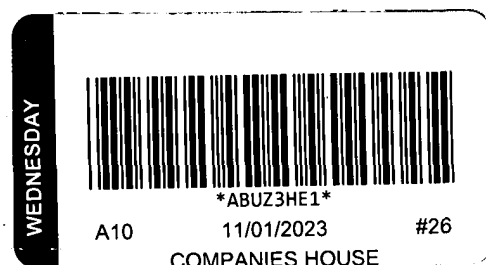

HOWDEN REINSURANCE BROKERS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022



HOWDEN REINSURANCE BROKERS LIMITED

COMPANY INFORMATION

Directors	P A Gudgeon (appointed 11 October 2021) E Richardson (appointed 11 October 2021) S A Davies (appointed 2 November 2021) A Farooq (appointed 1 June 2022) D Garland (appointed 3 May 2022) B J A Maltese (appointed 9 June 2022)
Company secretary	P Fokou
Registered number	07142031
Registered office	One Creechurch Place London United Kingdom EC3A 5AF
Independent auditor	Ernst & Young LLP Statutory Auditor 25 Churchill Place London E14 5EY

HOWDEN REINSURANCE BROKERS LIMITED

CONTENTS

	Pages
Strategic Report	1 - 14
Directors' Report	15 - 17
Directors' Responsibilities Statement	18
Independent Auditor's Report	19 - 22
Income Statement	23
Statement of Comprehensive Income	24
Statement of Financial Position	25
Statement of Changes in Equity	26 - 27
Notes to the Financial Statements	28 - 43

HOWDEN REINSURANCE BROKERS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2022

Introduction

The Directors present their Strategic Report for the year ended 30 September 2022.

The Strategic Report has been prepared in accordance with Section 414C of the Companies Act 2006.

Business review

Howden Reinsurance Brokers Limited ("the Company") made a loss after tax for the year ended 30 September 2022 of £6,869k (2021 - a profit of £987k).

	FY2022	FY2021
	£000	£000
Revenue	43,189	450
Administrative expenses	(52,354)	1,207
(Loss)/profit after tax	(6,869)	987
Total assets	60,645	34,672
Total creditors	(36,987)	(4,154)

The revenue of the company has increased in 2022 due to Group's reinsurance business being transferred to Howden Reinsurance Brokers Limited within the 2022 financial year.

The Company provides reinsurance for single risks or defined packages of risks, typically used for high-value or hazardous risks on a proportional or non-proportional basis. For Cedent companies, the Company offers bespoke single risk reinsurance solutions and help to identify alternative risk transfer options.

Principal risks and uncertainties

This section sets out some of the risks facing the Company which may affect its business operations and results during the year. The Company looks to assess and deal with the impact of these external influences by carrying out regular business planning reviews.

Matters generally affecting Company strategy and performance

Commercial Strategy

The Company operates to the strategic and business plans that it sets itself.

Environmental, market and economic factors

The Company is dependent on its clients to be able and willing to purchase insurance and reinsurance solutions to protect their assets and/or mitigate their exposure to any liabilities. Such ability and willingness is influenced by environmental and economic conditions.

Key staff

The Company's success is reliant upon attracting and retaining key staff within all its core business operations.

Competition

The reinsurance market is highly competitive. The Company faces competition from other reinsurance intermediaries within the UK as well as competition from reinsurance intermediaries overseas.

HOWDEN REINSURANCE BROKERS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

Principal risks and uncertainties (continued)

Matters generally affecting Company strategy and performance (continued)

Certain business interruption risks

The Company has in place a comprehensive business risk review process, which allows the Company to assess the business risks faced by it and to review them in the context of the appropriateness of the controls it has in place to address those risks.

Loss of IT systems or data

The Company believes its IT systems and those systems provided by third parties are reliable and well protected, notwithstanding that they require regular updating and maintenance to ensure their ongoing suitability for the Company.

Relationships with reinsurers

The Company is reliant upon its existing relationships with the reinsurance markets with which it places business. The Company has in place controls to ensure it is not overly dependent upon any one reinsurer or reinsurance market.

Financial crime and bribery and corruption

The Company conducts its business whilst being fully aware of the risks arising from non-compliance with either local or international regulations and operates within a business framework which seeks to minimise the risk of financial crime, including bribery and corruption.

Factors that could reduce operating revenues or increase operating costs

Claims against the Company that are not covered by or exceed purchased insurance

The Company believes its insurance cover would substantially mitigate the effect of any claims likely to be brought against it.

Legal and regulatory compliance

Uncertainty regarding compliance matters and higher costs of regulatory compliance can result from ongoing revision to laws, regulations and governance standards.

Risks to the Company's reputation

Corporate governance

The Company has an appropriate corporate governance programme in place that is commensurate with the scale and growth ambitions of the business.

Key performance indicators

Key performance indicators have been established as described below.

Customer new business and retention levels

The Company monitors customer numbers and income for each of its operating lines.

EBITDA

The Company uses Earnings before Interest, Taxation, Depreciation and Amortisation (EBITDA) to measure the performance of business units against budget and previous years results.

HOWDEN REINSURANCE BROKERS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

Financial risk management

Financial instruments

HIG Finance Limited, a fellow subsidiary of the Howden Group Holdings Limited group of companies (the "Howden Group"/"Group"), manages the Company's principal financial instruments which comprise cash and deposits. As part of the Group's pooling arrangements the Group's treasury function manages risks in relation to these as follows;

Liquidity risks

The Group manages the Company's cash and borrowing requirements centrally to maximise interest income and minimise interest expenses, whilst ensuring the Company has sufficient liquid resources to meet the operating needs of the business.

Credit risk

The Company's principal financial assets exposed to credit risk are trade and other receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of cash flows.

In respect of managing credit risk arising over trade and other receivables, the Company maintains a credit control team as appropriate to manage the credit risk and in some business units, a variable element of remuneration of staff is linked to cash collection. The Company applies the lifetime credit risk model to insurance receivables. The Company monitors the ageing of insurance receivables based on whether it is current or not and days past due. Management provides for all balances more than 365 days overdue and for all remaining balances a bad debt provision is created based on prior experience of bad debt unless a specific provision is created due to there being an identified loss.

Future developments

In June 2022, Howden Group announced it would be acquiring TigerRisk Partners, an independent reinsurance, risk and capital advisory business. The Howden Reinsurance Brokers limited and TigerRisk Partners combined organisation will be known as Howden Tiger and will create a global insurance intermediary, subject to regulatory approvals.

This acquisition is expected to complete in the accounting period ending 30 September 2023.

HOWDEN REINSURANCE BROKERS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

Directors' statement of compliance with duty to promote the success of the Company

The 172(1) Statement requires directors to disclose how they have met their duties under section 172 of the Companies Act 2006 and which would most likely promote the success of the Company for the benefit of its stakeholders. During the year the Directors have had regard to the following matters when performing their duties under section 172:

- The interests of the Company's employees;
- The need to foster the Company's business relationships with suppliers, customers and others;
- The impact of the Company's operations on the community and the environment;
- The desirability of the Company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between members of the Company.

The Board ensures that it addresses the s172 requirements by allocating responsibility for specific areas to senior management, Board and committee meetings, the use of clear agendas, appropriate board papers, budgeting and reforecasting, and strategy events.

Key stakeholders are identified during board and committee meetings. As directed by the company's parent company, Howden Group Holdings Limited (the "Howden Group"/"the Group"), the culture that the Company strives for and the way that it works means there is continuous communication through the Group with the Company's key stakeholders, as described in the stakeholder engagement section below. The board receives quarterly CEO reports and other essential reports, including strategic updates, financial performance, business updates, regulatory updates, legal matters, risks and omissions, client updates and team updates in order to assess the operation of the business. Actions resulting from discussion of these reports are agreed and then shared with stakeholders as appropriate.

Long term consequences of decisions

The Company's long-term model reflects its determination to share success and to grow in a responsible, sustainable way. This goes beyond environmental and societal impacts; it influences the products that the Company offers, the talent it hires and how the Company manages its future. The directors strive for a balance between growth through acquisitions, organic growth, cashflow and liquidity considerations, performance and reward, culture at work, diversity and inclusion, wellbeing and equal pay.

Powers are allocated to senior management and other committee members to discuss and reach decisions which are discussed with the board and reported against agreed strategic objectives from strategy days. The directors maintain regular contact with management, which allows the directors to appreciate the context of current projects and to be on hand to assist and advise where necessary.

The interests of the Company's employees

The Group's "Our People First" culture means that it supports employees' aspirations and provides opportunities to make a difference. Howden Group is built on a foundation of employee ownership, with around 3,400 employees owning shares in the holding company, enabling employees to share in the Group's success. As a result, the likely long term consequences of any decision made by the directors are aligned with the interests of employees.

The stakeholder engagement section below sets out how the directors have engaged with employees and responded to the issues raised through the most recent employee survey.

The Group Diversity and Inclusion (D&I) Committee was set up during 2021 in order for the Group to continue to attract and retain the right talent, and continue to create an inclusive culture that respects and values every employee.

HOWDEN REINSURANCE BROKERS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

Directors' statement of compliance with duty to promote the success of the Company (continued)

The Company's relationships with clients, insurers and others

By driving the desired culture throughout the Company, management aims to continuously deliver a quality service to clients, including welcoming employees' creativity to deliver high-class expertise.

The Company looks to diversify its business lines and employs strategies to help mitigate against the loss of clients.

Impact in communities and the environment

The Howden Group Sustainability Committee was set up 2019 to identify opportunities for improvement in the Group's approach to sustainability and to embrace a more inclusive way of working. The Group is also a signatory of the UN Global Compact, by which it has promised to take responsibility for its impact and to work in a way that supports and benefits society.

The Group is determined to reduce its environmental impact as much as it possibly can, by continuing to build a sustainable business while reducing, replacing, recycling and continuing the journey to becoming carbon negative.

The Group also wishes to support society and this is managed through fundraising and volunteering, and giving back through the charitable Howden Group Foundation.

Maintaining high standards of business conduct

The directors are responsible for setting high standards of business conduct to ensure that the Company's commitments to stakeholders are met. The Company abides by the Modern Slavery Statement and is committed to ensuring that its business dealings are carried out in compliance with the relevant laws. In doing so, the board endorses the implementation and promotion of ethical business practices, to protect workers from being abused and exploited. The board also supported the decision that, following training, a set of UK procurement principles were to be created.

The need to act fairly between members of the Company

The Company is a wholly owned subsidiary of Howden Group and the Group has a board which consists of directors representing both institutional and employee shareholders in order to make sure that members are treated fairly. It also includes independent non-executive directors. When employee share incentives are considered, there is a careful assessment by the Group board and Remuneration Committee that there is a balance between dilution of existing A shareholder value and value which new share incentive holders can derive.

Stakeholder Engagement

The below describes how the Company and Howden Group engages with its stakeholders and explains how the directors ensure that they are aware of the views of each stakeholder group.

Clients

Why we engage

Understanding client's needs and how their demands change allows the Company and the Group to provide tailored products and is intrinsic to its long term success. Clients often request solutions and new initiatives that insurance can provide for them.

HOWDEN REINSURANCE BROKERS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

Directors' statement of compliance with duty to promote the success of the Company (continued)

Our approach to engaging

The Company works with the Howden One network and other Howden Group subsidiaries to use local on the ground experts from around the world to form a network of shared skills and knowledge. This allows the Company to bring expertise to clients while observing best practices, and maintaining the necessary regulatory controls, due diligence and care to ensure that clients are satisfied.

The Company is regularly in touch with clients and following the Covid-19 pandemic, face-to face meetings are taking place more frequently, enabling the Company to build stronger client relationships and deliver more tailored solutions. Clients inform the Company of any new initiatives that they are considering and where they would like the Company to assist in placing reinsurance for them.

Client needs identified through engagement

Our clients need us to continue to develop new solutions that meet their emerging needs, such as making the best use of data and meeting their ESG objectives.

As an example, during the year the Group announced that it had worked with carbon finance business, Respira International, and Nephila Capital, a leading investment manager specialising in reinsurance risk, to develop a carbon credit invalidation insurance solution to increase confidence in the Voluntary Carbon Market. It was developed through the product innovation work stream on the Insurance Task Force of the Sustainable Markets Initiative; an initiative led by His Majesty, King Charles III, in his former role as Prince of Wales. The Voluntary Carbon Market will play a vital role in the transition to a low-carbon future. This new insurance solution provides another layer of security and is the first product of its kind.

Employees

Why we engage

Building and maintaining a People First Culture is embedded in decision making across the Company and Group, and is key to how we attract, engage and retain our employees. Putting employees first supports empowerment, inspires and fosters ideas which in turn benefits clients and strengthens the Company's productivity and resilience. The Group is built on a foundation of employee ownership with around 3,400 employees owning shares in the holding company, enabling employee owners to share in the Group's success. As a result, any decision made by the directors is aligned with the long term interests of employees.

Our approach to engaging

The Company and directors are committed to engaging with employees through multiple formal and informal channels to ensure that employees' views can be taken into account in making decisions which are likely to affect their interests. This includes, but is not limited to the use of the Group Workplace platform, regular internal communications, the use of people surveys and a range of established Employee Resource Groups.

Over the last 12 months, the Company has continued to make significant investment in building a capable and experienced HR Team to support and enable the delivery of our Company's ambitions, and further develop its engagement with, and offering to, employees.

During this time both the Company and the Group has also focused in a number of key areas:

Career development and progression

The Company and the Group provides visibility of all job opportunities across the Group on Workplace to encourage internal career development. In addition to business objectives, senior leaders have specific objectives focused on development, culture and people that articulate their commitment to employee development. Progress is measured and leaders are held to account on the delivery of these objectives.

HOWDEN REINSURANCE BROKERS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

Directors' statement of compliance with duty to promote the success of the Company (continued)

All UK employees are asked to ensure that they have objectives relating to their personal development with a mix of 'on the job' development and learning interventions encouraged. Guidance is provided to all employees and line managers to support an effective performance development process. On the basis of feedback from employees through the Global People survey, managers are expected to provide feedback to team members, discuss their ongoing development and help team members to understand how their work has and does contribute to their team, and the wider business. Reviews are also scheduled to take place in advance of the annual compensation review to demonstrate a clearer link between performance and reward for employees.

Through the Group's learning hub employees can access a variety of development resources including compliance and regulatory training, leadership programmes aligned to our leadership framework, top tips on topical interests (e.g. improve your virtual presence) and general business skills (e.g. growth mind set, presenting with impact). The learning solutions are available on an open basis for any employee to access as part of their development, and the Group has developed a learning brochure to support easy access and understanding of the development support and opportunities available.

As a growing business it is vital that the Company recruits the right people in order to continue the success of the Company in a sustainable manner. We attract and retain people of the highest calibre through a recruitment process that is designed to be free from bias and discrimination. The Recruitment and Selection Policy is followed, while prioritising employees' development and success.

Over the last 12 months the Group has expanded the use of blind CVs and embedded the tool Textio in all job adverts to ensure the use of inclusive language and to attract broader and more diverse candidate pools. In order to engage with new joiners early on and improve their experience, the Group have transformed the onboarding with the use of Enboarder across the UK and internationally.

The Group has continued to expand the number of Early Careers programmes to attract diverse graduate talent to the Company, and support our ambition of achieving a robust pipeline of diverse talent. In addition, we have also reviewed and improved our approach to Talent Identification and Succession Planning to ensure we understand how we best support, retain and enable those individuals identified for future roles within the Company and the Group.

Diversity and Inclusion

For the Company and the Group, diversity is achieving a rich pool of entrepreneurial talent with different personal and economic characteristics to drive sustainable value creation borne from diverse thinking. Inclusion means achieving this value creation by being a remarkable place where brilliant people want to work because they are seen and accepted as individuals, valued for the individual difference that they bring to the table, and because they work for a business that allows them to balance their life against the requirements of work. To support this, the Group has implemented a number of actions:

- Development of a Group Diversity and Inclusion Committee with representatives from across the organisation, with agreed terms of reference, mandate and ways of working in place.
- Global D&I principles in place.
- Continued to invest in and develop our Employee Resource Groups. The Group's Employee Resource Group, Respect, is owned and led by employees who are empowered with their own budget to enable them to raise awareness of, and influence the business, in areas that are important to them and to drive collective impact.
- Within the UK, the Group has collated D&I statistics from employees to create quarterly D&I dashboards to enable the directors to review insights, identify focus areas and track progress. Throughout the rest of 2022 and into 2023, the Group will expand this to cover the international offices.

HOWDEN REINSURANCE BROKERS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

Directors' statement of compliance with duty to promote the success of the Company (continued)

- Expanded the reciprocal mentoring programme across the UK and launching a pilot scheme in several international offices. This is designed to help build a better understanding of employee perceptions of organisational culture, and provide leaders with an opportunity to connect and hear first-hand the perspectives and experiences of employees from different generations and backgrounds across the business.
- Appointed specialist resource and expertise to embed and accelerate the Group's D&I agenda.
- Developed a pilot proposal for Listening Circles, which will continue to evolve the Group's approach to continuous listening. These are designed to provide greater understanding of employee needs and experiences and create an ongoing forum for open discussion across the Group.

Reward and Recognition

In order to ensure that the Company continues to recognise employees fairly and appropriately, the Company and the Group has continued to evolve benchmarking of roles across the business. Over the course of the last 12 months, over 500 roles have been benchmarked across the Group, with benchmarking now in place to support management decision making through annual compensation review processes. The Company and the Group are committed to ensuring that as they continue to grow, how they reward employees keeps appropriate pace with external benchmarking. Alongside this, the Group has improved the guidance for managers to support them in making the links between performance and reward. This has been developed in response to feedback from the Global People Survey.

To also support the recognition of those employees who commit to the Group, the Long Service Recognition Framework has been redesigned to ensure that key milestones are recognised and employees remain engaged and valued within the Group. This framework will be launched on a Global basis at the start of 2023.

Insurers and Suppliers

Why we engage

It is important for the Company to create long term, robust working relationships with our suppliers and reinsurers with whom we place business. This contributes to the success of our business and ultimately benefits all stakeholders.

Our approach to engaging

The Company works together with its suppliers and insurers to ensure the best client experience and continuity of capacity in order to service the needs of our clients. Senior management regularly meet insurance partners to discuss performance and ways in which we can improve cover for clients. These relationships are managed through Terms of Business Agreements and contracts in line with Group policies and additional risk and due diligence assessments are carried out in line with the Group's Sourcing Principles. Senior leaders receive regular updates and feedback on insurer and supplier relationships.

Communities

Why we engage

The Company and Group cares for and appreciates its local communities and places great importance on contributing to them through various charitable means. For more information, refer to the corporate and social responsibility section below.

Our approach to engaging

During the year the Group's partnerships with local schools and charity partners have continued. Whilst virtual engagement opportunities (e.g. online CV reviews, online workshops) have been available throughout the year, only in Q3 have the Group's charity and school partners started to open their doors in person to employee engagement opportunities e.g. career insight visits, mentoring and community volunteering in foodbanks and local outdoor spaces.

HOWDEN REINSURANCE BROKERS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

Directors' statement of compliance with duty to promote the success of the Company (continued)

In March 2022, the Group launched the first 'Get Into Insurance' programme in partnership with the Prince's Trust, an early careers programme encouraging local young people to think about Insurance as a career path providing them with work experience and entry level roles. A model that the Group hopes to replicate amongst Howden offices worldwide.

The Group continues to support the Howden Group Foundation and its long term partnerships as well as the People First Fund where employee fundraising efforts are matched and another successful Investing in the Community Awards campaign was delivered with eight charities being awarded. Winners were chosen based on the nominating employee's engagement with the organisation, how the organisation aligns with the Group CSR strategy to further education, entrepreneurship, and environmental matters, and the impact that a grant of £5,000 could make to the recipients of their services.

Group shareholders

Why we engage

The Company has a responsibility to engage with shareholders and an ambition to deliver long-term, sustainable growth. The Company understands the importance of providing information to shareholders so they can support and engage with the Group.

Our approach to engaging

Howden Group's Institutional shareholders are represented by directors on the board and therefore participate directly in Group strategic decision making and direction. The Group engages with shareholders via the online Shareholder Portal, shareholder updates via email, CEO video presentations and half year updates. There is a commitment to educate shareholders and prospective shareholders by convening live workshops and Q&A's during the internal share offer process. The latest internal share offer presented greater flexibility than previous years in terms of further relaxed provisions in favour of buyers and sellers, in order to encourage greater employee shareholder engagement.

Shareholder issues identified through engagement

During 2021, the Group identified the following issues as a result of its engagement with shareholders.

An increasing number of shareholders were able to request to vote, acquire/sell shares, and view their shareholdings more easily online. This was accomplished with an update to the Share Portal. As a consequence, the Group continues to develop the Share Portal to enable further applications and flexibility within the portal. It was also identified during the year that shareholders wished to view their shareholding value at a glance and in January 2022 the Share Value Statement was launched with an updated statement issued in July 2022, following the revaluation of the share price. This has now been embedded as part of the Group's shareholder engagement process on a half yearly basis.

Regulators

Why we engage

As a reinsurance intermediary, the Company is subject to financial services regulations. The Company also works with relevant regulators to ensure all aspects of the business comply with local laws and regulations, to uphold the responsibilities to stakeholders.

Our approach to engaging

The Company is authorised and regulated by the Financial Conduct Authority (FCA) and has an open and transparent approach to communication with the FCA, engaging with it as required or requested, and in compliance with Principle 11 of the UK Financial Services Handbook.

The Company's regulatory communications are managed and facilitated by the Legal and Compliance teams. Significant regulatory matters are reported to the board and to the board of the holding company if necessary.

HOWDEN REINSURANCE BROKERS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

Directors' statement of compliance with duty to promote the success of the Company (continued)

Corporate and social responsibility

The Company and the Group recognises the importance of sustainability and understand that it positively affects the Company, its employees, and the local community.

In 2019 the Group Sustainability Committee, chaired by John Bernstein, non-executive director, was formed to help lead the insurance industry towards a cleaner, fairer, healthier, safer world by helping its customers manage risks in a long term sustainable and equitable way, and to be the employer of choice for the best global diverse talent in insurance. The areas of focus include:

1. **Changing the Insurance Narrative** - Using the power of insurance to play a part in the solution to the major challenges the world faces.
2. **Being a responsible business** - ensuring our own operations are the very best they can be in terms of ESG practices
3. **Giving Back** - supporting communities in which we live and work through volunteering, fundraising and the Howden Group Foundation

In early 2022, the Group shared their first Sustainability report, looking back over 2021 - <https://www.howdengroupholdings.com/assets/documents/hgh-sustainability-report-2021.pdf>. The 2022 report will be ready in early 2023.

Changing the Insurance Narrative

Insurance has always been an enabler for change and now, as the world faces the biggest existential threat of our lifetime, the Company and the Group aim to build an insurance market that is relevant to the scale of risk and investment that is going to be needed as we navigate climate change and the energy transition.

Product development

Building on last year's development of the world's first volcano catastrophe bond, this year the Group supported another seven insurance based disaster relief projects. This funding came from both the Howden Group Foundation and from the Howden Group and is helping to grow a much needed new market to support vulnerable communities in the face of increasingly frequent and severe natural disasters. A new product into the voluntary carbon market was also launched and the Group are building a market facility to meet the growing demand for professionalisation in this space.

Climate Risk & Resilience Division

The Climate Risk and Resilience division in the Group has been operational for a year. The Group are building a multidisciplinary team drawn from many sectors including environmental engineers, people with deep experience of administering disaster relief in the field, bankers and climate scientists as well as people with broad insurance experience. The team comprises experts both from within the Group – from across multiple specialisms – and from other sectors to bring a holistic view of what clients and society need to build resilience in an increasingly volatile world.

Sustainable Markets Initiative

The Group are active members of the Sustainable Markets Initiative's Insurance Task Force engaging with other members (CEOs of brokers and insurers) to support with sustainable product development and drive the market to change the way it approaches long-term risks.

HOWDEN REINSURANCE BROKERS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

Directors' statement of compliance with duty to promote the success of the Company (continued)

Being a responsible business

The Group has committed to maintaining high standards of corporate governance, and has engaged with a sustainability management platform in order to obtain key Environment, Social and Governance (ESG) data from our businesses worldwide and to report back to our stakeholders annually. This year the Group has undertaken a series of projects with a consultancy to better understand what ESG requirements are coming as well as how ambitious yet credible ESG targets can be set. Furthermore, the Group continues to work with the relevant regulators to ensure that all aspects of its business comply with local laws. In 2022, the Group continued to share Communication on Progress to the UN Global Compact, along with the annual ClimateWise report. The Group has also submitted the second EcoVadis application, where it received a silver sustainability rating with a score of 58/100 putting the Group in the 76th percentile of companies that took part.

The Group also has a growing network of ESG leads worldwide that support our journey and help us reach our targets. The Group has quarterly calls together where updates from Group and each of the businesses are provided against the three pillars, and where implementing ESG within the businesses and managing the associated risks are discussed.

Environment

The Company and Group are determined to reduce their environmental impact as much as possible. In 2022, the Group launched the global Environmental policy with a focus on three areas: to raise awareness, reduce emissions and reduce waste. Some of the actions taken in the UK and worldwide were as follows:

- Relaunch of a UK environmental committee to help take action on operational changes across UK offices, with similar committees being created globally.
- Environmental volunteering: River clean ups/tree planting/mangrove planting/plastic fishing. Launch of a sustainability knowledge library on Workplace. Through the library, employees are able to learn about the three pillars of sustainability including what climate change is and how it is impacting the Group. This information is available globally to over 9,000 employees with access to the platform.
- In April, the Group held an in person event in our London headquarters to encourage employees to play The Banana Game and think about the carbon emissions associated with everyday items they use. To celebrate World Earth Day, the Group hosted the game virtually to ensure wider employee engagement. Having bought the game, the Group plan on continuing to deliver awareness events internally as well as, externally with school partners.
- This year, the Howden Group Foundation partnered with The Prince's Trust to develop and launch a new collection of learning resources for The Trust's Achieve programme. These resources support young people across the country to build their awareness around sustainability, and specifically climate change. This project has equipped teachers and education advisors with the framework and content to engage students and develop their knowledge around an important topic as part of the Achieve programme curriculum.
- In November 2021, the Group's attendance at COP26, which included a keynote speech from David Howden at the World Climate Summit, was an important platform for promoting the role of the insurance industry in helping society to respond to the climate crisis. This year the Group participated in COP27 to build on this message and engagement.

Reduce emissions

- Reducing carbon footprint: Over the course of 2022, the Group has been working on better understanding the financial year 2021 emission data and more recently collecting the 2022 emission data. The Group have put on training to better upskill our ESG leads in reporting this data, but still have some way to go in order to get more accurate data. Nevertheless, the data that the Group does have is enabling us to get a better understanding of the hot spots and the decarbonisation levers, and as such the Group looks to set an Science Based Target Initiative (SBTI) aligned net zero target of 2040 and in the interim of this, any residual will continue to be offset.

HOWDEN REINSURANCE BROKERS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

Directors' statement of compliance with duty to promote the success of the Company (continued)

- Carbon neutrality: In 2021 the Group over compensated and offset 26,000 tonnes CO₂e through the Makame Savannah REDD project and as they finalise our F22 emission data, the Group will be retiring a further 40,000 tonnes CO₂e through a blend of removal and avoidance projects. The Group understands its responsibility for UK businesses under the Streamlined Energy & Carbon Reporting ("SECR") which is a UK Government reporting programme that came into force on 1 April 2019.
- Energy efficiency: to use energy efficient lighting wherever possible e.g. motion sensor lights and some have moved to 100% renewable energy.
- BREEAM rating of 'Excellent' for our UK Group headquarters in London. The same approach for an ecobuilding is being taken with other office buildings worldwide.

Reduce Waste

- Waste management & recycling: to replace paper with electronic media. The Group provides recycling bins for paper, cardboard, glass and batteries and actively encourage employees to reduce waste and recycle.
- The Group has continued a partnership with Seven Clean Seas and pledged to reduce plastic consumption, and offset the rest, as part of our wider commitment to curbing the impact our business has on the environment. The Group have started by removing single use plastic: where possible we are removing and finding alternatives to single use plastic in the workplace e.g. stationery, meeting rooms. Two waste audits have taken place in London to better understand our waste composition, and in 2022 we offset over 98,000kg of plastic the estimated amount used by the workforce globally during 2021 and 2022.
- Using environmentally responsible materials: to source Forestry Stewardship Council paper for use in all of our printers and recycled black and white toner cartridges, recycled notepad paper and biros etc.
- For 2023, the Group will be required to report against the Task Force for Climate related Financial Disclosure (TCFD) framework, and as such is in preparation for this by building in climate risk into the Group risk management framework. The Group has also reported against the ClimateWise principles which are TCFD aligned.

Diversity and Inclusion (D&I)

The Company believes in equal opportunities for all employees, regardless of race, religion, gender, age, sexual orientation, or disability. The Company and Howden Group are committed to attracting, developing and retaining a diverse workforce and to building a culture of equality and diversity in the workplace.

The Company provides a supportive and welcoming workplace environment, which represents the communities and cultures within which it operates. The aim is to ensure that everyone receives the same consideration when applying for jobs, and that they have access to the same training, career development and prospects so they can contribute to their full potential.

The Company expects the highest standards from its employees, and has put in place policies and procedures to support its expectations.

The Company is committed to developing diversity and inclusion awareness and behaviours of employees and senior leadership across the world in order to ensure best practice. Howden Group launched a D&I committee to develop the D&I agenda globally so that we can continue to attract and retain the right talent, and continue to create an inclusive culture that values and supports every employee.

The Group continues to partner with external organisations that support the D&I agenda and align with our values. These partnerships include everywoman, Moving Ahead and DiveIn Festival.

HOWDEN REINSURANCE BROKERS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

Directors' statement of compliance with duty to promote the success of the Company (continued)

The employee resource group Respect continues to go from strength to strength. The mission of Respect is to create a positive, respectful and inclusive culture through education and conversation. There are several groups within Respect such as gender balance, multiculturalism, mental health and disability. Respect is open to all UK employees and following its successful launch in the UK, is looking to expand globally, with some groups already having members from across the globe.

Giving back

Charitable giving and volunteering

CSR activities form part of the Group's wider Sustainability approach, and the Group's CSR strategy consists of three key themes:

- **Education** – working with young people and those not in education, employment, or training through social mobility projects to get them into work;
- **Enterprise** – supporting young entrepreneurs, social entrepreneurs and environmental entrepreneurs to get their businesses off the ground; and
- **Environment** – finding ways to reduce the Group's environmental impact in how it goes about its day to day business.

In person fundraising was limited in Q1 due to COVID-19 related restrictions, but gained traction from Q2 onwards, where we saw large scale engagement events pick up again including charity ball, quiz nights, challenge walking and cycling events and much more. During the year, over £374,661 was raised by employees worldwide.

Over the course of 2022, the Group's partnerships with local schools and charity partners have continued. Whilst virtual engagement opportunities (e.g. online CV reviews, online workshops) have been available throughout the year, only in Q3 have the charity and school partners started to open their doors in person to employee engagement opportunities e.g. career insight visits, mentoring and community volunteering in foodbanks and local outdoor spaces.

All employees are entitled to two volunteer days per annum. Employees can volunteer with a Group approved initiative or put forward a request for a charity they have a personal connection with. During the year, 6,996 hours of volunteering were recorded.

In March 2022, the Group launched the first Get Into insurance programme in partnership with the Prince's Trust and LIIBA (London and International Insurance Brokers' Association), an early careers programme encouraging local young people to think about Insurance as a career path providing them with work experience and entry level roles. Following a successful 2 week programme, the Group have hired or placed into employment 12 out of 16 participants within Howden and the wider London Insurance Market.

Global Group Giving Week

Each year the Group aims to bring employees together to make a huge impact amongst the communities in which they live and work. Activity may include: fundraising; volunteering; raising awareness events and pro bono support. All activities are inclusive and open to all employees; in support of local organisations; compliant with local fundraising and volunteering regulations and reported to the CSR team. The Global Group Giving Week has continued to gain traction and momentum across the Group as it grows in headcount, and with more opportunities to engage with one another and the local community we saw even more volunteering take place this year, with over 800 hours volunteered and £70,000 raised for charities across 50 charities worldwide.

HOWDEN REINSURANCE BROKERS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

Directors' statement of compliance with duty to promote the success of the Company (continued)

Howden Group Foundation

The Howden Group Foundation (HGF) is a charity registered in England & Wales (charity number 1156286) that is supported by Howden Group and its employees. Founded in 2014, HGF demonstrates the commitment of the Group to improving the lives of others and, as a shareholder in the Group, we know that the good work we can do through HGF will continue to grow as the Group does. Since its inception, HGF has donated in excess of £4m to over 900 charities around the world and has significant resources to deploy over the coming years.

Over the course of 2022, HGF has continued to make strategic grants that align with the Group's CSR strategy to support Education, Entrepreneurship and Environment initiatives including grants made to the Prince's Trust, Care Channels International and The Nature Conservancy. In addition, HGF has continued to support the charitable giving of Group employees and the communities in which they live and work through its matched giving scheme and the annual Investing in the Community Awards. HGF has also invested in its operations and governance by hiring a dedicated team as well as inviting three independent trustees to join the Board.

Following a recent strategic review, the Foundation's Board has launched a new, focused purpose for their work. HGF's mission will be to protect people against the social and economic shocks of climate change. Specifically, HGF will support solutions that drive climate change adaptation and disaster risk reduction, with the aim of decreasing vulnerability and increasing climate resilience for the most vulnerable communities around the world. With support from the Group, HGF will offer both financial and nonfinancial support to its grant partners around the world.

The outcomes of the review have provided HGF with a clear roadmap for the Group's future, and mark the beginning of a new and exciting chapter in the Foundation's history.

Streamlined Energy and Carbon Reporting

The required SECR disclosures are made within the group accounts of the ultimate parent company, Howden Group Holdings Limited, as per the Environment Reporting Guidelines.

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



E Richardson
Director

Date: 20 December 2022

HOWDEN REINSURANCE BROKERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2022

The Directors present their report and the audited financial statements for the year ended 30 September 2022.

Principal activity

The principal activity of the Company was that of being a wholesale and specialty reinsurance broker. The entity is authorised and regulated by the Financial Conduct Authority.

Results and dividends

The loss for the year, after taxation, amounted to £6,869k (2021 - a profit of £987k).

During the year the Company paid a dividend of £17,000k (2021 - £130,000k). This equates to a dividend per share of £1.70 (2021 - £13). The Directors do not recommend the payment of any further dividends following the year end.

The Administrative expenses for the year amounted to £52,354k (2021 - a credit of 1,207k). The movement in these expenses is due to discontinuing operations and a branch closure in 2021 that resulted in a credit of Administrative expenses.

Directors

The Directors who served during the year and up until the date of signing, unless otherwise stated, were:

P A Gudgeon (appointed 11 October 2021)
E Richardson (appointed 11 October 2021)
S A Davies (appointed 2 November 2021)
A Farooq (appointed 1 June 2022)
D Garland (appointed 3 May 2022)
B J A Maltese (appointed 9 June 2022)
A S W Hall (resigned 11 October 2021)
A K Cameron (resigned 31 March 2022)
B D Rugge-Price (appointed 12 November 2021, resigned 3 May 2022)

Charitable donations

The Company made £0.5k (2021 - £14k) of charitable donations in the year ended 30 September 2022.

Employment policies

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

Applications for employment by disabled persons are always fully considered having regard to their particular aptitudes and abilities. Should an employee become disabled, every effort will be made to ensure that their employment with the Company continues and, in the event that they are unable to continue to work, that their financial interests are safeguarded. The Company's policy is designed to ensure that, as far as possible, the opportunities for training, career development and prospects of disabled persons should be identical with those for other employees.

Employees are kept informed of the financial and economic performance of the Group by means of regular briefings and consultation.

HOWDEN REINSURANCE BROKERS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

Directors' indemnities

Howden Group Holdings Limited, the ultimate holding company, has made qualifying third party indemnity provisions for the benefit of the Company Directors which were made during the year and remain in force at the date of this report.

Existence of branches of the Company outside the United Kingdom

In 2021, the Company had one overseas branch in the United Arab Emirates, from which it earned income (2021: £450k). This branch was closed on 30 May 2021, and as a result there is no income from branches outside the UK in 2022.

Matters covered in the Strategic Report

The following information has been included in the Strategic Report and incorporated into this report by reference:

- financial risk management; and
- future developments

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

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

Post balance sheet events

As an entity regulated by the FCA, Howden Reinsurance Brokers Limited has an obligation under Threshold Condition (TC) 2.4 to hold adequate financial and non-financial resources, and put in place a wind-down plan (WDP)

As such, the Company has ring fenced £6.0m in anticipation of an assessment of the resources needed to support an orderly wind-down being completed. This reserve would allow the Company to exit the market, if required, in an orderly manner without causing harm to its clients or the market itself.

Going concern

The Directors have a reasonable expectation that the Company has sufficient cash and working capital to meet all financial obligations for the period to 31 December 2023. They have adopted the going concern basis in preparing the annual financial statements.

Further details regarding going concern are in note 2.3 to the financial statements.

Independent Auditor

The auditor, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

HOWDEN REINSURANCE BROKERS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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



A Farooq
Director

Date: 20 December 2022

HOWDEN REINSURANCE BROKERS LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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

Company law requires the Directors to prepare audited 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 audited financial statements, the Directors are required to:

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

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

HOWDEN REINSURANCE BROKERS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOWDEN REINSURANCE BROKERS LIMITED

Opinion

We have audited the financial statements of Howden Reinsurance Brokers Limited (the 'Company') for the year ended 30 September 2022 which comprise the Income statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes In Equity and the related notes 1 to 23, 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 30 September 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the period to 31 December 2023.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

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

HOWDEN REINSURANCE BROKERS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOWDEN REINSURANCE BROKERS LIMITED

Other information (continued)

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.

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 18, 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.

HOWDEN REINSURANCE BROKERS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOWDEN REINSURANCE BROKERS LIMITED

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.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are the direct laws and regulations related to elements of Company law and tax legislation, and the financial reporting framework (UK GAAP);
- We obtained a general understanding of how the Company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance matters. We also reviewed minutes of the Board of directors; and gained an understanding of the Company's approach to governance, demonstrated by the Board's approval of the Company's governance framework;
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the controls that the Company has established to address risks identified by the entity, or that otherwise seek to prevent, deter or detect fraud;
- Further, we performed audit procedures which included testing the appropriateness of journal entries recorded in the general ledger, with a focus on manual journals and evaluating the business rationale for significant and/or unusual transactions; and
- We designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved making enquiry of those charged with governance and senior management for their awareness of any non-compliance of laws and regulations, enquiring about the policies that have been established to prevent non-compliance with laws and regulations by officers and employees, and inquiring about the Company's methods of enforcing and monitoring compliance with such policies.

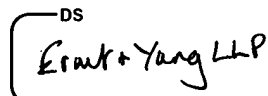
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

HOWDEN REINSURANCE BROKERS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOWDEN REINSURANCE BROKERS
LIMITED

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.

^{DS}
The image shows a handwritten signature in black ink that reads "Ernst & Young LLP". The signature is enclosed within a thin black rectangular border. Above the signature, the letters "DS" are printed in a small font.

Robert Bruce (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date: 20/12/2022

HOWDEN REINSURANCE BROKERS LIMITED

INCOME STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Note	2022 £000	2021 £000
Revenue	4	43,189	450
Administrative expenses		(52,354)	1,207
Other operating income		856	-
Operating (loss)/profit		(8,309)	1,657
Interest payable and similar expenses	10	-	(190)
(Loss)/profit on ordinary activities before taxation		(8,309)	1,467
Tax rebate/(charge)	11	1,440	(480)
(Loss)/profit for the year		(6,869)	987

There were no recognised gains and losses for 2022 or 2021 other than those included in the income statement.

The notes on pages 28 to 43 form part of these financial statements.

HOWDEN REINSURANCE BROKERS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	2022 £000	2021 £000
(Loss)/profit for the year	(6,869)	987
Transfer to other group companies	-	(3,122)
Foreign exchange gains	-	127
Other comprehensive income for the year	-	(2,995)
Total comprehensive income for the year	(6,869)	(2,008)

The notes on pages 28 to 43 form part of these financial statements.

HOWDEN REINSURANCE BROKERS LIMITED
REGISTERED NUMBER: 07142031

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

	Note	2022 £000	2021 £000
Current assets			
Debtors	12	36,791	34,467
Cash at bank and in hand	13	23,854	205
		<u>60,645</u>	<u>34,672</u>
Creditors: amounts falling due within one year	14	(36,987)	(4,154)
Net current assets		<u>23,658</u>	<u>30,518</u>
Total assets less current liabilities		<u>23,658</u>	<u>30,518</u>
Net assets		<u><u>23,658</u></u>	<u><u>30,518</u></u>
Capital and reserves			
Called up share capital	16	10,000	10,000
Other reserves	17	9	-
Retained earnings	17	13,649	20,518
Total equity		<u><u>23,658</u></u>	<u><u>30,518</u></u>

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



A Farooq
Director

Date: 20 December 2022

The notes on pages 28 to 43 form part of these financial statements.

HOWDEN REINSURANCE BROKERS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Called up share capital	Other reserves	Retained earnings	Total equity
	£000	£000	£000	£000
At 1 October 2021	10,000	-	20,518	30,518
Comprehensive income for the year				
Loss for the year	-	-	(6,869)	(6,869)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(6,869)	(6,869)
Shares issued during the year (note 16)	17,000	-	-	17,000
Shares cancelled during the year (note 16)	(17,000)	-	-	(17,000)
Transfer to distributable reserves	-	-	17,000	17,000
Dividends	-	-	(17,000)	(17,000)
Share based payment (note 18)	-	9	-	9
Total transactions with owners	-	9	-	9
At 30 September 2022	10,000	9	13,649	23,658

The notes on pages 28 to 43 form part of these financial statements.

HOWDEN REINSURANCE BROKERS LIMITED

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

	Called up share capital	Other reserves	Retained earnings	Total equity
	£000	£000	£000	£000
At 1 October 2020	50,050	3,122	81,623	134,795
Comprehensive income for the year				
Profit for the year	-	-	987	987
Transfer of share based payment	-	(3,122)	-	(3,122)
Exchange rate impact	-	-	127	127
Other comprehensive income for the year	-	(3,122)	127	(2,995)
Total comprehensive income for the year	-	(3,122)	1,114	(2,008)
Dividends: Equity capital	-	-	(130,000)	(130,000)
Transfer of distributable reserves	-	-	40,050	40,050
Shares cancelled during the year	(40,050)	-	-	(40,050)
Capital contribution	-	27,731	-	27,731
Cancellation of capital contribution	-	(27,731)	27,731	-
Total transactions with owners	(40,050)	-	(62,219)	(102,269)
At 30 September 2021	10,000	-	20,518	30,518

The notes on pages 28 to 43 form part of these financial statements.

All transfers were made to the fellow group company, Howden Insurance Brokers Limited.

HOWDEN REINSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

1. General information

The Company is a private company limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The address of its registered office is One Creechurch Place, London, United Kingdom, EC3A 5AF. Company number 07142031.

The principal activity of the Company is disclosed in the Directors' Report on page 15.

The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006.

These financial statements have been presented in Pound Sterling (£), this being the functional currency of the Company and currency of its primary economic environment.

Monetary amounts included within these financial statements have been rounded to the nearest thousand (£'000).

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

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

2.2 Financial reporting standards 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows and paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraph 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26, 12.27, 12.29(a), 12.29(b), and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21, and 26.23; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Howden Group Holdings Limited as at 30 September 2022 and these financial statements may be obtained from One Creechurch Place, London, EC3A 5AF.

HOWDEN REINSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

2. Accounting policies (continued)

2.3 Going concern

As at 30 September 2022, the Company has net assets of £23,658k (2021 - £30,518k) and net current assets of £23,658k (2021 - £30,518k).

Having considered the aforementioned, and after making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the period to 31 December 2023. Accordingly, the Company continues to adopt the going concern basis in preparing the financial statements.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Revenue consists principally of brokerage, commissions and fees associated with the placement of insurance contracts, net of commissions payable to other directly involved parties. Revenue from brokerage, commission and fees are recognised on the inception date of the risk. Any adjustments to commissions arising from premium additions or reductions are recognised as and when they are notified by third parties.

Where contractual obligations exist for the performance of post placement activities, a relevant proportion of revenue received on placement is deferred and recognised over the period during which the activities are performed.

Profit commission is recognised when the amount can be estimated, with a reasonable degree of certainty, and is equivalent to the minimum value expected to be received.

2.5 Insurance intermediary assets and liabilities

Insurance intermediaries act as agents in placing the insurable risks of their clients with insurers and as such, generally, are not liable as principals for the amounts arising from such transactions. Accordingly, receivables arising from insurance broking transactions are not included as assets of the Company, other than the receivable for fees and commissions earned on the transaction, which is recognised within trade receivables. No recognition of the insurance transaction occurs until the Company receives cash in respect of premiums or claims, at which time a corresponding liability is established in favour of the insurer or the client and is recognised as an insurance payable.

Fiduciary cash arising from insurance broking transactions is included within insurance cash. The Company is entitled to retain the investment income on any cash flows arising from insurance related transactions.

HOWDEN REINSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

2. Accounting policies (continued)

2.6 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Income Statement over its useful economic life and shall not exceed 10 years.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software in development

Costs of developing computer software are accumulated as work in progress until the development has been completed and released for use.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

The estimated useful lives range as follows:

Goodwill	-	ten years
Computer software	-	three to ten years

2.7 Tangible assets

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

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

HOWDEN REINSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

2. Accounting policies (continued)

2.7 Tangible assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold property improvements	-	over the outstanding lease period
Fixtures and fittings	-	four to ten years
Computer equipment	-	three to five years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Development costs have been capitalised in accordance with FRS 102 Section 18 Intangible Assets other than Goodwill and are therefore not treated, for dividend purposes, as a realised loss.

2.8 Debtors

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

2.9 Cash and cash equivalents

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

HOWDEN REINSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

2. Accounting policies (continued)

2.10 Financial instruments

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

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

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

2.11 Creditors

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

2.12 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

HOWDEN REINSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

2. Accounting policies (continued)

2.13 Foreign currency translation

Functional and presentational currency

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

Transactions and balances

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

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

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

Foreign exchange gains and losses that relate to borrowings are presented in the Income Statement within 'finance income or costs'.

2.14 Dividends

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

2.15 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

HOWDEN REINSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

2. Accounting policies (continued)

2.16 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.17 Interest income

Interest income is recognised in the Income Statement using the effective interest method.

2.18 Current and deferred taxation

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

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

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

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

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

HOWDEN REINSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

3. Critical accounting judgements and key sources of estimation uncertainty

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

Critical judgements in applying the Company's accounting policies

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

Revenue recognition

Revenue includes commission and fees receivable at the later of policy inception date or when the policy placement has been completed and confirmed. To the extent that the Company is contractually obliged to provide services after this date, a suitable proportion of income is deferred and recognised over the life of the relevant contracts to ensure that revenue appropriately reflects the fair value of the fulfilment of these obligations. Profit commission and other contingent fee arrangements are recognised over the life of the relevant arrangement or when they can be measured with reasonable certainty.

Key sources of estimation uncertainty

Macro economic, geo-political and global events

Future forecasts feed into a number of areas such as going concern review, impairment review and valuation of client relationships. In forming these forecasts, considerations are made over the impact of global inflationary pressures, Russia/Ukraine conflict and COVID-19 continuing to impact certain parts of the world, which the Company trades in.

Accordingly, these are key sources of estimation uncertainty when forecasting the impact on our clients, general insurance market and economic backdrop.

Nevertheless, it should be noted that the Company recorded strong revenue growth for the year ending September 2022, thus reducing the risk of over optimistic forecasts.

HOWDEN REINSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

4. Turnover

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

	2022 £000	2021 £000
Brokerage, commissions and fees	43,189	450

Analysis of turnover by country of destination:

	2022 £000	2021 £000
United Kingdom	12,060	-
Rest of Europe	1,672	-
Rest of the world	29,457	450
	43,189	450

The income in 2021 was earned from the United Arab Emirates branch which was closed on 30 May 2021.

5. Other operating income

	2022 £000	2021 £000
Other income	856	-

Other Income related to income received from fellow group subsidiaries as a result of client introductions.

6. Operating (loss)/profit

The operating profit is stated after charging/(crediting):

	2022 £000	2021 £000
Exchange differences	(3,522)	(949)
Other operating lease rentals	-	60

HOWDEN REINSURANCE BROKERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

7. Auditor's remuneration

	2022	2021
	£000	£000
Fees payable to the Company's auditor in respect of the audit of the Company's annual financial statements	<u>40</u>	<u>8</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the group financial statements of the ultimate parent company, Howden Group Holdings Limited.

8. Employees

Staff costs, including Directors' remuneration, were as follows:

	2022	2021
	£000	£000
Wages and salaries	26,739	(301)
Social security costs	2,648	6
Cost of defined contribution scheme	1,237	24
	<u>30,624</u>	<u>(271)</u>

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

	2022	2021
	No.	No.
Directors and management	4	-
Insurance professionals	93	-
Administration	15	-
	<u>112</u>	<u>0</u>

HOWDEN REINSURANCE BROKERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

9. Directors' remuneration

	2022 £000	2021 £000
Directors' emoluments	2,989	-
Company contributions to defined contribution pension schemes	14	-
	<u>3,003</u>	<u>-</u>

During the year retirement benefits were accruing to 2 Directors (2021 - 0) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £2,013,643 (2021 - £Nil).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £4,000 (2021 - £Nil).

10. Interest payable and similar expenses

	2022 £000	2021 £000
Loans from group undertakings (see note 14)	<u>-</u>	<u>190</u>

11. Taxation

	2022 £000	2021 £000
Corporation tax		
Current tax on profit for the year	1,423	291
Adjustments in respect of previous periods	(2,861)	(103)
Total current tax	<u>(1,438)</u>	<u>188</u>
Deferred tax		
Origination and reversal of timing differences	-	176
Changes to tax rates	-	(1)
Adjustment in respect of prior years	(2)	117
Total deferred tax	<u>(2)</u>	<u>292</u>
Taxation on (loss)/profit on ordinary activities	<u>(1,440)</u>	<u>480</u>

No tax was charged or credited directly to the Statement of Changes in Equity in the current or prior year.

HOWDEN REINSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £000	2021 £000
(Loss)/Profit on ordinary activities before tax	(8,309)	1,467
(Loss)/Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	(1,579)	279
Effects of:		
Expenses not deductible for tax purposes	3,002	189
Adjustments to tax charge in respect of prior periods	(2,861)	13
Adjustments to tax charge in respect of prior periods - deferred tax	(2)	-
Tax rate changes	-	(1)
Total tax (rebate)/charge for the year	(1,440)	480

Factors that may affect future tax charges

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom would increase from 19% to 25%.

Deferred tax is provided for at 25% as that was the substantially enacted rate at the reporting date.

HOWDEN REINSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

12. Debtors

	2022 £000	2021 £000
Insurance debtors	26,981	-
Amounts owed by group subsidiaries	6,440	34,461
Amounts owed by parent company	714	-
Other debtors	1,927	2
Prepayments and accrued income	201	-
Tax recoverable	521	-
Deferred taxation	7	4
	<u>36,791</u>	<u>34,467</u>

Amounts owed by group undertakings are interest free, unsecured and repayable on demand within 12 months.

Trading balances are not interest bearing, arranged facilities will bear interest at a pre-arranged and competitive rate.

13. Cash and cash equivalents

	2022 £000	2021 £000
Bank current accounts	536	205
Insurance bank balances	23,318	-
	<u>23,854</u>	<u>205</u>

14. Creditors: Amounts falling due within one year

	2022 £000	2021 £000
Insurance creditors	23,318	-
Amounts owed to group companies	671	3,785
Corporation tax	-	361
Accruals and deferred income	12,998	8
	<u>36,987</u>	<u>4,154</u>

Amounts owed to group companies are interest free, unsecured and repayable on demand within 12 months.

HOWDEN REINSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

15. Deferred taxation

	2022 £000	2021 £000
At beginning of year	4	180
Charged to the Income Statement	3	(176)
At end of year	7	4

The deferred tax asset is made up as follows:

	2022 £000	2021 £000
Accelerated capital allowances	7	4

16. Called up share capital

	2022 £000	2021 £000
Allotted, called up and fully paid		
10,000,000 Ordinary shares of £1 each	10,000	10,000

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

On 3 May 2022 there was a further recapitalisation of £17,000k made.

On 18 May 2022, the share capital of the Company, being 27,000k ordinary shares of £1 each reduced from £27,000k to £10,000k by cancelling and extinguishing 17,000k ordinary shares of £1 each.

17. Reserves

Other reserves

Other reserves includes shares awarded to employees for nil cash consideration which have been treated as equity settled share-based payments.

Share based payment reserve

The share based payment reserve consists of the total contribution to the equity capital of the Company that was not made in exchange for shares.

Retained earnings

Retained earnings consists of consists of current and prior period retained profits and losses, less any dividends paid.

HOWDEN REINSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

18. Share based payments

The Company participates in a group share-based payment plan, whereby employees of the Company are issued with "D" or "E" shares of Howden Group Holdings Limited, the ultimate parent company. The "D" or "E" shares convert to "A" shares of Howden Group Holdings Limited based on a number of conditions, which include continued employment after four or five years, performance of the relevant business unit and performance of the "A" share price of Howden Group Holdings Limited. The charge recognised in the income statement of £9k in the year ended 30 September 2022 (2021: £Nil) is calculated based on the fair value of the "D" or "E" shares issued to the employees of the Company.

19. Contingent liabilities

The Company is a guarantor for the Group's main lending facilities. This facility was entered into by HGH Finance Limited, HIG Finance 2 Limited and Hyperion Refinance S.a.r.l. and the senior first lien tranche of this facility matures in November 2027, with other junior tranches in security maturing between 2028 to 2031.

20. Commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £1,264k (2021 - £24k).

There were no outstanding contributions payable to the fund at the reporting date (2021 - £Nil).

21. Related party transactions

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

There were no other related party transactions in the year.

22. Post balance sheet events

As an entity regulated by the FCA, Howden Reinsurance Brokers Limited has an obligation under Threshold Condition (TC) 2.4 to hold adequate financial and non-financial resources, and put in place a wind-down plan (WDP).

As such, the Company has ring fenced £6.0m in anticipation of an assessment of the resources needed to support an orderly wind-down being completed. This reserve would allow the Company to exit the market, if required, in an orderly manner without causing harm to its clients or the market itself.

HOWDEN REINSURANCE BROKERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

23. Controlling party

The Company's immediate parent undertaking and controlling party is Howden Reinsurance Brokers Holdings Limited, a Company incorporated in the United Kingdom and registered in England and Wales. The registered office of this company is One Creechurch Place, London, United Kingdom, EC3A 5AF.

The Company's ultimate parent company is Howden Group Holdings Limited, a company incorporated in the United Kingdom and registered in England and Wales. The registered address of this company is One Creechurch Place, London, EC3A 5AF.

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