically; through the targeted recruitment of new people, focusing on key lines of business and target geographies via selected investments. During 2022 Miller LLP's subsidiaries successfully acquired two companies, Henner Sports in France and Lead Insurance Services in Japan. Our integration team successfully planned and executed the onboarding and process integration of both companies. We have also managed the extension and growth of our client propositions through the addition of 12 teams within the broking business and the launch of our managing general agent business in March 2023. In order to support this development, significant investment in the management and support functions within the Group have been made

Mitigation:

- The Partnership Board, the Group Executive Committee and management maintain close oversight of strategic growth plans
- Continued investment in transformation office, people and capability
- Board level metrics and KPI's developed to support ongoing business oversight with a focus on client and revenue retention
- Robust business planning processes
- Diversified business portfolio supported by strong brand and platform
- Focus on long term client/market relationships and high quality customer service
- Risk assessment and due diligence in respect of strategic projects
- Investment in business change expertise to respond to technological developments
- Active support of owners in growing business organically and through acquisition
- Addition of new senior staff to manage the operational transformation

Change Management

Description:

Miller has experienced an unprecedented period of change over recent years, and this continues with a variety of initiatives aimed at accelerating growth and modernising the platform to support that growth. These initiatives support the achievement of Miller's strategic objectives and have been undertaken to enhance Miller's ability to respond to future operational and strategic challenges. New governance reporting and oversight groups, enhanced policies and procedures as well as planning and review are making delivery predictable and more traceable to strategic value.

Mitigation:

- Project and Programme Prioritisation, Initiation and Governance Committees and fora are in place
- Experienced, skilled and well-resourced and well-managed Technology and Innovation function
- Comprehensive approach to allocation of resources, managing innovation and the implementation of key projects
- Standards and processes in place for close oversight for all material projects with cross functional expertise appropriate to each initiative
- Focus on data and the infrastructure and ownership required
- Robust strategic and business planning processes ensuring co-ordinated approach to projects and alignment to business-as-usual activity
- Strong corporate governance structure supporting appropriate oversight of projects by key individuals, committees and functions

Strategic report for the year ended 31 December 2022 (continued)

3. Risks and uncertainties (continued)

Reputation

Description:

Miller has established itself as an independent broker, acting with integrity in the interests of its clients, employees and the Market as a whole. Failure to maintain appropriate controls over reputation and conduct is considered to be a material and fundamental operational and potentially existential threat.

Mitigation:

- Comprehensive governance framework and set of policies and controls designed to protect Miller's reputation
- Bespoke conduct rules training delivered to all Miller employees
- Regular employee engagement surveys conducted
- Control framework designed to operate in Miller's clients' best interests and provide service excellence
- Proactive management of press engagement and promotion of Miller brand values

Regulation

Description:

Miller operates within increasingly active and stringent UK and worldwide regulatory environments. We are subject to regulation under the supervision of the Financial Conduct Authority (FCA) in the United Kingdom and insurance regulators in Belgium, France, Switzerland, Bermuda and Singapore. The FCA has prescribed principles for business and rules by which our insurance operations are to conduct business, including the rules governing how the LLP holds client assets. Failure to satisfy the FCA that the firms or their employees are adhering to legal and regulatory requirements can result in disciplinary actions, fines, reputational damage and financial harm. Unless there is a higher requirement, we apply the same levels of oversight and risk management required by the FCA to our operations around the world.

Mitigation:

- Embedded FCA Senior Management and Certification Regime.
- Comprehensive compliance monitoring
- Regular and robust compliance committee oversight
- Compliance and operational support structure in place across entire business
- Employee training from induction and throughout career.
- Use of specialist software and external suppliers in specialist areas such as sanction monitoring
- Robust links between compliance breaches, performance review process and reward structure.

Errors and omissions (E&O)

Description:

Failure to establish and enforce effective broking procedures and a robust risk culture may result in operational errors and negligence claims being made against Miller, causing material financial and reputational damage.

Mitigation:

- E&O training, utilising internal and external expertise and experience, conducted for broking and claims teams
- Robust policies, procedures and controls enforcing consistent approach to broking and claims
- Strong compliance culture, with particular focus on E&O reporting
- E&O insurance programme.

People

Description:

Miller is a people based business and the ability to recruit, develop and retain high quality staff is central to the achievement of our strategic goals. The effective management of people is considered to be a risk but also a potential catalyst for success.

Mitigation:

- Robust recruitment and selection policies and processes
- Significant retention programmes to incentivise key staff to remain with the Group
- Chartered Insurance Broker status
- Robust employment contracts
- Performance review process supported by competency model and career framework
- Comprehensive approach to training and development
- Succession plans and talent management
- Bespoke management and leadership programmes
- Inclusion@Miller group continues to support Miller in driving equal opportunities and providing a more balanced workforce and senior management team
- Regular employee engagement surveys conducted.

Foreign currency

Description:

Miller carries out a significant proportion of its business in foreign currencies and hence is exposed to currency risk arising from fluctuation in exchange rates.

Strategic report for the year ended 31 December 2022 (continued)

3. Risks and uncertainties (continued)

Foreign currency (continued)

Mitigation:

- Proactive hedging programme in place to manage material currency risks
- Robust budgeting, cash flow forecasting and monitoring in place to support effective hedging decisions
- Hedging governed by formal hedging policy and all decisions approved by the GEC.

Cyber-security

Description:

Failure to protect, and prevent theft of, corporate intellectual property and client data from cyber security breaches through inadequate control environment, staff training, poor electronic data management and/or insufficient expertise or resource.

Mitigation:

- State-of-the-art email threat protection for all staff regarding phishing, spoofing and malware prevention
- Virus protection software installed on all endpoints and firewall in place
- Various data back-ups carried out daily, weekly and monthly. Stored off-site for easy recovery, and undergoes regular testing
- Regular penetration testing and monthly vulnerability scanning
- Mandatory information security training for all staff across wide range of threats
- Defensive phishing exercises each quarter, with training for any users who fail more than one phishing exercise per annum.

Russia/Ukraine war

Description:

Since the commencement of Russia's military action in Ukraine in February 2022 we have monitored the performance of our business to understand the impact of the action itself and the resultant response from Western governments. We have seen little direct impact to date and do not anticipate a material impact on the business. Most of our Business Units have little or no exposure to the region. To the extent there has been an impact it has been positive as commodity price increases have led to increased premiums and wider war breach areas have increased war related additional premiums in some classes.

Mitigation:

- Robust business planning process
- Regular and robust compliance committee oversight
- Monitoring of sanctions implications including regular staff communications
- Referral process to the 2nd Line Financial Crime team for all high-risk business, including any business with a Russian nexus
- Overnight sanctions screening

Inflation

Description:

Our revenues are materially tied to the insurance premiums that are set by the insurers we place business with. There are several factors, including inflation, that can impact insurance premiums and thus have an impact on our revenues. In addition, there is an element of our revenue that is negotiated fees instead of brokerage and can come under downward pressure from clients who are experiencing their own inflation issues. To date we are not experiencing any material inflationary impact on our negotiated fees. As regards costs inflation our main costs are the remuneration of our staff, which to date we have been able to keep inflationary increases in line with prior years and going forward we believe this pattern will continue. During 2022 a Cost of Living Fund was put in place in response to the cost of living crisis to provide additional financial assistance to staff most affected by inflationary pressures. Lastly, we have not experienced any abnormal inflationary pressure as regards costs from our external suppliers and we anticipate this pattern will continue going forward.

Mitigation:

- Miller Board and management maintain close oversight of strategic growth plans
- Board level metrics developed to support ongoing business oversight
- Robust business planning and cost control processes
- Diversified business portfolio supported by strong brand and platform
- Focus on long term client/market relationships and high quality customer service
- Monthly financial reporting to closely monitor actual performance against budget

Risk appetite

The Board expresses its risk appetite across four dimensions – "capital and liquidity", "growth and profitability", "operations and people" and "regulation and reputation". In respect of each of these dimensions a number of narrative risk appetite statements are articulated and metrics are established to monitor ongoing performance against appetite. The Board's risk appetite is intended to have been a stable but dynamic expression of Miller's attitude to risk with the purpose of enhancing communication of their tolerance for risk, encouraging consistent behaviours, providing a link between risk and decision-making and promoting a focus on optimum risk taking.

Strategic report for the year ended 31 December 2022 (continued)

3. Risks and uncertainties (continued)

Financial and non-financial resources assessment

To further examine the risks facing the organisation, risk management maintains an assessment of the appropriateness of Miller's financial and non-financial resources, the vulnerabilities of its business model and consideration of the implications were the business to fail. This process is undertaken as a risk management tool and to satisfy the requirements of the Financial Conduct Authority (FCA).

The resources assessment consists of four elements:

- **Non-financial resources:** A review of Miller's non-financial resources and whether they are appropriate to meet the on-going needs of the business and its stakeholders, which includes assessment of key processes, structures and controls including governance framework, risk management, planning, internal audit and management information.
- **Financial resources:** A review of Miller's financial resources and whether they are appropriate to meet the on-going needs of the business and its stakeholders, which includes assessment of regulatory capital, financial planning and monitoring, cashflow forecasting, budgeting, exchange rate hedging, insurance programme and external audit.
- **Reverse stress testing:** A risk management tool used to examine scenarios that might render Miller's business model unviable, thereby enabling the identification and assessment of potential business model vulnerabilities and existential threats.
- **Wind-down planning:** An assessment of the key risks impacting Miller's ability to cease its regulated activities and achieve cancellation of its permission with minimal adverse impact on its clients, counterparties or the wider market.

4. Prospects

The partnership has plans for significant growth. Organic growth will be achieved through the continued recruitment of new people, by targeting key lines of business and through accelerated growth initiatives. Inorganic growth may include investment in new areas of business or through acquisitions of businesses. Recruitment acquisition in both our core and new business areas will support our ambitious plans.

Approved by the members of the partnership on 31 May 2023 and signed on their behalf by:



L. Sbrozzi
Board member

Miller Insurance Services LLP

Members' report for the year ended 31 December 2022

The members present their annual report and the audited financial statements for the year ended 31 December 2022.

1. Principal business activities

During the year the principal activity of Miller Insurance Services LLP ("the LLP" or "the partnership") was insurance broking. The financial statements of the LLP are drawn up to 31 December each year.

2. Strategic report

The Strategic report from page 4 contains corporate activities, prospects and risk management.

3. Post balance sheet events

The members are not aware of any post balance sheet events prior to the financial statements being signed that need to be disclosed or adjusted for.

4. Partnership Board

The Partnership Board manages the business, and the Group Executive Committee ("GEC") supports the Chief Executive Officer. The Partnership Board comprises:

Non-executive chairman

E.R.G. Clarke (Chair until retirement 31/12/22)

G.E.M. Collins (Chair from 01/01/23)

Chief Executive Officer

G.E.M. Collins (resigned 31/12/22)

J.M. Hands (appointed 01/01/23)

Independent non-executives

K.A. Green

N.S.L. Lyons

Other non-executives

P.A.C. Catterall

J. Monge (appointed 26/04/22)

C.P. Reid

L. Sbrozzi

C. Berendsen (resigned 26/04/22)

Designated members

The designated members are defined by the Limited Liability Partnerships Act 2000 and are responsible for the statutory duties of the partnership. During the year and up to the date of signing the financial statements, the following were the designated members:

Ben Nevis Bidco Limited

5. Transactions with members

During the financial year, members' remuneration charged as an expense, being the members' fixed share of profits was £Nil (31 December 2021: £0.7m) and is included in the income statement.

For the period to 1 March 2021 the capital requirement of each individual partner was £5k. Incoming members introduce their capital at par value, and retiring members are repaid their capital at par value. On 1 March 2021 this was repaid to the individual members.

In accordance with the partnership agreement as at 28 February 2021 there were three categories of members;

(i) Individual members

During the period up to 28 February 2021, UK based members were remunerated through their allocation of partnership profits. Non-UK based members were principally remunerated through employment contracts with overseas subsidiaries, plus a fixed allocation of partnership profits.

There were no individual members post 1 March 2021.

(ii) Equity members

During the period up to 28 February 2021, the equity members were remunerated through their allocation of partnership profits and through a share of the profits of The Dawson Partnership and Dawson Capital Limited, which together held a 15% economic interest in the LLP.

Members' report for the year ended 31 December 2022 (continued)

5. Transactions with members (continued)

(iii) Corporate members

- Miller 2015 Limited, a corporate partner owned by Willis Towers Watson PLC (WTW), held an 85% economic interest in the LLP and was entitled to 85% of the profits available to equity partners.

The partnership's drawings policy up to 28 February 2021 is listed below.

- Individual members were entitled to draw, on a monthly basis, an amount equivalent to their fixed share of profits.
- Members were liable for their own tax liabilities.
- The balance of profits due to the individual members was payable once the final profit allocations were determined following the year end.

The partnership's drawings policy post 1 March 2021 is for profits due to the equity holders to be paid after the approval of the audited financial statements, at the discretion of the Partnership Board.

From 1 March 2021 there are only corporate members being Ben Nevis Bidco Limited, Miller 2015 Limited and Dawson Capital Limited (ceased to be a member on 02 February 2023) and profits are allocated 100% to Ben Nevis Bidco Limited.

6. Statement of members' responsibilities in respect of the financial statements

The members are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and regulations.

The Limited Liability Partnerships (Accounts & Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "Reduced Disclosure Framework" (FRS 102). The financial statements are required by law to give a true and fair view of the state of affairs of the firm and of the profit or loss of the firm for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies in accordance with Section 10 of FRS 102 and then apply them consistently
- make judgements and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- provide additional disclosures when compliance with the specific requirements FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group and company financial position and financial performance;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the partnership will continue in business.

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

Under applicable law and regulations, the members are also responsible for preparing a strategic report and members' report that comply with that law and those regulations.

7. Going concern

The Partnership Board evaluates at each annual period whether there are conditions or events, considered in the aggregate, that raise a material uncertainty about the LLP's ability to continue as a going concern for the period up to 31 December 2024. The Partnership Board's evaluation is based on relevant conditions and events that are known and reasonably knowable at the date that the financial statements are issued.

Having assessed the responses to their enquiries the members have no reason to believe that a material uncertainty exists that may cast significant doubt upon the ability of the LLP to continue as a going concern or its ability to repay its obligations due from time to time. As a consequence of the enquiries the members have a reasonable expectation that the LLP has appropriate resources to continue in operational existence for the period up to 31 December 2024. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Members' report for the year ended 31 December 2022 (continued)

8. Corporate governance

During the year to 31 December 2022, the principal governance functions of the partnership were conducted by the Partnership Board and the governance subcommittees of the LLP.

The principal governance functions of the MLLP and its subsidiaries (together, the 'Trading Group') have been established by the corporate governance framework that is the responsibility of the Partnership Board. This framework embraces the main trading entity of the Trading Group and each of the subsidiaries within it. The respective boards of each subsidiary follow best practice corporate governance principles and normally meet four times a year to review performance and approve business plans, budgets and any other matters referred to it. Board meetings receive regular reports on key areas of operation. A key feature of the framework is a three lines of defence model:

- The first line of defence is the frontline teams undertaking regulated activities as well as the various support functions within management services. It is these teams and functions that are responsible for the identification and management of risks and establishing appropriate internal controls
- The second line of defence is the risk function and compliance monitoring function and the risk and compliance committees, who are responsible for risk oversight and providing challenge to the business.
- The third line of defence is internal audit and the audit committee, who are responsible for providing independent assurance over internal controls and risk management.

Partnership Board

G.E.M.	Collins (Chair from 01/03/23)
E.R.G.	Clarke (Chair until retirement 31/12/22)
J.M.	Hands (appointed 01/01/23)
C.	Berendsen (resigned 26/04/22)
P.A.C.	Catterall
K.A.	Green
N.S.L.	Lyons
J.	Monge (appointed 26/04/22)
C.P.	Reid
L.	Sbrozzi

The Partnership Board is ultimately accountable for all of the Trading Group's activities and for managing the affairs and day to day business of the LLP. It meets on at least a quarterly basis. However, special meetings are arranged to consider and/or make decisions on immediate issues or opportunities. A further meeting is held on an annual basis to review and sign off the Partnership's report and accounts.

The Partnership Board has established and delegates its powers to the audit, risk and remuneration committees, each of which is chaired by non-executive members of the Partnership Board. The composition and roles of these committees as well as the GEC are set out below.

The performance of all committees is monitored at Partnership Board meetings and the terms of reference and membership of all committees are reviewed on a regular basis.

Group executive committee

J.M.	Hands (Chair from 01/01/23)
G.E.M.	Collins (resigned 31/12/22)
N.A.	Craven (appointed 15/06/22)
D.J.	Cuffe (appointed 20/04/22)
K.S.	MacDonald (retired 31/12/22)
T.W.	Norman
M.P.	Papworth
N.P.	Perry (appointed 15/06/22)
B.R.	Speers
S.	Downey (resigned 15/06/22)
T.J.	Press (resigned 30/06/22)
J.C.	Eltham (resigned 30/06/22)
O.	Hagemann (appointed 01/06/21 and resigned 30/06/22)

The Partnership Board delegates to the GEC its relevant powers to assist in the day to day operation of the LLP and for developing strategy and key policies. The GEC meets monthly and formally each quarter.

Members' report for the year ended 31 December 2022 (continued)

8. Corporate governance (continued)

Audit committee

P.A.C.	Catterall
K.A.	Green (Chair appointed 15/02/23)
N.S.L.	Lyons ((Chair until 14/02/23)
L.	Sbrozzi

During the year, the committee held four meetings and members attended all meetings they were eligible to attend.

The Audit Committee reviews the Accounting Principles, the Operating Group's internal financial control systems and its compliance with statutory requirements and considers any matter raised by the Trading Group's external and internal Auditors. The committee also reviews the independence of the auditor on an annual basis and considers the non-audit services provided by the auditor to ensure that the objectivity and independence of the auditor is maintained.

The committee also reviews the financial statements and auditor's management letters and approves the internal audit schedule and all internal audit reports. Furthermore, it receives reports from the risk and compliance committees.

Risk committee

P.A.C.	Catterall
K.A.	Green (Chair appointed 15/02/23)
N.S.L.	Lyons
L.	Sbrozzi

During the year, the committee held four meetings and members attended all meetings they were eligible to attend.

The Risk Committee assesses the operational, underwriting and market related risks relevant to the Operating Group; is responsible for implementing an effective risk management programme and reviewing and approving risk appetite and maintains the group's Risk Register; and monitors compliance with regulatory bodies and monitors developments with regulations and practices.

Remuneration committee

P.A.C.	Catterall (Chair)
E.R.G.	Clarke (retired 31/12/22)
G.E.M.	Collins
K.A.	Green
C.P.	Reid
L.	Sbrozzi

The Remuneration Committee considers and makes recommendations to the Partnership Board with regard to the appointments and remuneration of Board Representatives and Senior Managers. During the year, the committee held four meetings.

Compliance committee

G.E.M.	Collins (Chair until 31/12/22)
D.J.	Cuffe (appointed 09/03/22)
J.D.	Fussell
N.	Perry (appointed 13/06/22)
B.R.	Speers (Chair from 01/01/23)

The Compliance Committee assists the Partnership Board in ensuring compliance of the LLP with its regulatory obligations, and that the operations of subsidiaries of the LLP comply with their legal, statutory and regulatory obligations. During the year, the committee held four meetings.

9. Streamlined energy and carbon reporting (SECR)

Scope of this report

UK's Streamlined Energy and Carbon Reporting (SECR) requires that large companies must provide an annual energy and carbon report focused on their UK operations. The LLP predominantly has UK operations, hence, the numbers reported below relate to the UK operations of the LLP. The data in this report is for the period 1 January 2022 to 31 December 2022, unless specified.

There was a slight increase in office-based operations in 2022 compared to 2021 reflective of the COVID-19 situation, and this has resulted in an increase of the overall potential carbon footprint.

Members' report for the year ended 31 December 2022 (continued)

9. Streamlined energy and carbon reporting (SECR) (continued)

GHG emissions and energy usage data		
	UK operations	UK operations
	2022	2021
Emissions from combustion of gas (Scope 1 – tonnes of CO ₂ e)	0	0
Emissions from combustion of fuel for transport purposes (Scope 1 – tonnes of CO ₂ e)	0	0
Emissions from electricity purchased for own use, including for the purposes of transport (Scope 2 – tonnes of CO ₂ e)	214	195
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3 – tonnes of CO ₂ e)	10.48	2.00
Total gross CO₂e based on above	225	197
Energy consumption used to calculate emissions – kwh	1,146,401	920,899
Intensity measurement: tonnes of CO ₂ e per £m turnover	1.53	1.54

The LLP has chosen to use tonnes of CO₂e per £m Turnover for its Intensity Ratio. The intensity ratio has slightly reduced compared to 2021 despite an increase in emissions - as a result of increased office use in 2022 - countered by an increase in turnover.

Quantification and Reporting Methodology

The LLP has taken guidance from the UK Government Environmental Reporting Guidelines (March 2019), the GHG Reporting Protocol – Corporate Standard, and from the UK Government GHG Conversion Factors for Company Reporting document for calculating carbon emissions. In 2022, energy usage information (gas and electricity) has been obtained directly from our energy suppliers and half-hourly (HH) data, where applicable, for the HH supplies (there was no estimation profiling required). In 2021, energy usage information (electricity) was obtained from 70 Mark Lane and The Maltings, Princes Street, Ipswich IP1 1SB property managers. Transport mileage data was obtained from expense claims submitted for employee own vehicles as there are no company cars. CO₂e emissions were calculated using the appropriate emission factors from the UK Government GHG conversion information.

10. Employee involvement

The partnership's policy is to provide equal opportunities of employment, irrespective of gender, religion, race, age, marital status, sexual orientation or disability. Accordingly, the partnership will give due consideration to applications for employment by disabled persons and to the continued employment and training of persons who become disabled during their period of employment by the partnership.

Following Miller signing up to the Lloyd's Diversity and Inclusion Charter, Miller formed its own Inclusion@Miller group. The group assists the Board to formulate and execute a clear strategy and practical plans to increase diversity and foster greater inclusion within Miller.

The Employee Forum gives employees a chance to voice their views and opinions to the GEC and senior leaders at Miller, whilst giving the GEC the opportunity to provide employees with updates on current matters.

Employees are kept informed of the performance of the business and matters affecting them as employees by means of weekly news bulletins and regular briefings.

11. Political and charitable donations

Contributions during the year to UK charitable organisations amounted to £62k (31 December 2021: £116k). No political donations were made during the year.

12. Liability of members and officers

The partnership has insured its members and officers against liability.

Members' report for the year ended 31 December 2022 (continued)

13. Auditor

Each of the persons who is a Partnership Board member at the date of approval of this report confirms that:

- so far as the member is aware, there is no relevant audit information of which the partnership's auditor is unaware; and
- the member has taken all steps that he/she ought to have taken as a member in order to make himself/herself aware of any relevant audit information and to establish that the partnership's auditor is aware of that information.

Ernst & Young LLP has indicated its willingness to be reappointed for another term as auditor and appropriate arrangements are being made to effect the reappointment.

Approved by the members of the partnership on 31 May 2023 and signed on their behalf by:

Luigi Sbrozzi

L. Sbrozzi
Board member

Miller Insurance Services LLP

Independent auditor's report for the year ended 31 December 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILLER INSURANCE SERVICES LIMITED LIABILITY PARTNERSHIP('LLP')

Opinion

We have audited the financial statements of Miller Insurance Services LLP for the year ended 31 December 2022 which comprise the Income Statement, Statement of comprehensive income, Statement of financial position, Statement of changes in members' interests and the related notes 1 to 26, 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

In our opinion the financial statements:

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

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 below. We are independent of the limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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 members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the limited liability partnership's ability to continue as a going concern for a period to 31 December 2024.

Our responsibilities and the responsibilities of the members 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 limited liability partnership's ability to continue as a going concern.

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 members are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to limited liability partnerships 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
- we have not received all the information and explanations we require for our audit.

Responsibilities of members

As explained more fully in the Statement of members' responsibilities set out on page 10, the members 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 members 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 members are responsible for assessing the partnership'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 members either intend to liquidate the partnership or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report for the year ended 31 December 2022

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 entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the limited liability partnership and determined that the most significant are the direct laws and regulations related to elements of UK company law and tax legislation applicable to Limited Liability Partnerships, and the financial reporting framework. Our considerations of other laws and regulations that may have a material effect on the financial statements included permissions and supervisory requirements of the Financial Conduct Authority.
- We understood how Miller Insurance Services LLP is complying with those frameworks by enquiries of management, internal audit, and those responsible for legal and compliance matters. In assessing the effectiveness of the control environment, we also reviewed significant correspondence between the LLP and the FCA, reviewed minutes of the Partnership Board and Audit Committee and gained an understanding of the LLP's approach to governance.
- We assessed the susceptibility of the limited liability partnership's financial statements to material misstatement, including how fraud might occur by considering the controls established to address risks identified by the LLP, or that otherwise seek to prevent, deter, or detect fraud. We consider the fraud risk is greatest in revenue recognition subject to judgement and estimation (accrued revenue, cut-off/multi-year policies, and deferred revenue)
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations.

Our procedures involved:

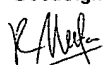
- Considering the effectiveness of management's controls designed to address the risk of fraud;
- Testing of journal entries and other adjustments in the preparation of the financial statements;
- Assessing accounting estimates for evidence of management bias;
- Evaluating the business rationale for significant and/or unusual transactions; and
- We reviewed the LLP's regulatory permissions as disclosed on the FCA register and considered whether these were aligned to our understanding of the LLP's current activities and the scope of its authorisations.

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 members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to Limited Liability Partnerships. Our audit work has been undertaken so that we might state to the 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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:


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Neeta Ramudaram (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
31 May 2023

Miller Insurance Services LLP

Income Statement for the year ended 31 December 2022

	31 December 2022		31 December 2021	
	Notes	Total £'000s	Total £'000s	
Turnover	4	146,573	127,129	
Administrative expenses		(120,641)	(97,473)	
Operating profit	7	25,932	29,656	
Exceptional item – inter-company forgiveness/ (impairment)	5	12,605	(46,913)	
Other (losses)/gains	6	(13,722)	1,027	
Interest receivable and similar income	9	3,212	1,018	
Interest payable and similar costs	10	(2,118)	(2,064)	
Profit/(loss) before tax for the financial year before members' remuneration and profit share		25,909	(17,276)	
Tax (expense)/credit		-	-	
Profit/(loss) after tax for the financial year before members' remuneration and profit share		25,909	(17,276)	
Members' remuneration charged as an expense	11	-	(733)	
Profit/(loss) for the financial year available for discretionary division among members		25,909	(18,009)	

Miller Insurance Services LLP

Statement of comprehensive income for the year ended 31 December 2022

	31 December 2022		31 December 2021
	Notes	£'000s	£'000s
Profit/(loss) for the financial year available for discretionary division among members		25,909	(18,009)
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefit obligations	20	(11,769)	5,722
Items that may be subsequently reclassified to profit or loss			
Income hedges:			
Fair value losses arising during the year		(19,211)	(3,475)
Losses/(gains) recycled to the Income Statement		14,252	(1,496)
Other comprehensive (expense)/income for the year		(16,728)	751
Total comprehensive income/(expense) for the financial year attributable to the members		9,181	(17,258)

All other comprehensive income/(expenses) relate to continuing operations.

Miller Insurance Services LLP
Statement of financial position as at 31 December 2022

		31 December 2022	31 December 2021
	Notes	£'000s	£'000s
Fixed assets			
Goodwill	12	11,552	13,202
Other intangible assets			
- Software	12	11,948	10,317
- Customer relationships	12	9,585	11,111
Total other intangible assets		21,533	21,428
Tangible fixed assets	13	7,108	7,795
Investments in group undertakings	14	61,722	61,722
Other investments	14	100	100
		102,015	104,247
Current assets			
Debtors	15	76,994	61,004
Investments	16	17,400	6,500
Cash at bank and in hand	17	224,028	199,402
		318,422	266,906
Creditors: amounts falling due within one year	18	(294,215)	(272,392)
Net current assets/(liabilities)		24,207	(5,486)
Pension surplus	20	20,989	27,958
Total assets less current liabilities		147,211	126,719
Creditors: amounts falling due after one year	19	(10,638)	(490)
Net assets		136,573	126,229
Represented by:			
Loans and other debts due to members			
Members' capital classified as liability		-	-
Members' other interest			
Members' capital classified as equity		97,300	97,300
Hedging valuation reserve	6	(7,880)	(2,920)
Other reserves		47,153	31,849
		136,573	126,229
Total members' interests			
Members' other interests		136,573	126,229
Loans and other debts due to members		-	-
Amounts due from members		-	-
		136,573	126,229

The financial statements were approved and authorised for issue by the members of the partnership on 31 May 2023 and signed on their behalf by

Board member: *Luigi Sbrozzi*
L. Sbrozzi

Registered Number OC301468

The notes on pages 21 to 42 are an integral part of these financial statements.

Miller Insurance Services LLP

Statement of changes in members' interests for the year ended 31 December 2022

Figures in £000's

	EQUITY					LIABILITY			TOTAL
	Members' capital classified as equity	Hedging valuation reserve	Other Reserves Remeasurement of defined benefit pension scheme reserve	Members' other reserves	Sub total	Debts due to members Members' capital classified as liability	Other amounts	Sub total	
12 months ending 31 December 2021									
Members' interest as at 1 January 2021	97,300	2,051	(20,146)	101,292	180,497	90	-	90	180,587
(Loss) for the financial year available for discretionary division among members	-	-	-	(18,009)	(18,009)	-	-	-	(18,009)
<i>Other comprehensive income/(expense)</i>									
Remeasurement of defined benefit pension scheme	-	-	5,722	-	5,722	-	-	-	5,722
Total movement in income hedges including transfer to the Income Statement	-	(4,971)	-	-	(4,971)	-	-	-	(4,971)
Members' interests after total comprehensive income for the financial year	97,300	(2,920)	(14,424)	83,283	163,239	90	-	90	163,329
Members' remuneration charged as an expense, including employment and retirement benefit costs	-	-	-	-	-	-	733	733	733
Profit allocated to members during the year	-	-	-	(37,010)	(37,010)	-	37,010	37,010	-
Introduction of capital – individuals	-	-	-	-	-	-	-	-	-
Repayment of capital – individuals	-	-	-	-	-	(90)	-	-	(90)
Drawings	-	-	-	-	-	-	(37,743)	(37,743)	(37,743)
Members' interests as at 31 December 2021	97,300	(2,920)	(14,424)	46,273	126,229	-	-	-	126,229
12 months ending 31 December 2022									
Members' interest as at 1 January 2022	97,300	(2,920)	(14,424)	46,273	126,229	-	-	-	126,229
Profit for the financial year available for discretionary division among members	-	-	-	25,909	25,909	-	-	-	25,909
Share based payment	-	-	-	1,164	1,164	-	-	-	1,164
<i>Other comprehensive income/(expense)</i>									
Remeasurement of defined benefit pension scheme	-	-	(11,769)	-	(11,769)	-	-	-	(11,769)
Total movement in income hedges including transfer to the Income Statement	-	(4,960)	-	-	(4,960)	-	-	-	(4,960)
Members' interests after total comprehensive income for the financial year	97,300	(7,880)	(26,193)	73,346	136,573	-	-	-	136,573
Members' remuneration charged as an expense, including employment and retirement benefit costs	-	-	-	-	-	-	-	-	-
Profit allocated to members during the year	-	-	-	-	-	-	-	-	-
Introduction of capital – individuals	-	-	-	-	-	-	-	-	-
Repayment of capital – individuals	-	-	-	-	-	-	-	-	-
Drawings	-	-	-	-	-	-	-	-	-
Members' interests as at 31 December 2022	97,300	(7,880)	(26,193)	73,346	136,573	-	-	-	136,573

The movement in the members' other reserve represents cumulative profits or losses net of share based payment charges, employee trust amounts, and other adjustments

Notes to the financial statements for the year ended 31 December 2022

1. General information

Miller Insurance Services LLP ("the LLP" or "the partnership") is incorporated in England and Wales as a limited liability partnership under the Limited Liability Partnership Act 2000. The address of the registered office is given on page 1. The principal activity of the LLP is the provision of insurance broking services. The LLP also operates through its trading subsidiaries (listed in note 14).

These financial statements are presented in Pounds Sterling because that is the currency of the primary economic environment in which the partnership operates.

These financial statements are separate financial statements. The partnership is exempt from the preparation of consolidated financial statements, because it is included in the group accounts of Ben Nevis Cleanco Limited – the group accounts are available as set out in note 25. The registered office address of the parent Company preparing consolidated accounts is Company Secretary, C/O TMF Group, 8th Floor, 20 Farringdon Street, London EC4A 4AB.

The partnership has applied Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council (FRC).

The LLP results were consolidated in Willis Towers Watson for the first two months of 2021 and Ben Nevis Cleanco Limited for remainder of 2021 and 2022.

2. Summary of significant accounting policies

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

2.1 Basis of preparation

These financial statements have been prepared to in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council, the Limited Liability Partnership Statement of Recommended Practice (December 2018), the sections of the Companies Act 2006 relevant to LLP's and the partnership agreements dated 1 May 2012 and amended and restated with effect from 2 March 2020 and dated 1 March 2021.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the partnership'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 are disclosed in note 3.

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 partnership'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 are disclosed in note 3.

2.2 Period of account and comparative period of account

These financial statements cover the year from 1 January 2022 to 31 December 2022.

The comparative period of these financial statements is the year from 1 January 2021 to 31 December 2021.

2.3 Going concern

The Partnership Board evaluates at each annual period whether there are conditions or events, considered in the aggregate, that raise a material uncertainty about the LLP's ability to continue as a going concern for the period up to 31 December 2024. The Partnership Board's evaluation is based on relevant conditions and events that are known and reasonably knowable at the date that the financial statements are issued.

Having assessed the responses to their enquiries the members have no reason to believe that a material uncertainty exists that may cast significant doubt upon the ability of the LLP to continue as a going concern or its ability to repay its obligations due from time to time. As a consequence of the enquiries the members have a reasonable expectation that the LLP has appropriate resources to continue in operational existence for the period up to 31 December 2024. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

2.4 Consolidation

The financial statements present information about the LLP as an individual undertaking and not about its group, as the partnership has taken advantage of the exemption provided by Section 400 of the Companies Act 2006 as applied to Limited Liability Partnerships, as it is a subsidiary undertaking of Ben Nevis Cleanco Limited (BNC), a company incorporated in the United Kingdom, and is included in the consolidated financial statements of BNC.

Notes to the financial statements for the year ended 31 December 2022 (continued)

2. Summary of significant accounting policies (continued)

2.5 Foreign currencies

Items included in the financial statements of the LLP are measured using the currency of the primary economic environment in which the LLP operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£000s), which is also the LLP's functional and reporting currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. All fair values relating to effective hedges are taken to reserves. All other foreign exchange gains and losses are presented in the income statement.

2.6 Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation.

Depreciation is calculated using the straight-line method to allocate the cost less residual values over the useful economic lives as follows:

• Leasehold improvements	7% to 33% straight line
• IT hardware	10% to 33% straight line
• Fixtures, fittings and equipment	7% to 33% straight line

The accounting treatment of the cost of assets under development is to capitalise these costs as they are incurred and to begin to depreciate them when they are fully operational. Subsequently, further development costs are to be written off in full as they are incurred, unless they provide an enhancement of the economic benefits of the asset, in which case the cost is capitalised.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.7 Business combinations of trade and assets

Acquisitions of businesses that result in a full, or part, transfer of ultimate ownership are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the LLP, liabilities incurred by the LLP to the former owner(s) of the business and the equity interest issued by the LLP in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date.

Goodwill arises on the acquisition of businesses and represents the excess of the consideration transferred over the fair value of identifiable net assets of the acquired business. If the total consideration transferred is less than the fair value of net assets acquired, in the case of a bargain purchase, the difference is recognised directly in the income statement. Goodwill is amortised over its useful life.

Acquisitions of businesses that do not result in any transfer of ultimate ownership are accounted for using a hybrid accounting method. The consideration transferred in a business combination are measured at fair value as outlined above. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at the carrying value in the financial statements of the former owner(s) of the business at the acquisition date.

2.8 Disposals of group undertakings and books of business

The LLP recognises the proceeds from a sale of a group undertaking or book of business in the financial period that the sale completes. The carrying value of the cost of investment in a disposed group undertaking and assets/liabilities that relate to the book of business sold are offset against the sale proceeds to arrive at the profit or loss from the disposal.

Notes to the financial statements for the year ended 31 December 2022 (continued)

2. Summary of significant accounting policies (continued)

2.9 Intangible assets

(a) Goodwill

Goodwill assets acquired in a business combination are recognised at fair value at the acquisition date (which is regarded as their cost). Subsequent to initial acquisition, goodwill assets acquired in a business combination are measured at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of goodwill over its estimated useful lives; useful life 10 years.

(b) Customer relationships

Intangible assets acquired in a business combination are recognised at fair value at the acquisition date (which is regarded as their cost). Subsequent to initial acquisition, intangible assets acquired in a business combination are measured at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of customer relationships over their estimated useful lives; useful life 8-14 years.

(c) Computer software

Software costs, which include external costs from suppliers and internally generated software, are stated at historic cost less amortisation. Amortisation is calculated using the straight-line method to allocate the cost less residual values over the useful economic lives as follows:

- Computer software 10%-33% straight line

The asset's residual values and useful economic lives are reviewed, and adjusted if appropriate, at the end of the reporting period.

2.10 Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

2.11 Financial assets

Classification

The LLP classifies its financial assets in the following categories, as per sections 11 and 12 of FRS 102; at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The LLP's loans and receivables include 'trade debtors and other receivables' in the statement of financial position.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the LLP commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the LLP has transferred substantially all risks and rewards of ownership.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'Other gains/(losses)' (net) in the period in which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as other income when the LLP's right to receive payments is established.

Notes to the financial statements for the year ended 31 December 2022 (continued)

2. Summary of significant accounting policies (continued)

2.11 Financial assets (continued)

Loans and other receivables are recognised initially at fair value and subsequently measured using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

2.12 Financial liabilities

The LLP classifies its financial liabilities as per sections 11 and 12 of FRS 102.

The LLP's financial liabilities include trade and other payables, borrowings, insurance payables and derivative financial instruments.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

Trade and other payables and loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit and loss when the liabilities are derecognised as well as through the effective interest rate (EIR) method amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in 'interest payable and similar costs' in the income statement.

2.13 Investments in group undertakings

Investments in group undertakings are held at cost less accumulated impairment losses.

2.14 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the LLP or the counterparty.

2.15 Impairment of financial assets

The LLP assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred 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 the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

2.16 Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. All hedges are designated as hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (income hedge).

The LLP documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The LLP also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or income of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in notes 15 and 18. Movements on the hedging reserve in other comprehensive income are shown in note 6. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

The effective portion of changes in the fair value of derivatives that are designated and qualify as income hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within 'Other gains/(losses)' (net).

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place).

Notes to the financial statements for the year ended 31 December 2022 (continued)

2. Summary of significant accounting policies (continued)

2.16 Derivative financial instruments and hedging activities (continued)

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement within 'Other gains/(losses)' (net).

2.17 Insurance broking debtors and creditors

Insurance brokers usually act as agents in placing the insurable risks of their clients with insurers and, as such, generally are not liable as principals for amounts arising from such transactions. In recognition of this relationship, uncollected debtors and associated creditors from insurance broking transactions are not included as an asset or liability of the LLP. Other than the receivable for revenue not yet received for fees and commissions earned on a transaction ('Uncollected Brokerage') and fiduciary cash received together with the matching obligations included as a fiduciary creditor, no recognition of the insurance transactions occurs. This recognises that the insurance broker is entitled to retain the investment income on any cash flows arising from these transactions.

2.18 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of six months or less and fiduciary (client) funds. Restricted funds are those that are held in the bank accounts of the LLP on behalf of clients, but which cannot be used by the LLP for its own benefit nor for any other purpose. However, the LLP has the right to receive investment income earned on the cash held.

2.19 Members' interests

Amounts advanced by individual members by way of loan, capital contribution or repayable amounts owed to members by the LLP in respect of profits and any other amounts, are classified as a liability.

Amounts that are owed to members and do not have to be distributed or repaid by the LLP such as the corporate members' capital contribution and undistributed profits, are classified as equity.

Amounts owed by members are recorded within debtors.

2.20 Creditors

Creditors that are financial liabilities are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method.

2.21 Current and deferred income tax

The taxation payable on the partnership profits is the liability of the individual members. Consequently neither partnership taxation nor related deferred taxation arising in respect of the partnership are accounted for in these financial statements. The corporate members are liable for any corporation tax arising on their share of profits of the LLP.

2.22 Employee benefits

Defined contribution pension plan

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

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

Defined benefit pension plan

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The asset or liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Notes to the financial statements for the year ended 31 December 2022 (continued)

2. Summary of significant accounting policies (continued)

2.22 Employee benefits (continued)

The valuation as at 31 December 2022 has resulted in a net defined benefit asset of £21m (31 December 2021: £28m) which has been recognised in the financial statements as the partnership has an unconditional right to a refund of any ultimate scheme surplus. In addition, no deferred tax liability for this asset has been recognised as the partnership is transparent for tax purposes and thus it is the members who are liable for tax on partnership profits.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to members' interest in other comprehensive income in the period in which they arise.

The amount charged or credited to interest payable and similar costs or interest receivable and similar income is a net interest amount calculated by applying the liability discount rate to the net defined benefit liability or asset.

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

2.23 Provisions

A full actuarial valuation is carried out every three years. The last such valuation was carried out as at 1 May 2022, using the projected unit method. The scheme closed to accrual of benefits on 30 April 2013.

Provisions are recognised when the LLP has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

2.24 Turnover

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for brokerage services completed, stated net of discounts, returns and value added taxes. Revenue is recognised when placement is completed or at the inception date of the policy, whichever is later. In addition, an element of income is deferred to take account of future servicing obligations, as included in 'Creditors - Accruals and deferred income'. Alterations to brokerage arising from return and additional premiums and other adjustments are taken into account as and when they occur.

Profit commissions are recognised once all of the premiums and claims relating to the underlying policies are substantially known, and as a result the net profit, from which the profit commissions are calculated, becomes substantially known and is agreed by underwriters.

Where profit commissions are insured, the commissions are recognised when a reliable estimate of the premiums can be made. Claims on the insurance policy are not made until all of the claims relating to an underlying policy are known.

2.25 Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the LLP reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognised using the original effective interest rate.

2.26 Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease term.

2.27 Dividend income

Dividend income is recognised when the right to receive payment is established.

2.28 Leases

Leases in which substantially all of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

2.29 Members distributions

Discretionary distributions to the partners are recognised as a liability in the LLP's financial statements in the period in which the distributions are approved by the Partnership Board.

During the period up to 28 February 2021, UK based partners were remunerated through employment contracts with overseas subsidiaries, plus a fixed allocation of partnership profits.

Post 28 February 2021 there ceased to be any individual members.

Notes to the financial statements for the year ended 31 December 2022 (continued)

2. Summary of significant accounting policies (continued)

2.30 Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemption if certain conditions have been complied with. A qualifying entity is defined as a member of a group that prepare publicly available financial statements, which give a true and fair view, in which that member is consolidated. The LLP is a qualifying entity as its results are consolidated into the financial statements of Ben Nevis Cleanco Limited (BNC), which are available on the Companies House website. As a qualifying entity, the Company has taken advantage of the following disclosure exemptions:

- from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
- from the requirement to present a reconciliation of the number of shares outstanding at the beginning and the end of the period as required by paragraph 4.12(a)(iv) of FRS 102; and
- from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.
- from the requirement to present share-based payment disclosures as required in paragraphs 26.18(b), 26.19 to 26.21 and 26.23 of FRS 102.

2.31 Share-based payments

The Partnership issues equity settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect on non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Partnership's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The LLP makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Estimation uncertainty

Defined benefit pension scheme

The LLP has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the statement of financial position. The assumptions reflect historical experience and current trends. See note 20 for the disclosures of the defined benefit pension scheme.

Useful life of goodwill

The LLP establishes the useful life of goodwill arising on business combinations based on a variety of factors such as the expected useful life of the cash generating units to which the goodwill is attributed.

Income hedge effectiveness

Hedge effectiveness is determined with reference to a calculation which is based on forecast income. It is probable that actual income will vary from the expected amounts.

Fair value of intangible assets acquired in business combinations

The fair value of intangible assets acquired as part of business combinations is determined with reference to discounted expected future cash flows directly attributable to the intangible assets. The assumptions used in the calculations reflect historical experience and industry knowledge. Where actual cash flows vary from expectations, impairment of the assets may be required. Any impairments are dealt with in the period in which the impairment is identified.

Impairment of loans and receivables

Management judgement is required to assess at the end of each reporting period whether there is any objective evidence that loans and receivables are impaired and, if so, to determine the amount of any impairment loss. Any amendments to balances following these reviews would require authorisation from the debtor / creditor to whom the balance was owing / owed by. As at 31 December 2022 following a review of inter-company balances AG Broking Services, a subsidiary of the LLP, forgave its creditor payable by the LLP and consequently £12,605k was written back as a credit to the income statement.

Notes to the financial statements for the year ended 31 December 2022 (continued)

3. Critical accounting estimates and judgements (continued)

In the year to 31 December 2021 an inter-company balances / impairment provision charge of £46,913k relating to Miller Insurance Holdings Limited, a subsidiary of the LLP, was recognised in the income statement.

Critical Judgements

Impairment of investments in group undertakings

Determining whether the LLP's investments in a subsidiary has been impaired requires estimations of the investment's fair value, less costs of disposal, and/or value in use. Management judgement is required to identify comparable recent transactions and/or to estimate the future cash flows expected to arise from the investments and select a suitable discount rate to use in calculating present value. See note 14 for the carrying amount of investments in subsidiaries. No impairment was recognised in the year to 31 December 2022 or 31 December 2021.

Deferred revenue

An element of income is deferred to take account of future servicing obligations. There is a level of subjectivity in the calculation method that is adopted. The calculation is based on claims and post placement production activity.

E&O provision

The provision comprises estimates for liabilities that may arise from actual and potential claims and lawsuits for errors and omissions. Due to the nature of these claims, the estimate timing and amount of payments is subject to significant uncertainty.

Share-based payments

The LLP accounts for share-based compensation by measuring and recognising within staff costs the fair value of all share-based payment awards made to employees based on estimated grant date fair values. The determination of fair value involves a number of significant estimates. The Black Scholes option pricing model has been used to estimate the value which requires a number of assumptions to determine the model inputs. These include the expected volatility of the value of the underlying shares and employee exercise behaviour which are based on historical data as well as expectations of future developments over the term. As share-based compensation expense is based on awards ultimately expected to vest it has been reduced for estimated forfeitures. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Management's estimate of forfeitures is based on historical experience but actual forfeitures could differ materially as a result of voluntary employee actions and involuntary actions which could result in significant change in share-based compensation expense amounts in the future.

4. Turnover

	31 December 2022	31 December 2021
	Total	Total
	£'000s	£'000s
Analysis of turnover:		
Insurance intermediary services	146,573	127,129

Included in turnover is £2.85m of profit commission (2021: £1.90m).

The analysis of turnover by geographical market required by paragraph 68(2) of Schedule 1 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulation 2008 has not been provided as, in the opinion of the members such disclosure would be seriously prejudicial to the interests of the partnership.

5. Exceptional item – inter-company loan forgiveness / impairment provision

	31 December 2022	31 December 2021
	£'000s	£'000s
Analysis of other operating income:		
Exceptional item – forgiveness of inter-company payable/(impairment of inter-company receivable)	12,605	(46,913)

As at 31 December 2022 following a review of inter-company balances AG Broking Services, a subsidiary of the LLP, forgave its creditor payable by the LLP and consequently £12,605k was written back as a credit to the income statement.

In the year to 31 December 2021 an inter-company balances impairment provision charge of £46,913k relating to Miller Insurance Holdings Limited, a subsidiary of the LLP, was recognised in the income statement.

Notes to the financial statements for the year ended 31 December 2022 (continued)

6. Other (losses)/gains

	31 December 2022	31 December 2021
	£'000s	£'000s
Foreign exchange (losses)/gains		
- Hedge ineffectiveness on the income hedging derivatives	(4,012)	(564)
- (Losses)/gains recycled from Other Comprehensive Income to the Income Statement	(14,252)	1,496
- Fair value movement of undesignated derivatives	4,750	106
Loss on disposal of intangible assets	(208)	(11)
	(13,722)	1,027

Derivative Financial instruments summary

	31 December 2022			31 December 2021		
	Derivative asset	Derivative liability	Net asset/liability	Derivative asset	Derivative liability	Net asset/liability
	Dr / (Cr)	Dr / (Cr)	Dr / (Cr)	Dr / (Cr)	Dr / (Cr)	Dr / (Cr)
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Closing balance	2,807	(15,247)	(12,440)	300	(3,757)	(3,457)

All derivative assets and liabilities at 31 December 2022 and 31 December 2021 were effective derivatives at fair value.

Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.

Cumulative movements on derivative forward instruments have been dealt with as follows:

	31 December 2022	31 December 2021
	£'000s	£'000s
Charged to the hedging valuation reserve	(7,880)	(2,920)
Charged through the Income Statement	(4,560)	(537)
	(12,440)	(3,457)

The hedging reserve represents the cumulative amount of gains and losses on hedging instruments deemed effective income hedges. The cumulative deferred gain or loss on the hedging instrument is recognised in profit or loss only when the hedged transaction impacts the income statement or is included as a basis adjustment to the non-financial hedged item, consistent with the applicable accounting policy.

7. Operating profit is stated after charging

	31 December 2022	31 December 2021
	£'000s	£'000s
Operating profit is stated after charging		
Staff Costs (note 8)	90,190	78,474
Foreign exchange gains	(465)	(908)
Loss on disposal of intangible assets	208	11
Depreciation of tangible assets (note 13)	1,341	1,375
Amortisation of goodwill (note 12) – included in administrative expenses	1,650	1,650
Amortisation of intangible assets (note 1–) - included in administrative expenses	4,935	4,346
Auditor's remuneration:		
- Audit of the financial statements	312	285
- Non-audit services		
- Audit related assurance services	40	36

Notes to the financial statements for the year ended 31 December 2022 (continued)

8. Employees

The average number, per month, of persons employed by the partnership during the year was:

	31 December 2022	31 December 2021
	No.	No.
Insurance Broking	488	455
Administration	176	170
	664	625

Staff costs for the above persons:

	31 December 2022	31 December 2021
	£'000s	£'000s
Salaries and incentives	76,804	66,903
Social security	7,506	6,392
Pension costs	5,880	5,179
	90,190	78,474

Included in the Salaries and incentives balance are share-based payment charges in relation to LLP employees of £1,164k (2021: £Nil). Certain employees are invited to join the Management Incentive Plan ("MIP"). The MIP is an incentive scheme run by the LLP which provides participants with the ability to acquire units in the Employee Benefit Trust ("EBT"); which itself has acquired share interests in Ben Nevis Topco Limited ("BNT"). BNT is an indirect parent company of the LLP, and whilst participants in the MIP do not have a direct equity interest in the shares of BNT, they participate in this pool of units. The vesting conditions attached to these awards is 9 years from the initial exercise date of 31 March 2021, based on when an expected liquidity event will occur. The method of settlement for this scheme is equity-based.

9. Interest receivable and similar income

	31 December 2022	31 December 2021
	£'000s	£'000s
Bank interest income	1,080	52
Interest income on amounts owed by group undertakings	1,548	713
Interest income on loans owed by group undertakings	-	1
Total interest income on financial assets not measured at fair value through profit or loss	2,628	766
Net income on post-employment benefits	584	252
	3,212	1,018

10. Interest payable and similar costs

	31 December 2022	31 December 2021
	£'000s	£'000s
Interest expense on loans owed to group undertakings	1,861	1,833
Interest expense on amounts owed to group undertakings	257	231
Total interest expense on financial liabilities not measured at fair value through profit or loss	2,118	2,064
	2,118	2,064

Notes to the financial statements for the year ended 31 December 2022 (continued)

11. Members' remuneration

	31 December 2022	31 December 2021
	No.	No.
The average number of members in the year was	3	3
	31 December 2022	31 December 2021
	£'000s	£'000s
Members' remuneration charged as an expense	-	733
Profit/(loss) for the year available for discretionary division among members	25,909	(18,009)
	25,909	(17,276)
	31 December 2022	31 December 2021
	£'000s	£'000s
Profit/(loss) attributable to the member with the highest entitlement	25,909	(14,176)

In the year to 31 December 2022 Ben Nevis Bidco Limited was the member with the largest profit allocation of £25,909k (2021: loss £14,176k). All individual members are responsible for their own post retirement arrangements.

12. Intangible assets

	Goodwill	Customer relationships	Computer software	Total
	£'000s	£'000s	£'000s	£'000s
Cost				
At 1 January 2022	16,502	20,438	29,458	66,398
Additions	-	-	5,248	5,248
Disposals	-	-	(208)	(208)
At 31 December 2022	16,502	20,438	34,498	71,438
Accumulated amortisation				
At 1 January 2022	3,300	9,327	19,141	31,768
Charge for year	1,650	1,526	3,409	6,585
Disposals	-	-	-	-
At 31 December 2022	4,950	10,853	22,550	38,353
Net book value				
At 31 December 2021	13,202	11,111	10,317	34,630
At 31 December 2022	11,552	9,585	11,948	33,085

Miller Insurance Services LLP

Notes to the financial statements for the year ended 31 December 2022 (continued)

13. Tangible fixed assets

	Leasehold improvements	IT hardware	Fixtures, fittings & equipment	Total
	£'000s	£'000s	£'000s	£'000s
Cost				
At 1 January 2022	11,285	6,244	3,378	20,907
Additions	21	425	208	654
Disposals	-	-	-	-
At 31 December 2022	11,306	6,669	3,586	21,561
Accumulated depreciation				
At 1 January 2022	5,897	5,042	2,173	13,112
Charge for the year	690	485	166	1,341
Disposals	-	-	-	-
At 31 December 2022	6,587	5,527	2,339	14,453
Net book value				
At 31 December 2021	5,388	1,202	1,205	7,795
At 31 December 2022	4,719	1,142	1,247	7,108

14. Investments in group undertakings and other investments

	31 December 2022			31 December 2021		
	Shares in group undertakings	Artwork	Total	Shares in group undertakings	Artwork	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Opening balance	61,722	100	61,822	61,722	100	61,822
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Closing balance	61,722	100	61,822	61,722	100	61,822

The direct subsidiary undertakings as at 31 December 2022 are listed below:

<u>Company</u>	<u>Nature of Business</u>	<u>Country of Incorporation</u>	<u>Notes</u>
Miller Insurance Holdings Limited	Holding company	UK	a
AG Broking Services Limited	Member Voluntary Liquidation	UK	b
Miller Europe SRL	Insurance broking	Belgium	c

All companies incorporated in the United Kingdom are registered in England and Wales.

- (Note a) Share capital 2,000,000 £1 ordinary shares owned by Miller Insurance Services LLP. Registered office: 70 Mark Lane, London, EC3R 7NQ, United Kingdom
- (Note b) Share capital 1,000 £0.001 ordinary shares owned by Miller Insurance Services LLP. Registered office: 70 Mark Lane, London, EC3R 7NQ, United Kingdom
- (Note c) Shareholder contribution of 325,167 €185.50 shares of which 325,166 are owned by Miller Insurance Services LLP and 1 share by Miller Insurance Holdings Limited. Registered office: 17 rue du Midi, 92200 Neuilly-sur Seine, Paris.

Notes to the financial statements for the year ended 31 December 2022 (continued)

14. Investments in group undertakings and other investments (continued)

The indirect subsidiary undertakings as at 31 December 2022 are listed below:

<u>Company</u>	<u>Nature of Business</u>	<u>Country of Incorporation</u>	<u>Notes</u>
Miller Insurance Services (Singapore) Pte Ltd	Insurance broking	Singapore	a
Six Clerks Insurance Services Limited	Managing general agent	UK	b
Miller Bermuda Limited	Insurance broking	Bermuda	c
International Tanker Indemnity Association Limited	Insurance services	Bermuda	d
MICAL Limited	Dormant	Guernsey	e
Nelson Holdings Limited	Holding company – Member Voluntary Liquidation	UK	f
Miller Re Limited	Insurance broking	UK	g
AG Broking Limited	Dormant – Member Voluntary Liquidation	UK	h
Miller Sports & Entertainment SAS (formerly Henner Sports)	Insurance broking	France	i
Lead Insurance Services Limited	Insurance broking	Japan	j

All companies incorporated in the United Kingdom are registered in England and Wales.

(Note a)	Share capital 4,547,801 SGD1 ordinary shares owned by Miller Insurance Holdings Limited. Registered office: 10 Collyer Quay, #07-04/05 Ocean Financial Centre, Singapore, 049315
(Note b)	Share capital 63,328 £1 A ordinary shares and 3,333 £1 B ordinary shares both owned by Miller Insurance Holdings Limited. Registered office: 70 Mark Lane, London, EC3R 7NQ, United Kingdom
(Note c)	Share capital 12,000 US\$1 ordinary shares owned by Miller Insurance Holdings Limited. Registered office: Victoria Place, 31 Victoria Street, Hamilton HM 10 Bermuda
(Note d)	Share capital 350,000 US\$1 ordinary shares owned by Miller Insurance Holdings Limited. Registered office: Victoria Place, 31 Victoria Street, Hamilton HM 10 Bermuda
(Note e)	Share capital 2 £1 ordinary shares and 1,500,000 redeemable preference shares of £1 each both owned by Miller Insurance Holdings Limited. Registered office: P.O Box 119 Martello Court, Admiral Park, St Peter Port, Guernsey GY1 3HB, Channel Islands
(Note f)	Share capital 1 class A ordinary share with a nominal value of £1 each (fully paid) owned by Miller Insurance Holdings Limited. Registered office: 70 Mark Lane, London, EC3R 7NQ, United Kingdom
(Note g)	Share capital 1,300,001 £1 ordinary shares owned by Nelson Holdings Limited. Registered office: 70 Mark Lane, London, EC3R 7NQ, United Kingdom
(Note h)	Share capital 100 £0.01 ordinary shares owned by Nelson Holdings Limited. Registered office: 70 Mark Lane, London, EC3R 7NQ, United Kingdom
(Note i)	Share capital 20,000 €10 Ordinary shares owned by Miller Europe SRL. Registered office: 17 rue du Midi, 92200 Neuilly-sur Seine, Paris.
(Note j)	Share capital 410 JPY130,000 shares owned by Miller Insurance Holdings Limited. Registered office: Haboromo Building, 1-5-2, Hatchobori, Chuo-ku, Tokyo.

Notes to the financial statements for the year ended 31 December 2022 (continued)

15. Debtors

	31 December 2022	31 December 2021
	£'000s	£'000s
Trade debtors	38,943	33,804
Amounts due from members	-	-
Amounts owed by group undertakings – net (note 15a)	23,266	16,665
Loans owed by group undertaking	5,610	5,332
Other debtors	2,143	1,473
Prepayments and accrued income	4,225	3,430
Derivative financial instruments	2,807	300
	76,994	61,004

All debtor balances shown above are current debtors due within one year, except for derivative financial instruments which includes amounts of £22k (2021: £33k) which fall due after more than one year.

Loans and amounts owed to group undertakings are unsecured and payable on demand. Where interest is charged on non-trade amounts owed to group undertakings it was charged at a rate tracking LIBOR plus a 1.5% margin each month (ranging from 2.25% to 6.23%). (31 December 2021: 1.60%). Where interest is charged on loans owed to group undertakings it is charged at a rate of LIBOR + 5.5% (ranging from 6.25% to 10.23%) (31 December 2021 6.25%)

In recognition of insurance brokers acting as agents in placing the insurable risks of their clients with insurers, uncollected debtors of £346.3m (31 December 2021: £350.9m) from insurance broking transactions are not included as an asset of the LLP.

Note 15a

	31 December 2022	31 December 2021
	£'000s	£'000s
Amounts owed by group undertakings – gross	23,266	63,578
Loans owed by group undertakings	5,610	5,332
Impairment provision on amounts owed by group undertakings (note 5)	-	(46,913)
Amounts and loans owed by group undertakings – net	28,876	21,997

16. Investments

	31 December 2022	31 December 2021
	£'000s	£'000s
Goldman Sachs fund	17,400	6,500

The money market fund held with Goldman Sachs Asset Management Global Services Limited, holds the LLP regulatory cash requirement. The funds are available on demand and return a variable rate of interest. The average interest rate was 1.29% (31 December 2021: 0.00%) per annum.

17. Cash at bank and in hand

	31 December 2022	31 December 2021
	£'000s	£'000s
Restricted cash – fiduciary funds	199,497	183,302
Cash at bank	24,531	16,100
	224,028	199,402

Natwest have a fixed charge over the Barclays EUR, USD and GBP cash at bank balances, which make up £13,577k (2021 £5,876k) of the total Cash at bank balance. This charge is in relation to debt taken out by Ben Nevis Midco Limited with Natwest as the creditor.

Notes to the financial statements for the year ended 31 December 2022 (continued)

18. Creditors – amounts falling due within one year

	31 December 2022	31 December 2021
	£'000s	£'000s
Trade creditors- fiduciary funds	198,926	182,959
Other trade creditors	902	374
Taxation and social security	2,653	2,597
Amounts owed to group undertakings – net (Note 18a)	14,293	13,868
Loan owed to group undertakings	38,173	39,104
Other creditors	22,520	18,843
Accruals and deferred income	11,342	10,890
Derivative financial instruments	5,406	3,757
	294,215	272,392

All creditor balances shown above are current creditors due within one year. Non-current creditors are shown below in note 19, with the exception of £1,300k relating to derivative financial instruments in 2021 which are not material to reclassify.

Loans and amounts owed to group undertakings are unsecured and payable on demand. Where interest is charged on non-trade amounts owed to group undertakings it was charged at a rate tracking LIBOR plus a 1.5% margin each month (ranging from 2.25% to 6.23%); (31 December 2021: 1.60%). Where interest is charged on loans owed to group undertakings it is charged at a rate of LIBOR + 5.5% (ranging from 6.25% to 10.23%) (31 December 2021 6.25%).

In recognition of insurance brokers acting as agents in placing the insurable risks of their clients with insurers, uncollected debtors and associated creditors of £346.3m (31 December 2021: £350.9m) from insurance broking transactions are not included as an asset of the LLP.

Note 18a

	31 December 2022	31 December 2021
	£'000s	£'000s
Amounts owed to group undertakings – gross	26,898	13,868
Loans owed to group undertakings	38,173	39,104
Intercompany forgiveness write back (note 5)	(12,605)	-
Amounts and loans owed to group undertakings – net	52,466	52,972

19. Creditors – amounts falling due after one year

	31 December 2022	31 December 2021
	£'000s	£'000s
Derivative financial instruments	9,841	-
E&O Provision	797	490
	10,638	490

Note 19a

	E&O provision
	£'000s
At 1 January 2022	490
Additional provision in the year	436
Utilisation of provision	(129)
At 31 December 2022	797

The E&O provision comprises estimates for liabilities that may arise from actual and potential claims and lawsuits for errors and omissions. Due to the nature of these claims, the estimate timing and amount of payments is subject to significant uncertainty.

Notes to the financial statements for the year ended 31 December 2022 (continued)

20. Pensions and similar obligations

Defined benefit scheme

Miller Insurance Services LLP (the LLP) is the sponsoring employer of a funded defined benefit scheme in the UK, the Miller Retirement Benefits Scheme (the Scheme), which provides retirement benefits based on members' salaries at the point at which they ceased to accrue benefits under the Scheme. The assets of the Scheme are held in a separately administered fund and the Scheme is administered by an independent Trustee, which is responsible for ensuring that the Scheme is sufficiently funded to meet current and future obligations. Under current legislation, the obligation of the LLP to fund the Scheme is defined by the Occupational Pensions Schemes (Scheme Funding) Regulations 2005. The funding position is formally reviewed on a triennial basis, with interim reviews carried out in each year between triennial valuations.

In recognition of the funding position of the Scheme, the LLP entered into a funding agreement with the Trustee:

- Following the 1 May 2019 actuarial valuation, at the start of 2021 the LLP was due to pay contributions of £500,000 per month between 1 January 2021 and 30 April 2021, and £518,000 per month between 1 May 2021 and 28 February 2022.
- The funding agreement was revised during 2021 resulting in a one-off contribution of £10,000,000 being paid during March 2021.
- The period covered by the regular monthly deficit repair contributions was also extended and the agreed contributions paid by the LLP during 2022 were £518,000 per month between 1 January 2022 and 30 April 2022, and £536,000 per month between 1 May 2022 and 31 August 2022. Between 1 September 2022 and 31 December 2022 no contributions were paid by the Partnership.

Additional contributions are agreed with the Trustee to reduce the funding deficit where necessary and, in particular, the contribution arrangements are currently under review as part of the 1 May 2022 triennial valuation exercise. The Scheme's liabilities as at 31 December 2022 set out in this note have been assessed based on members' data and demographic assumptions of the initial results of the triennial Scheme Funding assessment as at 1 May 2022. This liability calculation has been updated to 31 December 2022, allowing for benefits paid during the period and changes in the actuarial assumptions. The Scheme's liabilities at the previous accounting date, 31 December 2021, were calculated in a similar manner, but based on calculations carried out for the previous triennial Scheme Funding assessment as at 1 May 2019 and updated for benefits paid since and updated key assumptions. The present value of the defined benefit obligation is measured using the projected unit method.

The disclosures set out below are based on calculations carried out as at 31 December 2022 by an independent qualified actuary.

Membership data

The membership data underlying the triennial Scheme Funding assessment as at 1 May 2022, on which the calculation of the Scheme's liabilities as at 31 December 2022 is based, is summarised below.

Deferred members as at 1 May 2022	Number	Average age (weighted by liability)	Total annual pension at valuation date
Males	206	54	£1,897,000
Females	174	52	£1,031,000
	380	53	£2,928,000

Pensioner members as at 1 May 2022	Number	Average age (weighted by liability)	Total annual pension at valuation date
Males	96	70	£1,610,000
Females	99	70	£1,133,000
	195	70	£2,743,000

The membership data underlying the triennial Scheme Funding assessment as at 1 May 2019, on which the calculation of the Scheme's liabilities as at 31 December 2021 is based, is summarised below.

Deferred members as at 1 May 2019	Number	Average age (weighted by liability)	Total annual pension at valuation date
Males	232	52	£1,967,000
Females	202	51	£1,151,000
	434	52	£3,118,000

Pensioner members as at 1 May 2019	Number	Average age (weighted by liability)	Total annual pension at valuation date
Males	88	70	£1,779,000
Females	84	69	£883,000
	172	70	£2,662,000

Notes to the financial statements for the year ended 31 December 2022 (continued)

20. Pensions and similar obligations (continued)

Actuarial assumptions

The principal actuarial assumptions adopted in the calculation of the scheme's liabilities are set out below:

	31 December 2022	31 December 2021
Discount rate	5.00% pa	1.90% pa
Retail Prices Index (RPI) inflation	3.30% pa	3.35% pa
Consumer Prices Index (CPI) inflation	2.90% pa	2.95% pa
Inflationary pension increases:		
RPI capped at 5% pa	3.15% pa	3.20% pa
CPI capped at 5% pa	2.85% pa	2.90% pa
CPI capped at 2.5% pa	2.10% pa	2.10% pa
Mortality (pre- and post-retirement)	90% of S3PA tables, CMI_2021 projections with 2020 and 2021 weight parameter of 0%, an initial addition parameter of 0% pa, a period smoothing parameter of 7.0 and a long-term rate of improvement of 1.25% pa Members assumed to exchange 20% of pension at retirement (based on factors in force at 31 December 2022)	90% of S3PA tables, CMI_2020 projections with a 2020 weight parameter of 0%, an initial addition parameter of 0% pa, a period smoothing parameter of 7.0 and a long-term rate of improvement of 1.25% pa Members assumed to exchange 20% of pension at retirement (based on factors in force at 31 December 2021)
Allowance for cash commutation	75% of males and 65% of females	80% of males and 70% of females
Proportion married at retirement (or earlier death)		
Life expectancy at age 60 of male aged 40	29.0	28.9
Life expectancy at age 60 of male aged 60	27.5	27.4
Life expectancy at age 60 of female aged 40	31.5	31.5
Life expectancy at age 60 of female aged 60	30.1	30.0

Scheme maturity

Using the assumptions described above, the weighted average term to payment (or "duration") of the scheme's liabilities was as follows:

	31 December 2022	31 December 2021
Duration of liabilities	16 years	21 years

Assets

The major categories of scheme assets at the review date are as follows:

	31 December 2022	31 December 2021
UK equities	3.9%	3.6%
Overseas equities	8.9%	8.2%
Corporate bonds	8.5%	8.4%
Liability Driven Investment (LDI) strategy	42.3%	38.0%
Absolute return bonds	14.0%	8.7%
Infrastructure investments	12.1%	5.9%
Cash	10.3%	27.2%
Total	100%	100%

The scheme has not invested in any of the partnership's own financial instruments, nor in properties or other assets used by the partnership.

All of the investments are in unquoted pooled funds.

Notes to the financial statements for the year ended 31 December 2022 (continued)

20. Pensions and similar obligations (continued)

Explanation of amounts in the financial statements

	31 December 2022	31 December 2021
Balance sheet	£'000s	£'000s
Fair value of assets	128,944	213,451
Present value of funded obligations	(107,955)	(185,493)
Surplus in scheme	20,989	27,958
	31 December 2022	31 December 2021
Amount recognised in Income Statement	£'000s	£'000s
Current service cost	-	-
Administration expenses	-	-
Interest on liabilities	3,449	2,932
Interest on assets	(4,033)	(3,184)
Past service costs	-	-
Settlement and curtailment cost	-	-
Total charge / (credit) to Income Statement	(584)	(252)
	31 December 2022	31 December 2021
Remeasurements over the period	£'000s	£'000s
Loss / (gain) on assets in excess of interest	84,746	(2,013)
Experience loss / (gain) on liabilities	7,295	(2,109)
Changes to discount rate	(78,888)	(12,987)
Changes to inflation assumptions	(533)	11,708
Loss / (gain) from changes to financial assumptions	(79,421)	(1,279)
Changes to mortality assumptions	(99)	(321)
Other changes to demographic assumptions	(752)	-
(Gain) from changes to demographic assumptions	(851)	(321)
Total remeasurements loss / (gain)	11,769	(5,722)
	31 December 2022	31 December 2021
Change value of assets	£'000s	£'000s
Fair value of assets at start of period	213,451	197,815
Interest on assets	4,033	3,184
Company contributions	4,216	16,144
Contribution by scheme participants	-	-
Benefits paid	(8,010)	(5,705)
Administration costs	-	-
Change due to settlements and curtailments	-	-
Return on assets less interest	(84,746)	2,013
Fair value of assets at end of period	128,944	213,451
Actual return on assets	(80,713)	5,197

Notes to the financial statements for the year ended 31 December 2022 (continued)

20. Pensions and similar obligations (continued)

	31 December 2022	31 December 2021
	£'000s	£'000s
Change in value of defined benefit liabilities		
Value of liabilities at start of period	185,493	191,975
Current service cost	-	-
Contributions by scheme participants	-	-
Past service costs	-	-
Interest on liabilities	3,449	2,932
Benefits paid	(8,010)	(5,705)
Change due to settlements and curtailments	-	-
Experience loss / (gain) on liabilities	7,295	(2,109)
(Gain) from change to financial assumptions	(79,421)	(1,279)
(Gain) from changes to demographic assumptions	(851)	(321)
Present value of defined benefit obligation at end of year	107,955	185,493

Sensitivity and risk

The results of the calculations are sensitive to the assumptions used. An illustration of the sensitivity of the liability values to changes in some of the key assumptions is set out in the table below:

Sensitivity analysis	Approximate effect on liability at:	
	31 December 2022	31 December 2021
	£'000s	£'000s
Discount rate:		
increase by 0.1% pa	(1,618)	(3,783)
reduce by 0.1% pa	1,656	3,985
increase by 0.5% pa	(7,723)	*
reduce by 0.5% pa	8,694	*
Inflation assumptions:		
increase by 0.1% pa	1,123	2,742
reduce by 0.1% pa	(1,097)	(2,695)
increase by 0.5% pa	5,334	*
reduce by 0.1% pa	(5,076)	*
Mortality:		
allow for life expectancy of a member one year younger	3,252	8,156
allow for life expectancy of a member one year older	(3,242)	(7,950)

* sensitivity not provided in 2021

The future statement of financial position may be volatile, principally because the market value of assets (with significant exposure to equities) is being compared with a liability assessment derived from corporate bond yields.

The risks inherent within a defined benefit pension scheme can have a significant impact on the employer sponsoring the scheme. For example, poor investment performance could lead to reductions in funding levels and could generate unforeseen contribution requirements. Amongst these risks are:

Longevity risk

The liabilities are sensitive to unexpected changes in future mortality. If longevity increases at a faster pace than assumed, then the liabilities will increase at future valuations. For example, if all current members and future dependant beneficiaries were assumed to experience the future annual mortality rates of individuals one year younger than their actual ages, this would increase life expectancies and add approximately £3.3m (31 December 2021: £8.2m) to the liabilities with a corresponding reduction in the surplus.

Notes to the financial statements for the year ended 31 December 2022 (continued)

20. Pensions and similar obligations (continued)

Investment risk

The scheme's invested assets are partially invested in equities, while the scheme's liabilities for accounting purposes are measured using a discount rate related to corporate bond yields. Therefore, the liabilities and assets may react differently to changes in market conditions. For example, a fall in equity values of 20% immediately prior to the review date would have meant that assets would have been valued at approximately £3.3m (31 December 2021: £5.0m) less as at the review date, with a corresponding reduction in the surplus (assuming that all other actuarial assumptions remain unchanged and assuming that the values of other asset classes are unaffected).

Interest rate risk

The scheme's liabilities have been measured using a discount rate of 5.00% pa (31 December 2021: 1.90% pa). If a lower discount rate had been used, a higher value would have been placed on the liabilities. For example, if the discount rate were reduced by 0.50% pa to 4.50% the scheme's liabilities would have increased by approximately £8.7m (2021: £19.5m), with a corresponding reduction in the surplus (assuming that all other actuarial assumptions remain unchanged and there is no impact on the asset values).

Inflation risk

Elements of the pensions in payment under the scheme increase at rates linked to inflation, albeit with caps applying to the indexation. In addition, the rules of the scheme require that some pensions are increased in the period between members' dates of leaving pensionable service and dates of retirement, in line with inflation (again up to a cap). Given that not all of the scheme's investments are held in asset classes with returns directly linked to inflation, there will not necessarily be a corresponding increase in asset values to match liability increases if future inflation is at a higher rate than is assumed for the purpose of these calculations.

The scheme's liabilities have been measured using an RPI inflation assumption of 3.30% pa (31 December 2021: 3.35% pa) and a CPI inflation assumption of 2.90% pa (31 December 2021: 2.95% pa). If higher future rates of inflation had been assumed, a higher value would have been placed on the liabilities. For example, if the RPI and CPI inflation assumptions were increased by 0.50% pa to 3.80% pa and 3.40% pa respectively, with corresponding increases to the assumed rates of pension increase and statutory revaluation, the scheme's liabilities would have increased by approximately £5.3m (2021: £15.5m), with a corresponding reduction in the surplus (assuming that all other actuarial assumptions remain unchanged and there is no impact on the asset values).

Defined contribution scheme

Following the closure of the defined benefit scheme to new entrants, the partnership provides a defined contribution scheme for its employees.

The amount recognised as an expense for the defined contribution scheme was:

	31 December 2022	31 December 2021
	£'000s	£'000s
Current year contributions	5,880	5,179

Expected contributions to the defined contribution scheme post employment benefit plans for the year ended 31 December 2023 are £7.1m.

21. Capital commitments and other commitments

At 31 December, the LLP had the following capital commitments:

	31 December 2022	31 December 2021
	£'000s	£'000s
Authorised but not contracted	8,896	5,871

Notes to the financial statements for the year ended 31 December 2022 (continued)

21. Capital commitments and other commitments (continued)

The LLP had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	31 December 2022	31 December 2021
	£'000s	£'000s
No later than one year	4,701	4,701
Later than one year and not later than five years	18,671	18,748
Later than five years	7,686	12,310
	31,058	35,759

Operating lease payments represent rentals payable by the LLP for its London and Ipswich office. Leases are negotiated for an average term of 10 years and rentals are fixed for an average of 5 years.

22. Acquisitions of subsidiary and business combinations

There were no acquisitions or business combinations made by the LLP during the year ended 31 December 2022 and 31 December 2021. Across the wider Miller group, on 17 March 2022, Henner Sports, a leading French (re)insurance broker specialising in the sports sector, was acquired by Miller Europe SRL, a subsidiary of the LLP. On 7 July 2022, Lead Insurance Services Limited, a leading Japanese marine broker, was acquired by Miller Insurance Holdings Limited, a subsidiary of the LLP. Note 24 provides details of the intercompany flows recognised in the LLP in respect of the funding to acquire these businesses in 2022.

23. Disposals of subsidiary and business assets

There were no disposals of subsidiary and business assets during the year ended 31 December 2022 and 31 December 2021.

24. Related party transactions

FRS 102 exempts the reporting of transactions between Group companies in the financial statements of companies that are wholly within the Group. The LLP has taken advantage of this exemption.

Amounts owed by/(to) group undertakings- Entities with control	31 December 2022	31 December 2021
	£'000s	£'000s
	Debtor/(Creditor)	Debtor/(Creditor)
Ben Nevis Feederco Limited (b)	(2,509)	(2,276)
Ben Nevis Midco Limited (a)	(1,051)	14,628
Ben Nevis Bidco Limited (a)	(3,571)	(2,571)
Miller 2015 Limited (a)	8,732	8,396
Miller 2015 Limited – loan (b)	(38,173)	(36,828)
Dawson Partnership (a)	55	9
Ben Nevis Topco Limited Employment Benefit Trust (b)	5,610	5,332
Ben Nevis Topco Limited (a)	16	-
	(30,891)	(13,310)

Amounts owed by/(to) group undertakings are unsecured and will be settled in cash. The amounts are payable on demand, or with repayment dates ranging from 31 December 2023 to 1 March 2031 or such other date (which may be earlier than the foregoing) as the lender may notify. Where interest is charged on non-trade amounts owed to group undertakings it is charged at a rate of: (a) LIBOR plus a 1.5% margin each month (ranging from 2.25% to 6.23%). (31 December 2021: 1.60%) (b) LIBOR + 5.5% (ranging from 6.25% to 10.23%) (31 December 2021 6.25%). No guarantees have been given or received. No expense has been recognised in the current year or prior year in respect of bad or doubtful debts due from related parties. These loans may be used by the respective borrower for their general corporate purposes.

Included within the amounts owed by/(to) Miller Insurance Holdings Limited and Ben Nevis Midco Limited are the funds to acquire Lead Insurance Services. Ben Nevis Midco Limited drew down \$12.5m, through an incremental loan facility from Natwest Group PLC, to pay the consideration. Ben Nevis Midco Limited transferred these funds to the LLP via intercompany and the LLP subsequently transferred the funds to Miller Insurance Holdings Limited via inter-company for the consideration to be paid.

Included within the amounts owed by/(to) Miller Europe SRL and Ben Nevis Midco Limited are the funds to acquire Miller Sports & Entertainment Limited (formerly Henner Sports). Ben Nevis Midco Limited drew down \$26m, through a rolling credit facility from Natwest Group PLC, to pay the consideration. Ben Nevis Midco Limited transferred these funds to the LLP via intercompany and the LLP subsequently transferred the funds to Miller Europe SRL via inter-company for the consideration to be paid.

Notes to the financial statements for the year ended 31 December 2022 (continued)

24. Related party transactions (continued)

Amounts owed by/(to) group undertakings- Entities over which the LLP has control	31 December 2022	31 December 2021
	£'000s	£'000s
	Debtor/(Creditor)	Debtor/(Creditor)
Miller Insurance Holdings Limited	9,516	-
Miller Europe SRL	1,143	(1,513)
Miller Insurance Services (Singapore) Pte Ltd	(1,604)	(1,207)
Miller Re Limited	(4,433)	(3,587)
Miller Bermuda Limited	3,805	2,028
Six Clerks Insurance Services Limited	(1,125)	(781)
AG Broking Services Limited	-	(12,605)
	7,302	(17,665)

Amounts owed by/(to) group undertakings are unsecured and will be settled in cash. The amounts are payable on demand, or with repayment dates ranging from 31 December 2023 to 1 March 2031 or such other date (which may be earlier than the foregoing) as the lender may notify. Where interest is charged on non-trade amounts owed to group undertakings it is charged at a rate of LIBOR plus a 1.5% margin each month (ranging from 2.25% to 6.23%). (31 December 2021: 1.60%)

As at 31 December 2022, following a review of inter-company balances AG Broking Services, a subsidiary of the LLP, forgave its creditor payable by the LLP and consequently £12,605k was written back as a credit to the income statement. During the year 31 December 2021, following a review of inter-company balances the LLP concluded that its loan to Miller Insurance Holdings Limited, a subsidiary of the LLP, should have an impairment provision (£46,913k) against it in 2021. These loans may be used by the respective borrower for their general corporate purposes.

Included within the amounts owed by/(to) Miller Insurance Holdings Limited and Ben Nevis Midco Limited are the funds to acquire Lead Insurance Services. Ben Nevis Midco Limited drew down \$12.5m, through an incremental loan facility from Natwest Group PLC, to pay the consideration. Ben Nevis Midco Limited transferred these funds to the LLP via intercompany and the LLP subsequently transferred the funds to Miller Insurance Holdings Limited via inter-company for the consideration to be paid.

Included within the amounts owed by/(to) Miller Europe SRL and Ben Nevis Midco Limited are the funds to acquire Miller Sports & Entertainment Limited (formerly Henner Sports). Ben Nevis Midco Limited drew down \$26m, through a rolling credit facility from Natwest Group PLC, to pay the consideration. Ben Nevis Midco Limited transferred these funds to the LLP via intercompany and the LLP subsequently transferred the funds to Miller Europe SRL via inter-company for the consideration to be paid.

25. Controlling parties

In the opinion of the members, the LLP's ultimate parent company and ultimate controlling party is Ben Nevis Feederco Limited, a company incorporated in Jersey and owned jointly by: Cinven Strategic Financials Fund Limited Partnership, incorporated in Guernsey; SFF Cinven Co-investment SCSp, incorporated in Luxembourg; Cinven Strategic Financials Co-Investment Fund Limited Partnership, incorporated in Guernsey; Raffles Private Holdings Limited, incorporated in England and Wales, which is owned by GIC, together with employees of the Miller group. The parent undertaking of the largest group, which includes the LLP and for which group accounts are prepared, is Ben Nevis Cleanco Limited, a company incorporated in England and Wales. Copies of the group financial statements of Ben Nevis Cleanco Limited are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ. The LLP's immediate controlling parties are Miller 2015 Limited and Ben Nevis Bidco Limited.

26. Post balance sheet events

The members are not aware of any post balance sheet events prior to the financial statements being signed that need to be disclosed or adjusted for.