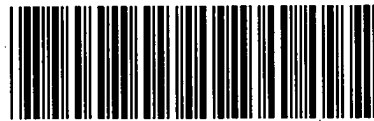


**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE PERIOD 1 SEPTEMBER 2013 TO 31 DECEMBER 2014
FOR
GILES HOLDINGS LIMITED**

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GILES HOLDINGS LIMITED

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FOR THE PERIOD 1 SEPTEMBER 2013 TO 31 DECEMBER 2014**

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GILES HOLDINGS LIMITED

**COMPANY INFORMATION
FOR THE PERIOD 1 SEPTEMBER 2013 TO 31 DECEMBER 2014**

DIRECTORS:	M Pike T Gallagher
SECRETARY:	J D Wade
REGISTERED OFFICE:	Spectrum Building 7th Floor 55 Blythswood Street Glasgow G2 7AT
REGISTERED NUMBER:	SC246391 (Scotland)
AUDITOR:	Ernst & Young LLP Statutory Auditor 1 More London Place London SE1 2AF

GILES HOLDINGS LIMITED

STRATEGIC REPORT FOR THE PERIOD 1 SEPTEMBER 2013 TO 31 DECEMBER 2014

The Directors present their Strategic Report for the Group for the period ended 31 December 2014.

PRINCIPAL ACTIVITIES

The Company's principal activity is that of a holding Company for the Rossborough brand of insurance services. The Company did not trade in the current period.

REVIEW OF BUSINESS AND FUTURE ACTIVITIES

The results of the Company for the period show a loss on ordinary activities before tax of £462k (2013:£220k loss). The shareholders' funds of the Company total £7,236k (2013:£6,733k).

RESULTS AND DIVIDENDS

The total profit for the period of £503k was transferred to reserves. Dividends of £nil were paid during the period (2013:£nil). Investment income by way of dividends from subsidiaries for the period was £nil (2013:£nil)

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's operations and debt profile expose it to a variety of financial risks including the effects of changes in liquidity and interest rates. The Company has in place a risk management programme and policies that seek to limit the adverse impact upon the Company of these financial risks.

Borrowing facilities and liquidity risk

The Group maintains facilities to ensure it has adequate funds available to finance operations and the growth of the business.

Interest rate risk

The Company has no material interest bearing liabilities that would give rise to exposures to fluctuations in interest rates.

Risk management

The Company's immediate parent is Quillco 227 Limited and its ultimate parent is Arthur J. Gallagher & Co. Robust risk management is fundamental to the achievement of the Group's objectives. The Group's Board of Directors are responsible for setting the Group's risk appetite and ensuring that it has an appropriate and effective risk management framework and monitors the ongoing process for identifying, evaluating, managing and reporting significant risks faced. To facilitate this, the Group maintains a risk framework, through which the key risks affecting the Group are identified, assessed and monitored.

BY ORDER OF THE BOARD:


.....
J D Wade - Secretary

Date: 28 September 2015

GILES HOLDINGS LIMITED

REPORT OF THE DIRECTORS FOR THE PERIOD 1 SEPTEMBER 2013 TO 31 DECEMBER 2014

The directors present their audited report with the financial statements of the company for the period ended 31 December 2014.

DIVIDENDS

No dividends will be distributed for the period ended 31 December 2014.

DIRECTORS

Changes in Directors holding office are as follows:

A Hessett - resigned 9 July 2014
P Matson - resigned 31 January 2014
B McManus - resigned 30 June 2014
D Ross - appointed 31 January 2014 - resigned 9 February 2015
M Mugge - appointed 31 January 2014 - resigned 26 January 2015
M Pike - appointed 26 January 2015
T Gallagher - appointed 17 March 2015

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company Law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 maintaining adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' INDEMNITY PROVISION

The Director has benefitted from qualifying third party indemnity provisions in place during the financial period and to the date of this report.


STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITOR

Ernst & Young LLP are deemed reappointed as the Company's auditor in accordance with section 485 of the Companies Act 2006.

BY ORDER OF THE BOARD:


.....
J D Wade - Secretary

Date: 28 September 2015

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF GILES HOLDINGS LIMITED

We have audited the financial statements of Giles Holdings Ltd. for the period ended 31 December 2014, which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report, the Directors' Report and the Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its profit for the period 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

Ernst & Young LLP

John Headley (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP
Statutory Auditor
London

Date: *28 September 2015*

GILES HOLDINGS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD 1 SEPTEMBER 2013 TO 31 DECEMBER 2014**

	Notes	Period 1.9.13 to 31.12.14 £'000	Year Ended 31.8.13 £'000
TURNOVER		-	-
Administrative expenses		<u>(2)</u>	<u>30</u>
OPERATING (LOSS)/PROFIT	3	(2)	30
Interest payable and similar charges	4	<u>(460)</u>	<u>(250)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(462)	(220)
Tax on loss on ordinary activities	5	<u>965</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD		<u>503</u>	<u>(220)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current period or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the current period and the loss for the previous year.


The notes form part of these financial statements

GILES HOLDINGS LIMITED (REGISTERED NUMBER: SC246391)

**BALANCE SHEET
31 DECEMBER 2014**

	Notes	£'000	2014 £'000	£'000	2013 £'000
FIXED ASSETS					
Investments	6		84,749		84,749
CREDITORS					
Amounts falling due within one year	7	<u>77,513</u>		<u>78,016</u>	
NET CURRENT LIABILITIES			<u>(77,513)</u>		<u>(78,016)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>7,236</u>		<u>6,733</u>
CAPITAL AND RESERVES					
Called up share capital	8		1		1
Share premium	9		5,081		5,081
Profit and loss account	9		<u>2,154</u>		<u>1,651</u>
SHAREHOLDERS' FUNDS	11		<u>7,236</u>		<u>6,733</u>

The financial statements were approved by the Board of Directors on 28 September 2015 and were signed on its behalf by


.....
M Pike - Director

The notes form part of these financial statements

GILES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 SEPTEMBER 2013 TO 31 DECEMBER 2014

1. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared on a going concern basis, under the historical cost convention, in accordance with the Companies Act 2006 and comply with UK GAAP. These accounting policies have been applied consistently during the period.

The Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1. The Company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Arthur J. Gallagher & Co. Group or investees of the Arthur J. Gallagher & Co. Group.

Fixed asset investments

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

2. DIRECTORS' EMOLUMENTS

The Directors were remunerated during the year by Arthur J. Gallagher Insurance Brokers Limited (formerly known as Giles Insurance Brokers Limited), a subsidiary within the Group, and Arthur J. Gallagher & Co., the ultimate parent undertaking. The Directors have not received any emoluments during the year in respect of their services as a Director of the Company (2013:£nil) and it would not be practicable to apportion their emoluments between their services as Directors of the Company and their services as Directors of other Group companies. The Company has not been recharged any amount for the emoluments of these Directors (2013:£nil).

3. OPERATING (LOSS)/PROFIT

The operating loss (2013 - operating profit) is stated after charging:

	Period 1.9.13 to 31.12.14 £'000	Year Ended 31.8.13 £'000
Auditors' remuneration	<u>2</u>	<u>-</u>

Audit fees relating to 2013 were borne and paid for by Arthur J. Gallagher Insurance Brokers Limited, a fellow subsidiary undertaking.

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Period 1.9.13 to 31.12.14 £'000	Year Ended 31.8.13 £'000
Intercompany loan interest	<u>460</u>	<u>250</u>

5. TAXATION

Analysis of the tax credit

The tax credit on the loss on ordinary activities for the period was as follows:

	Period 1.9.13 to 31.12.14 £'000	Year Ended 31.8.13 £'000
Current tax:		
Group relief	<u>(965)</u>	<u>-</u>
Tax on loss on ordinary activities	<u>(965)</u>	<u>-</u>

GILES HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 SEPTEMBER 2013 TO 31 DECEMBER 2014**

5. TAXATION - continued

Factors affecting the tax credit

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	Period 1.9.13 to 31.12.14 £'000	Year Ended 31.8.13 £'000
Loss on ordinary activities before tax	<u>(462)</u>	<u>(221)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.870% (2013 - 23.580%)	(101)	(52)
Effects of:		
Group relief not paid for	-	708
Adjustments in respect of transfer pricing	<u>(864)</u>	<u>(656)</u>
Current tax credit	<u>(965)</u>	<u>-</u>

The Company profits are taxable in the UK under the standard rate of corporation tax being 21.78% (2013:23.58%). The Company is expected to continue to attract the standard rate of UK corporation tax. The UK government legislated during 2013 to reduce the main rate of corporation tax to 21%, applicable from 1 April 2014, with a further reduction of 1% to 20% to apply from 1 April 2015. These reductions have reflected in the closing deferred tax asset, as they were enacted at the balance sheet date. Further legislation has been announced, due to be enacted post September 2015, to reduce the corporation tax rate 19% from 1 April 2017 and 18% from 1 April 2020. The impact of these changes is not quantifiable at this time.

The Company also has unrecognised deferred tax assets of £25,253 (2013:£27,993) in respect of unutilised tax losses. No deferred tax assets are recognised as these assets are not expected to be utilised in the foreseeable future.

Group relief has been paid for at 21.87% (2013:0%) which is in line with the Arthur J. Gallagher & Co. Group policy. The policy pre acquisition was that Group relief was surrendered for nil payment.

6. FIXED ASSET INVESTMENTS

	Shares in group undertakings £'000
COST	
At 1 September 2013 and 31 December 2014	<u>84,749</u>
NET BOOK VALUE	
At 31 December 2014	<u>84,749</u>
At 31 August 2013	<u>84,749</u>

At 31 December 2014, the Company held the share capital of a number of companies, both directly and indirectly. A full listing of these entities is detailed in note 13.

The Directors consider the value of the investments to be supported by their underlying assets.

GILES HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 SEPTEMBER 2013 TO 31 DECEMBER 2014**

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£'000	£'000
Amounts owed to group undertakings	77,511	78,016
Accruals and deferred income	<u>2</u>	<u>-</u>
	<u><u>77,513</u></u>	<u><u>78,016</u></u>

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

8. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2014	2013
Number:	Class:	Nominal value:	£'000	£'000
1,000,000	Ordinary shares	£0.001	<u>1</u>	<u>1</u>

9. RESERVES

	Profit and loss account	Share premium	Totals
	£'000	£'000	£'000
At 1 September 2013	1,651	5,081	6,732
Profit for the period	<u>503</u>	<u>-</u>	<u>503</u>
At 31 December 2014	<u><u>2,154</u></u>	<u><u>5,081</u></u>	<u><u>7,235</u></u>

10. PARENT COMPANY AND ULTIMATE HOLDING COMPANY

The immediate parent company is Quillco 227 Limited, a Company registered in Scotland. The largest Group of undertakings of which the Company is a member and for which financial statements are prepared is headed up by Arthur J. Gallagher & Co., a Company incorporated in the United States of America, which is the ultimate parent undertaking. A copy of the consolidated financial statements is available from the registered office of Giles Holdings Limited.

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014	2013
	£'000	£'000
Profit/(loss) for the financial period	<u>503</u>	<u>(220)</u>
Net addition/(reduction) to shareholders' funds	503	(220)
Opening shareholders' funds	<u>6,733</u>	<u>6,953</u>
Closing shareholders' funds	<u><u>7,236</u></u>	<u><u>6,733</u></u>

12. POST BALANCE SHEET EVENTS

The Directors agree that there are no post balance sheet events to disclose.

GILES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE PERIOD 1 SEPTEMBER 2013 TO 31 DECEMBER 2014

13. INVESTMENT IN SUBSIDIARIES

At 31 December 2014, the Company held the entire share capital of R.A. Rossborough Limited and 49% of the share capital of Arthur J. Gallagher Insurance Brokers Limited. The remaining investments are held by fellow subsidiary companies.

Name of Company	Country of registration	Holding	Proportion of shares held
Arthur J. Gallagher Insurance Brokers Limited	Scotland	Ordinary Shares	49%
R.A. Rossborough Limited	Jersey	Ordinary Shares	100%
R.A. Rossborough (Guernsey) Limited*	Guernsey	Ordinary Shares	100%
R.A. Rossborough (Insurance Brokers) Limited*	Jersey	Ordinary Shares	100%
Rossborough Healthcare International Limited*	Guernsey	Ordinary Shares	100%
Rossborough Insurance (IOM) Limited	Isle of Man	Ordinary Shares	100%
Rossborough Insurance Services Limited*	Jersey	Ordinary Shares	100%
Rossborough Insurance Brokers Limited*	England & Wales	Ordinary Shares	100%
Rossborough (Cayman Island)Limited*	Cayman Islands	Ordinary Shares	100%
Carrick Neill & Co. Limited*	Scotland	Ordinary Shares	100%
CBG Group Limited*	England & Wales	Ordinary Shares	100%
CBG Financial Management Limited*	England & Wales	Ordinary Shares	100%
CBG Insurance Brokers Limited*	England & Wales	Ordinary Shares	100%
Flysurre Limited*	England & Wales	Ordinary Shares	100%
Marcus Hearn & Co (Travel & Aviation) Limited*	England & Wales	Ordinary Shares	100%
Crosbie & Jack Insurance Services Limited*	Scotland	Ordinary Shares	100%
Dickson Insurance Brokers Limited*	England & Wales	Ordinary Shares	100%
JHIB Holdings Limited*	England & Wales	Ordinary Shares	100%
James Hampden Insurance Brokers Limited*	England & Wales	Ordinary Shares	100%
Robinson Leslie Limited*	England & Wales	Ordinary Shares	100%
Archibald Reid (Insurance Brokers) Limited*	England & Wales	Ordinary Shares	100%
Giles Project Risks Limited	England & Wales	Ordinary Shares	100%
Giles Plus Services Limited*	Scotland	Ordinary Shares	100%
Sutton Barnard Limited*	England & Wales	Ordinary Shares	100%
LRG Insurance Services Limited*	England & Wales	Ordinary Shares	100%
CBG London Limited*	England & Wales	Ordinary Shares	100%
CBG Sports Limited*	England & Wales	Ordinary Shares	100%
CBG Corporate Director Limited*	England & Wales	Ordinary Shares	100%
CBG Spencer Lavery Healthcare Limited*	England & Wales	Ordinary Shares	100%
Exius Limited*	England & Wales	Ordinary Shares	100%
Rockbridge Healthcare Limited	England & Wales	Ordinary Shares	100%
Insurance Watchdog Limited	England & Wales	Ordinary Shares	100%

* Held indirectly