STRATEGIC REPORT, DIRECTORS' REPORT AND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

FOR

RISK & REWARD GROUP (HOLDINGS) LIMITED

TUESDAY



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RISK & REWARD GROUP (HOLDINGS) LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2017

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RISK & REWARD GROUP (HOLDINGS) LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2017

DIRECTORS:	T Johnson L Lemenager
SECRETARY:	W McGowan
REGISTERED OFFICE:	The Walbrook Building 25 Walbrook London EC4N 8AW
REGISTERED NUMBER:	04093521 (England and Wales)
INDEPENDENT AUDITOR:	Ernst & Young LLP Statutory Auditor 25 Churchill Place Canary Wharf London E14 5EY

RISK & REWARD GROUP (HOLDINGS) LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

The Directors present their Strategic Report for the year ended 31 December 2017.

REVIEW OF BUSINESS

The principal activity of the Company in the period under review was that of a holding company whose subsidiaries carried on the business of employee benefits consultancy and independent financial advisory. It is expected that there will be no significant change to the nature of the Company's activities in the foreseeable future.

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

The results of the Company for the year ended 31 December 2017 are set out in the financial statements on pages 7 to 15. During the year the Company purchased 100% of the share capital of Total Reward Group (Holdings) Limited and Gatehouse Consulting Limited for £15,901k, including future purchase price obligations of £6,085k.

For the year ended 31 December 2017 the Company has recorded a profit before tax of £255k compared to a loss before tax of £730k in 2016. The principal driver of this increase in profit was the receipt of dividend income from a subsidiary company.

PRINCIPAL RISKS AND UNCERTAINTIES

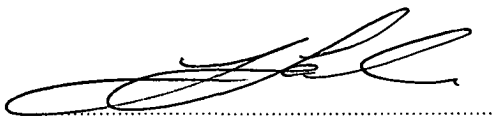
The Group's international operations and debt profile expose it to a variety of financial risks including the effects of change in foreign currency exchange rates, counterparty credit risks, compliance risks, liquidity and interest rates. The Group's Board of Directors are responsible for setting the Group's risk appetite and ensuring that it has an appropriate and effective risk management framework and monitors the ongoing process for identifying, evaluating, managing, and reporting significant risks faced. To facilitate this, the Group maintains a risk framework, through which the key risks affecting the Group are identified, assessed and monitored.

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

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

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

BY ORDER OF THE BOARD:



T Johnson - Director

Date: 30 JULY 2018

RISK & REWARD GROUP (HOLDINGS) LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

The Directors present their report with the audited financial statements of the Company for the year ended 31 December 2017. The results for the Company for the year ended 31 December 2017 and future developments are discussed in the Strategic Report.

DIRECTORS OF THE COMPANY

The Directors who have held office during the period from 1 January 2017 to the date of this report are as follows:

T Johnson
L Lemenager

Other changes in Directors holding office are as follows:

P Holden - resigned 15 August 2017

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2017 (2016: £nil).

EVENTS AFTER THE REPORTING PERIOD

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

EMPLOYEES

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

DIRECTORS' INDEMNITY PROVISIONS

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

DIRECTORS' RESPONSIBILITIES STATEMENT

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

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

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

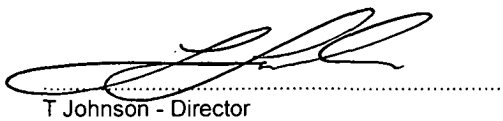
So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditor is unaware, and each Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant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

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

AUDITOR

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

BY ORDER OF THE BOARD:



T Johnson - Director

Date: 30 JULY 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RISK & REWARD GROUP (HOLDINGS) LIMITED

Opinion

We have audited the financial statements of Risk and Reward Group (Holdings) Limited for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 14, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Directors' Report and the Strategic Report. The Directors are responsible for the other information.

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

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

Ernst & Young LLP

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

Date: 21/08/18

RISK & REWARD GROUP (HOLDINGS) LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £'000	2016 £'000
Administrative expenses		(1,418)	(754)
OPERATING LOSS	3	(1,418)	(754)
Income from shares in group undertakings		1,500	-
Interest receivable and similar income		173	24
PROFIT/(LOSS) BEFORE TAXATION		255	(730)
Tax on profit/(loss)	4	177	69
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		432	(661)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		432	(661)

The notes form part of these financial statements

RISK & REWARD GROUP (HOLDINGS) LIMITED (REGISTERED NUMBER: 04093521)

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2017

	Notes	£'000	2017 £'000	£'000	2016 £'000
FIXED ASSETS					
Investments	5		52,356		35,444
CURRENT ASSETS					
Debtors	6	2,066		2,887	
Cash at bank		4		272	
		2,070		3,159	
CREDITORS					
Amounts falling due within one year	7	14,172		3,951	
NET CURRENT LIABILITIES			(12,102)		(792)
TOTAL ASSETS LESS CURRENT LIABILITIES			40,254		34,652
CREDITORS					
Amounts falling due after more than one year	8		-		107
PROVISIONS FOR LIABILITIES	9		11,026		5,749
NET ASSETS			29,228		28,796
CAPITAL AND RESERVES					
Called up share capital	10		29,523		29,523
Share premium	11		100		100
Retained earnings	11		(395)		(827)
SHAREHOLDERS' FUNDS			29,228		28,796

The financial statements were approved and authorised for issue by the Board of Directors on 30 JULY 2018 and were signed on its behalf by:

.....
T Johnson - Director

The notes form part of these financial statements

RISK & REWARD GROUP (HOLDINGS) LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2016	12,325	100	(166)	12,259
Changes in equity				
Issue of share capital	17,198	-	-	17,198
Total comprehensive loss	-	-	(661)	(661)
Balance at 31 December 2016	29,523	100	(827)	28,796
Changes in equity				
Total comprehensive income	-	-	432	432
Balance at 31 December 2017	29,523	100	(395)	29,228

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Accounting convention
These financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland", and with the Companies Act 2006. The financial statements have been prepared on a going concern basis, under the historical cost convention.

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

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

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

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

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

ii. **Provisions**
Where a provision is required the Group will perform calculations based on a policy regarding each individual category of provision. Each of these policies will be based on a degree of estimate and judgements. These policies are included within note 9.

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

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

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

Deferred tax assets and liabilities are not discounted.

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

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

continued...

1. ACCOUNTING POLICIES - continued

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

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

Provisions
A provision is recognised where there is a present obligation, whether legal or constructive, as a result of a past event for which it is probable that a transfer of economic benefits will be required to settle the obligation and that the economic benefit can be reliably measured.

Foreign currencies
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the date of the Statement of Financial Position. All exchange rate differences are taken to the Statement of Comprehensive Income.

2. DIRECTORS' REMUNERATION

	2017 £'000	2016 £'000
Directors' remuneration	274	112

Information regarding the highest paid Director is as follows:

	2017 £'000	2016 £'000
Director's remuneration	164	112

The above amounts represent remuneration allocated to the Directors based on their directorships of entities within the Group. This is on a different basis to which Directors remunerations are recharged to the Company and accounted for in administrative expenses.

3. OPERATING LOSS

The operating loss is stated after charging:

	2017 £'000	2016 £'000
Auditor's remuneration	15	10
Foreign exchange differences	(2)	-

4. TAXATION

Analysis of the tax credit
The tax credit on the profit/(loss) for the year was as follows:

	2017 £'000	2016 £'000
Current tax:		
UK corporation tax on profit/(loss) for the year	(183)	(69)
Adjustments in respect of previous periods	6	-
Tax on profit/(loss)	(177)	(69)

continued...

4. **TAXATION - continued**

Reconciliation of total tax credit included in the Statement of Comprehensive Income
The tax credit for the year can be reconciled to the profit/(loss) per the Statement of Comprehensive Income as follows:

	2017 £'000	2016 £'000
Profit/(Loss) before tax	255	(730)
Tax on profit/(loss) at standard UK corporation tax rate of 19.25% (2016: 20.00%)	49	(146)
Effects of:		
Income not taxable	(289)	-
Expenses not deductible for tax purposes	157	77
Transfer pricing adjustments	(100)	-
Adjustments in respect of previous periods	6	-
Total tax credit	(177)	(69)

The Company profits are taxable in the UK under the standard rate of corporation tax being 19.25% (2016: 20.00%). The Company is expected to continue to attract the standard rate of UK corporation tax. The UK government legislated to reduce the main rate of corporation tax to 17% to apply from 1 April 2020.

5. **FIXED ASSET INVESTMENTS**

	Shares in group undertakings £'000
COST	
At 1 January 2017	35,444
Additions	16,912
At 31 December 2017	52,356
NET BOOK VALUE	
At 31 December 2017	52,356
At 31 December 2016	35,444

During the year the Company purchased 100% of the share capital of Total Reward Group (Holdings) Limited and Gatehouse Consulting Limited.

continued...

5. **FIXED ASSET INVESTMENTS - continued**

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

Name of Company	Registered address	Holding	Proportion of shares held
Gallagher Risk & Reward Limited	The Walbrook Building	Ordinary & Deferred Shares	100%
Gallagher Communication Limited (previously known as Shilling Limited)	The Walbrook Building	Ordinary Shares A, B & C	100%
Orb Financial Services Limited	The Walbrook Building	Ordinary Shares	100%
Argentis Financial Group Limited	The Walbrook Building	Ordinary Shares	100%
Argentis Financial Management Limited *	The Walbrook Building	Ordinary Shares	100%
Kingston Smith Financial Advisers Limited *	Devonshire House	Ordinary Shares	50%
Argentis Wealth Management Limited *	The Walbrook Building	Ordinary Shares	100%
Argentis Mortgages Limited *	The Walbrook Building	Ordinary Shares	100%
Argentis Investment Management Limited *	The Walbrook Building	Ordinary Shares	100%
Argentis Financial Services Limited *	The Walbrook Building	Ordinary Shares	100%
Total Reward Group (Holdings) Limited	The Walbrook Building	Ordinary Shares	100%
Reward Management Limited*	The Walbrook Building	Ordinary Shares	100%
Total Reward Careers Ltd*	The Walbrook Building	Ordinary Shares	100%
Total Reward Academy Limited*	The Walbrook Building	Ordinary Shares	100%
Gatehouse Consulting Limited	The Walbrook Building	Ordinary A, B, C & D & Preference Shares	100%

* Held indirectly

The capital and reserves of Kingston Smith Financial Advisers Limited at 30 April 2017 were £517k.

Registered address	Street address
The Walbrook Building	25 Walbrook, London, EC4N 8AW
Devonshire House	60 Goswell Road, London, EC1M 7AD

6. **DEBTORS**

	2017 £'000	2016 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	1,871	72
Other debtors	12	-
Group relief debtor	183	-
	2,066	72
Amounts falling due after more than one year:		
Amounts owed by group undertakings	-	2,815
Aggregate amounts	2,066	2,887

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

7. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017 £'000	2016 £'000
Amounts owed to group undertakings	12,469	3,941
Other creditors	1,700	-
Accruals and deferred income	3	10
	14,172	3,951

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

continued...

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017 £'000	2016 £'000
Other creditors	-	107

9. PROVISIONS FOR LIABILITIES

	2017 £'000	2016 £'000
Other provisions	11,026	5,749

	Purchase price obligation provision £'000
At 1 January 2017	5,749
Incurred during year	6,977
Utilised during year	(1,700)
Balance at 31 December 2017	11,026

Purchase price obligation provision
The Company has acquired the share capital of certain companies during the year and during the previous year. The acquisition agreements included obligations for certain future payments in relation to the performance of the acquired business. The Purchase price obligation provision is in relation to the estimated future amounts to be paid in respect of these contracts. Purchase price obligations are reallocated to Other creditors as they fall due. The future purchase price obligation amounts payable are:

Company purchased	Purchase price obligation
Orb Financial Services Limited	£1,641k payable during 2019
Argentis Financial Group Limited	£5,000k payable during 2018 and 2019
Total Reward Group (Holdings) Limited	£835k payable during 2020
Gatehouse Consulting Limited	£5,250k payable during 2021

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2017 £'000	2016 £'000
2,952,317,582	Ordinary	£0.01	29,523	29,523

The ordinary shares carry rights to receive a dividend or other distribution of the Company. The ordinary shares shall entitle the holder thereof to any further or other right of participation in the assets of the Company on a winding up or other return of capital. They carry rights to vote at any general meeting on a show of hands or on a poll.

11. RESERVES

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

Share Premium - This reserve records the amount above the nominal value received for shares issued, less transaction costs.

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

continued...

12. PARENT COMPANY AND ULTIMATE HOLDING COMPANY

The immediate parent company is Gallagher Benefit Services (Holdings) Limited, a company registered in England and Wales. The largest group of undertakings of which the Company is a member and for which financial statements are prepared, is headed up by Arthur J. Gallagher & Co., a company incorporated in the United States of America, which is the ultimate holding company. The registered address of Arthur J. Gallagher & Co. is 2850 W. Golf Rd., Rolling Meadows, IL 60008. A copy of these consolidated financial statements is available from the registered office of the Company.

13. RELATED PARTY DISCLOSURES

At 31 December 2017 the Company had amounts owed to Group undertakings as follows:

Category	Balances owed to Group undertakings at 31 December 2017 £'000
Entities with control, joint control or significant influence over the Company	(3,453)
Entities over which the Company has control, joint control or significant influence	(5,294)
Other related parties	(1,851)

14. EVENTS AFTER THE REPORTING PERIOD

On 27 March 2018 the Company changed its name from Risk & Reward Group (Holdings) Limited to Gallagher Benefit Services Management Company Limited.