



# Gallagher Re

## Legal Entity Fact Sheet – Gallagher Re (Pty) Limited

### Company Information

Legal entity	Gallagher Re (Pty) Limited
Parent Company	Gallagher International Holdings (US) Inc., Rolling Meadows, Illinois, USA (Reg.No. 4295628)
Registered Address	Illovo Edge, 1 Harries Road, Illovo, Johannesburg, Gauteng 2196, South Africa
Website	<a href="https://www.aig.com/gallagherre/">https://www.aig.com/gallagherre/</a>
Telephone	+2711 0823820
General Email	<a href="mailto:enquires@gallagherre.com">enquires@gallagherre.com</a>
Company Register	<a href="#">Companies and Intellectual Property Commission</a>
Company Type	Private Company
Company No.	2005/026120/07
Incorporation Date	18/07/2005
No. of Employees	14

### Regulator References

Regulator Reference	FSCA
Regulator's website	<a href="https://www.fsca.co.za/">https://www.fsca.co.za/</a>
Company Type	Private Company
Registration Number	24845

### Board Membership

Name	Role	Country of Residence
James Edward Douglas Vickers	Director	U.K.
Alkis Tsimaratos	Director	U.K.
Maurice Williams	Director	U.K.
Natalie van de Coolwijk	CEO	South Africa


### Ownership/Shareholders

Name	Shares	Country
Arthur J. Gallagher & Co.	100%	U.S.A

## Attachments

Also attached to this document are details of our:

- **Head Office Registration Certificate**
- **Certificate of Incorporation**
- **Insurance Brokers Permission Certificate**
- **Professional Liability Certificate**
- **Audited Financial Statement 2022**



**Companies and Intellectual Property Commission - eServices**

**HOME**

---

**Welcome GUEST**  
PLEASE LOG IN TO START TRANSACTING

**CUSTOMER LOGIN**

**PASSWORD RESET**

**CUSTOMER REGISTRATION**

**Enterprise Enquiry**

You are here: CIPC eServices » Enterprise Enquiry

Enterprise Enquiry

Enterprise Number: 2005 026120 07

**VALIDATE**

---

**Enterprise Details**

Enterprise Number: 2005 / 026120 / 07

Enterprise Name: GALLAGHER RE

Enterprise Type: Private Company

Enterprise Status: In Business

Compliance Notice Status: NONE

Registration Date: 2005-07-18

**PHYSICAL ADDRESS:**  
155 WEST STREET  
SANDTON  
SANDTON  
GAUTENG  
2196

**POSTAL ADDRESS:**  
PO BOX 411775  
CRAIGHALL  
CRAIGHALL  
GAUTENG  
2024

---





**HOW-TO VIDEOS**

watch our how-to videos to guide you in filing transactions or retrieving documents





**WATCH VIDEOS**

**SOCIAL MEDIA**

follow us on social media to interact with us and to get the latest updates

**SUPPORTED BROWSERS**

---

**Registered Directors / Members**

ID / Passport Number	Name(s)	Surname	Type	Status
750923 XXXX 08 X	AMANDA	LIGHTFOOT	Company Secretary	Active
099254393	JAMES EDWARD DOUGLAS	VICKERS	Director	Active
LB1694004	MAURICE JOHN	WILLIAMS	Director	Active
801020 XXXX 08 X	NATALIE JESSICA	VAN DE COOLWIJK	Director	Active
523838346	ALKIS KOSMAS	TSIMARATOS	Director	Active

Registrasienommer van



pany

2005/026120/07

**Sertifikaat van Inlywing**  
van 'n Maatskappy met 'n aandelekapitaal  
**Certificate of Incorporation**  
of a Company having a share capital

**Hierby word gesertifiseer dat/This is to certify that**

**MAIN STREET 338 (PROPRIETARY) LIMITED**

vandag ingelyf is kragtens Maatskappywet, 1973 (Wet 61 van 1973), en dat die Maatskappy 'n maatskappy is met aandelekapitaal.

was this day incorporated under the Companies Act, 1973 (Act 61 of 1973), and that the Company is a company having a share capital.

Geteken en geseël te Pretoria op hede die/Signed and sealed in Pretoria this 18

dag van/day of

July.

Twee Duisend/Two Thousand

and FIVE

  
Registrateur van Maatskappye/Registrar of Companies

*Seël van die Registrasiekantoor vir Maatskappye.  
Seal of Companies Registration Office.*

**Hierdie sertifikaat is nie geldig nie, tensy geseël deur die seël van die Registrasiekantoor vir Maatskappye.  
This certificate is not valid unless sealed by the seal of the Companies Registration Office.**

WWB001

Registration No. of company/Registrasienommer van maatskappy  
2005/026120/07



**Certificate of change of name of company**  
**Sertifikaat van verandering van naam van maatskappy**

This is to certify that/Hierby word gesertifiseer dat

MAIN STREET 338 (PROPRIETARY) LIMITED

has changed its name by SPECIAL RESOLUTION and is now called  
sy naam verander het by SPESIALE BESLUIT en nou genoem word

WILLIS RE SOUTH AFRICA (PROPRIETARY) LIMITED

and that the new name has this day been entered in the Register of Companies.  
en dat die nuwe naam op hierdie dag in die Register van Maatskappye aangeteken is.

Signed and sealed at Pretoria, this/Geteken en geseël te Pretoria op hede die 19  
day/of/dag van OCTOBER 2005

Seal of Companies Registration Office  
Seël van Registrateur van Maatskappye

Registrar of Companies/Registrateur van Maatskappye





Registration No. of company/Registrasienuommer van maatskappy  
2005/026120/07



**Certificate of change of name of company**  
**Sertifikaat van verandering van naam van maatskappy**

This is to certify that/Hierby word gesertifiseer dat

**WILLIS RE SOUTH AFRICA (PROPRIETARY) LIMITED**

has changed its name by SPECIAL RESOLUTION and is now called  
sy naam verander het by SPESIALE BESLUIT en nou genoem word

**WILLIS RE (PROPRIETARY) LIMITED**

and that the new name has this day been entered in the Register of Companies.  
en dat die nuwe naam op hierdie dag in die Register van Maatskappye aangeteken is.

Signed and sealed at Pretoria, this/Geteken en geseël te Pretoria op hede die

07

day of/dag van FEBRUARY 2006

Registrar of Companies/Registrateur van Maatskappye

Seal of Companies Registration Office  
Seël van Registrateur van Maatskappye%[]



ILLOVO  
2196



Companies and Intellectual  
Property Commission  
a member of the JSE group



The Companies and Intellectual Property Commission  
of South Africa

P.O. BOX 429, PRETORIA, 001 Republic of South Africa, Dorek 268, PRETORIA.

Call Centre: Tel: 086 100 2473, Website: [www.cipc.co.za](http://www.cipc.co.za)





**Certificate issued by the Companies and Intellectual Property  
Commission on Wednesday, January 26, 2022 09:16  
Certificate of Confirmation**



Companies and Intellectual  
Property Commission  
a division of the dti group

Registration number 2005/026120/07  
Enterprise Name GALLAGHER RE (PTY) LTD

**Auditor**  
Name DELOITTE AND TOUCHE  
Postal Address PRIVATE BAG X6  
GALLO MANOR  
2052

**Active Directors / Officers**

Surname and first names	ID number or date of birth	Director type	Appoint-ment date	Addresses
TSIMARATOS, ALKIS KOSMAS	[REDACTED]	Director	01/07/2019	Postal: THE WILLIS BUILDING, 51 LIME STREET, LONDON, ENGLAND, EC3M7DQ [REDACTED]
VAN DE COOLWIJK, NATALIE JESSICA	[REDACTED]	Director	01/09/2015	Postal: PO BOX 411775, CRAIGHALL, JOHANNESBURG, GAUTENG, 2024 [REDACTED]
WILLIAMS, MAURICE JOHN	[REDACTED]	Director	16/08/2013	Postal: THE WILLIS BUILDING, 51 LIME STREET, LONDON, UNITED KINGDOM, EC3M 7DQ [REDACTED]
VICKERS, JAMES EDWARD DOUGLAS	[REDACTED]	Director	15/09/2005	Postal: THE WILLIS BUILDING, 51 LIME STREET, LONDON, UNITED KINGDOM, 0000 [REDACTED]
LIGHTFOOT, AMANDA	[REDACTED]	Company Secretary	15/09/2005	Postal: PO BOX 411775, CRAIGHALL, 2024 [REDACTED]

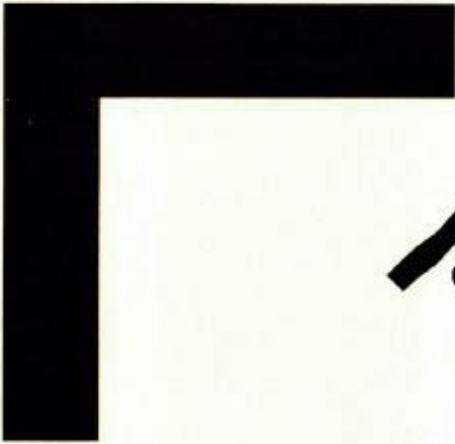


The Companies and Intellectual Property Commission  
of South Africa

P.O. BOX 129, PRETORIA, 001, Republic of South Africa, Docks 208, PRETORIA.

Call Centre: Tel 086 100 2472, Website: www.cipc.co.za





Financial Sector  
Conduct Authority

**FINANCIAL SECTOR CONDUCT AUTHORITY**

**LICENCE No. 24845**

**It is hereby certified that with effect from 6 December 2005**

**GALLAGHER RE (PTY) LTD**

**is licensed as a financial services provider  
in terms of section 8 of the Financial Advisory and Intermediary Services  
Act, 2002 (Act No. 37 of 2002),  
subject to the conditions and restrictions set out in the Annexure**

**For Financial Sector Conduct Authority**







Financial Sector  
Conduct Authority

## ANNEXURE

**FSP NAME : GALLAGHER RE (PTY) LTD**

**LICENCE NO : 24845**

### CONDITIONS AND RESTRICTIONS

- The licensee is only authorised to provide the following financial services in respect of the corresponding category of financial product**

Category   Financial Services [Category   FSP ]				
Financial Product	Advice		Intermediary Service	
	Automated	Non-Automated	Scripted	Other
Long-Term Insurance subcategory A		X		X
Long-Term Insurance subcategory B1		X		X
Long-Term Insurance subcategory C		X		X
Short-Term Insurance Commercial Lines		X		X
Long-term insurance subcategory B2		X		X
Long-term insurance subcategory B2-A		X		X
Long-term insurance subcategory B1-A		X		X

## ANNEXURE

### FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 2002 CONDITIONS AND RESTRICTIONS

#### 2. Further restrictions on and conditions of the licence:

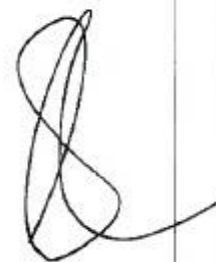
2.1 The financial services provider must inform the Authority in writing, by facsimile or in an appropriate electronic format, within 15 days after the change has taken place, of any change in respect of business information of the financial services provider as provided in Form FSP1, FSP3, FSP4, FSP9, FSP10, FSP10A or FSP11, respectively, of the Application Form which was submitted by the provider for purposes of obtaining a licence, and in particular relating to the provider's representatives, auditor, compliance officer or any foreign clearing firm or foreign forex service provider involved (if any) and nominee company or independent custodian involved or the shareholders, directors or trustees of any such company or custodian (if any).

2.2 The financial services provider must at all times during the currency of the provider's licence maintain the services of any key individual or key individuals mentioned in the information submitted on the said Application Form, and must as regards changes in respect of such information relating to a key individual, or appointment of a new key individual, of the provider, in addition to acting also in such cases in accordance with the procedure and time limit set out in Condition 1, also ensure full compliance with section 8(4)(b) of the Act, the provisions of which must be regarded as included in this Condition.

2.3 The financial services provider must within one month of the date contemplated in section 7 of the Act, submit a copy of the register kept in terms of section 13(3) of the Act to the Authority, and must thereafter in accordance with the procedure and time limit set out in Condition 1, inform the Authority of any change effected to the details as contained in that register.

2.4 The financial services provider must not in any manner change the name of the financial services business as reflected on the licence concerned, or carry on any financial services business under such a changed name, unless- (a) the provider has fully complied with the provisions of any other law than the Act which regulates such change of business name (if any); (b) the provider has fully disclosed to the Authority the details of such compliance with such other law; (c) the Authority is satisfied that such change of name is otherwise lawful and has approved such change of name; and (d) the Authority has issued to the provider an appropriately amended licence under the provisions of section 8(5)(b)(i) of the Act.

2.5 The financial services provider must at all times ensure that any financial product in respect of which the provider intends to render a financial service, qualifies as a financial product contemplated in the Act and is or will be lawfully issued by the relevant product supplier by virtue of an authority, approval or right granted to such supplier under a law as contemplated in the definition of 'product supplier' in section 1(1) of the Act.





# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

1/5/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Arthur J. Gallagher Risk Management Services, LLC 300 S. Riverside Plaza Suite 1500 Chicago IL 60606		<b>CONTACT NAME:</b> PHONE (AC, No, Ext): 312-704-0100      FAX (AC, No): 312-803-7443 E-MAIL ADDRESS:	
<b>INSURED</b> Arthur J Gallagher & Co and its subsidiaries 2850 West Golf Road Rolling Meadows, IL 60008		<b>INSURER(S) AFFORDING COVERAGE</b>	
ARTHUGA113		INSURER A: Lexington Insurance Company	NAIC # 19437
		INSURER B: XL Specialty Insurance Company	37885
		INSURER C: Underwriters at Lloyd's London	15792
		INSURER D:	
		INSURER E:	
		INSURER F:	

**COVERAGES**

CERTIFICATE NUMBER: 1836853038

REVISION NUMBER:


THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

WAR L/R	TYPE OF INSURANCE	ADOL. NUMB. REQ. BY	POLICY NUMBER	POLICY EFF. (MM/DD/YYYY)	POLICY EXP. (MM/DD/YYYY)	LIMITS
	<b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER					EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (EA occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ OTHER \$
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY <input type="checkbox"/> AUTOS ONLY					COMBINED SINGLE LIMIT (EA accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ OTHER \$
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE  <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$ OTHER \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/OWNER EXCLUDED? (Mandatory in HI) If yes, describe under DESCRIPTION OF OPERATIONS BELOW	Y/N	N/A			<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A B C	Errors & Omissions Excess Errors & Omissions Excess Errors & Omissions		015466449 ELU185304-22 F0121922	10/1/2022 10/1/2022 10/1/2022	10/1/2023 10/1/2023 10/1/2023	Per Claim/Aggregate \$12,000,000 Per Claim/Aggregate \$10,000,000 Per Claim/Aggregate \$13,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

RE: Gallagher RE.(Pty) Ltd

**CERTIFICATE HOLDER****CANCELLATION**

Evidence of Insurance	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 

© 1988-2015 ACORD CORPORATION. All rights reserved.

# **GALLAGHER RE (PROPRIETARY) LIMITED**

**(Registration Number 2005/026120/07)**

**Annual Financial Statements  
for the year ended 31 December 2022**

## **Audited Financial Statements**

in compliance with Companies Act 71 of 2008

Prepared by: Phindile Zondo

Professional designation: SAICA

Reviewed by: Amanda Lightfoot

Professional designation: ACII

# GALLAGHER RE (PROPRIETARY) LIMITED

(Registration Number 2005/026120/07)

Annual Financial Statements for the year ended 31 December 2022

## Index

---

The reports and statements set out below comprise the annual financial statements presented to the shareholders:

General Information	1
Directors' Report	2 - 4
Directors' Responsibilities and Approval	5
Independent Auditor's Report	6 - 8
Statement of Financial Position	9
Statement of Comprehensive Income	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Accounting Policies	13 - 20
Notes to the Annual Financial Statements	21 - 31

---



# GALLAGHER RE (PROPRIETARY) LIMITED

(Registration Number 2005/026120/07)

Annual Financial Statements for the year ended 31 December 2022

## General Information

---

<b>Country of Incorporation and Domicile</b>	South Africa
<b>Nature of Business and Principal Activities</b>	Reinsurance broking
<b>Directors</b>	JED Vickers (Appointed 15 September 2005) NJ van de Coolwijk (Appointed 1 July 2015) M Williams (Appointed 1 October 2013) AK Tsimaratos (Appointed 2 August 2019)
<b>Holding company</b>	Gallagher European Holdings Limited
<b>Ultimate holding company</b>	Arthur J. Gallagher & Co (Delaware - S Diehl Corporate)
<b>Registered Office</b>	155 West Street Sandton Johannesburg, Gauteng 2196
<b>Business Address</b>	155 West Street Sandton Johannesburg, Gauteng 2196
<b>Bankers</b>	Standard Chartered Bank
<b>Income Tax Registration Number</b>	9595505158
<b>Value Added Tax Registration Number</b>	4360224754
<b>Independent Auditors</b>	Ernst & Young
<b>Company Secretary</b>	AJ Lightfoot

# Gallagher Re (Proprietary) Limited

(Registration Number 2005/026120/07)

Annual Financial Statements for the year ended 31 December 2022

## Directors' Report

---

The directors present their report for the year ended 31 December 2022.

### 1. Review of activities

#### Main business and operations

The principal activity of the Company is reinsurance broking and there were no major changes herein during the year.

### 2. Going concern

We draw attention to the fact that as at 31 December 2022, the Company has an accumulated profit of R5,731,709 (2021: Loss R 2,831,794). The Company's total assets exceeded its liabilities by R30,731,710 (2021: R22,168,207).

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors evaluate at each annual period whether there are conditions or events, considered in the aggregate, that raise a material uncertainty about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued. The Directors' evaluation is based on relevant conditions and events that are known and reasonably knowable at the date that the financial statements are issued.

### 3. Significant events

The directors are not aware of any matter or circumstance arising since the end of the financial year to the date of this report.

### 4. Authorised and issued share capital

No changes were approved or made to the authorised or issued share capital of the Company during the year under review.

### 5. Directors

The directors of the Company during the year and to the date of this report are as follows:

Name	
JED Vickers	British
NJ van de Coolwijk	South African
M Williams	British
AK Tsimaratos	British

### 6. Secretary

The Company's designated secretary is AJ Lightfoot.

Business address	155 West street Sandton Johannesburg, Gauteng 2196
------------------	---

# Gallagher Re (Proprietary) Limited

(Registration Number 2005/026120/07)

Annual Financial Statements for the year ended 31 December 2022

## Directors' Report

---

Postal address

P O Box 411775

Craighall

2024

### 7. Holding Company

The holding company is:

Gallagher European Holdings Limited

### 8. Ultimate holding company

The ultimate holding company is Arthur J. Gallagher & Co (Delaware - S Diehl Corporate)

### 9. Independent Auditors

Ernst & Young is appointed as the new auditors for 2022 in accordance with Section 90 (2) of the Companies Act of South Africa. Deon van de Walt is the appointed signing audit Partner for the Company.

# Gallagher Re (Proprietary) Limited

(Registration Number 2005/026120/07)

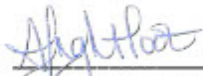
Annual Financial Statements for the year ended 31 December 2022

## Directors' Report

---

### Certification of Company Secretary

In my capacity as Company Secretary, I hereby confirm that the Company has lodged with the Registrar of Companies all such returns as are required of the Company and that such returns are true, correct and up to date.



\_\_\_\_\_  
Amanda Jane Lightfoot

4 September 2023

\_\_\_\_\_  
Date of signature

# Gallagher Re (Proprietary) Limited

(Registration Number 2005/026120/07)

Annual Financial Statements for the year ended 31 December 2022

## Directors' Responsibilities and Approval

---

The directors are required by the South African Companies Act to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements satisfy the financial reporting standards as to form and content and present fairly the statement of financial position, results of operations and business of the Company, and explain the transactions and financial position of the business of the Company at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the Company and supported by reasonable and prudent judgements and estimates.


The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Company and all employees are required to maintain the highest ethical standards in ensuring the Company's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the Company is on identifying, assessing, managing and monitoring all known forms of risk across the Company. While operating risk cannot be fully eliminated, the Company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going-concern basis has been adopted in preparing the annual financial statements. Based on forecasts and available cash resources the directors have no reason to believe that the Company will not be a going concern in the foreseeable future. The annual financial statements support the viability of the Company.

The annual financial statements have been audited by the independent auditing firm, Ernst and Young, who have been given unrestricted access to all financial records and related data. The directors believe that all representations made to the independent auditor during the audit were valid and appropriate. The external auditors' unqualified audit report is presented on pages 6 to 8.

The annual financial statements as set out on pages 9 to 31 were approved by the board on 4 September 2023 and were signed on their behalf by:

  
\_\_\_\_\_  
NJ van de Coolwijk





EY  
102 Rivonia Road  
Sandton  
Private Bag X14  
Sandton  
2146

Ernst & Young Incorporated  
Co. Reg. No. 2005/002308/21  
Tel: +27 (0) 11 772 3000  
Fax: +27 (0) 11 772 4000  
Docex 123 Randburg  
ey.com

## **Independent Auditor's Report**

*To the Shareholders of Gallagher Re (Proprietary) Limited*

### **Report on the Audit of the Financial Statements**

#### *Opinion*

We have audited the financial statements of Gallagher Re (Proprietary) Limited ('the company') set out on pages 9 to 31, which comprise the statement of financial position as at 31 December 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Gallagher Re (Proprietary) Limited as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

#### *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements of the company and in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits of the company and in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Other Information*

The directors are responsible for the other information. The other information comprises the information included in the 31-page document titled "Gallagher Re (Proprietary) Limited (Registration Number 2005/026120/07) Annual Financial Statements for the year ended 31 December 2022", which includes the General Information, the Directors' Responsibilities and Approval and the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

A member firm of Ernst & Young Global Limited.  
A full list of Directors is available at [http://www.ey.com/za/en/home/contact-us\\_sa-directors](http://www.ey.com/za/en/home/contact-us_sa-directors)  
Chief Executive: Ajan Sita



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### *Responsibilities of the Directors for Financial Statements*

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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.

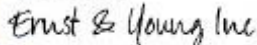
As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DocuSigned by:  
  
2B133ED9C2844F0...

Ernst & Young Inc.  
Deon van der Walt  
Director  
Registered Auditor

05 September 2023

Johannesburg



# GALLAGHER RE (PROPRIETARY) LIMITED

(Registration Number 2005/026120/07)

Annual Financial Statements for the year ended 31 December 2022

## Statement of Financial Position

Figures in ZAR	Notes	2022	2021
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	236,519	223,754
Deferred taxation	9	2,854,387	2,107,349
		<u>3,090,906</u>	<u>2,331,103</u>
<b>Current Assets</b>			
Debtors	4	11,968,698	9,065,452
Cash and cash equivalents	5	358,906,530	243,976,089
		<u>370,875,228</u>	<u>253,041,541</u>
<b>Total Assets</b>		<u>373,966,134</u>	<u>255,372,644</u>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Issued capital	6	25,000,001	25,000,001
Retained earnings / (accumulated loss)		5,731,709	(2,831,794)
		<u>30,731,710</u>	<u>22,168,207</u>
<b>Non-Current Liabilities</b>			
Deferred revenue	8	4,864,964	4,179,524
<b>Current Liabilities</b>			
Provisions	10	5,560,311	3,369,358
Creditors	11	1,408,069	79,763
Fiduciary liabilities	12	328,767,217	223,634,831
Current tax liability	13	700,727	40,498
Value Added Tax	3	1,933,136	1,900,463
		<u>338,369,460</u>	<u>229,024,913</u>
<b>Total Equity and Liabilities</b>		<u>373,966,134</u>	<u>255,372,644</u>

# GALLAGHER RE (PROPRIETARY) LIMITED

(Registration Number 2005/026120/07)

Annual Financial Statements for the year ended 31 December 2022

## Statement of Comprehensive Income

Figures in ZAR	Notes	2022	2021
<b>Revenue</b>	14	47,486,342	40,283,943
Other income		460,000	-
Operating costs		(33,201,402)	(20,893,029)
<b>Operating profit</b>	15	<b>14,744,940</b>	<b>19,390,914</b>
Finance income		7,481	-
Finance costs	16	-	(265,452)
<b>Profit before tax</b>		<b>14,752,421</b>	<b>19,125,462</b>
Tax expense	17	(6,188,918)	(5,711,505)
<b>Profit for the year</b>		<b>8,563,503</b>	<b>13,413,957</b>



# Gallagher Re (Proprietary) Limited

(Registration Number 2005/026120/07)

Annual Financial Statements for the year ended 31 December 2022

## Statement of Changes in Equity

Figures in ZAR	Share capital	Share premium	Retained earnings	Total
<b>Balance at 1 January 2021</b>	401	24,999,600	(16,245,751)	8,754,250
<b>Total comprehensive income for the year</b>				
Profit for the year			13,413,957	13,413,957
<b>Total comprehensive income for the year</b>	-	-	13,413,957	13,413,957
<b>Balance at 31 December 2021</b>	<b>401</b>	<b>24,999,600</b>	<b>(2,831,794)</b>	<b>22,168,207</b>
<b>Balance at 1 January 2022</b>	401	24,999,600	(2,831,794)	22,168,207
<b>Total comprehensive income for the year</b>				
Profit for the year			8,563,503	8,563,503
<b>Total comprehensive income for the year</b>	-	-	8,563,503	8,563,503
<b>Balance at 31 December 2022</b>	<b>401</b>	<b>24,999,600</b>	<b>5,731,709</b>	<b>30,731,710</b>
<b>Note</b>	6			

# Gallagher Re (Proprietary) Limited

(Registration Number 2005/026120/07)

Annual Financial Statements for the year ended 31 December 2022

## Statement of Cash Flows

Figures in ZAR	Note(s)	2022	2021
<b>Cash flows from operating activities</b>			
Profit for the year		8,563,503	13,413,957
<i>Adjustments for:</i>			
Finance costs		-	265,452
Income tax		6,188,918	5,711,505
Depreciation of property, plant and equipment		37,373	207,114
Investment income		(7,481)	-
Loss on disposal of property, plant and equipment		169,673	8,651
Deferred revenue		685,440	1,731,807
Bad debt		4,875,319	-
Forex gain/losses		(460,000)	-
<b>Operating cash flow before working capital changes</b>		<b>20,052,745</b>	<b>21,338,486</b>
<i>Working capital changes</i>			
Decrease / (increase) in provisions		2,190,953	(239,215)
Increase in trade and other receivables		(7,894,290)	(5,372,270)
Increase / (decrease) in other payables		1,360,979	(167,295)
Increase in trade payables		105,132,386	162,262,571
<b>Net cash flows from operations</b>		<b>120,842,773</b>	<b>177,822,277</b>
Investment income		7,481	-
Finance costs		-	(265,452)
Tax paid		(6,275,727)	(5,937,389)
<b>Net cash flows from operating activities</b>		<b>114,574,527</b>	<b>171,619,436</b>
<b>Cash flows (used in) / from investing activities</b>			
Property, plant and equipment acquired	2	(235,682)	(5,055)
Proceeds on disposals of property, plant and equipment		26,744	-
Movement in other current asset		-	1,888,867
<b>Net cash flows (used in) / from investing activities</b>		<b>(208,938)</b>	<b>1,883,812</b>
<b>Cash flows used in financing activities</b>			
Shareholder's loan repaid		-	(5,744,598)
<b>Net cash flows used in financing activities</b>		<b>-</b>	<b>(5,744,598)</b>
<b>Effect of exchange rates on cash and equivalents</b>			
		<b>564,852</b>	
Net increase in cash and cash equivalents		114,930,441	167,758,650
Cash and cash equivalents at beginning of the year		243,976,089	76,217,439
<b>Cash and cash equivalents at end of the year</b>	5	<b>358,906,530</b>	<b>243,976,089</b>

The fiduciary payables and fiduciary cash net of the fiduciary receivables were included in the cash flow.

# GALLAGHER RE (PROPRIETARY) LIMITED

(Registration Number 2005/026120/07)

Annual Financial Statements for the year ended 31 December 2022

## Accounting Policies

---

### 1. Accounting Policies

#### 1.1 General information

Gallagher Re (Proprietary) Limited is a private company incorporated in South Africa.

The Company is a subsidiary of Arthur J. Gallagher & Co. together with its subsidiaries, is a leading global advisory, broking and solutions company that helps clients around the world turn risk into a path for growth.

As a reinsurance broker, the Company acts as an intermediary between our clients and reinsurance carriers by advising our clients on their risk management requirements, helping them to determine the best means of managing risk and negotiating and placing reinsurance with reinsurance carriers through our global distribution network.

The audited annual financial statements have been prepared in accordance with the International Financial Reporting Standards on a basis consistent with the prior year.

#### 1.2 Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards, and no. 71 of 2008: Companies Act 2008. The financial statements have been prepared on the historical cost basis, except for the restatement of certain financial instruments to fair value, and incorporate the principal accounting policies set out below.

#### 1.3 Adoption of new and revised Standards

No new Standards were adopted in the 2022 financial year.

##### **New and revised Standards in issue but not yet effective.**

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract.
Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 16	Property, Plant and Equipment- Proceeds before Intended Use.
Annual Improvements to IFRS 2018-2020	IFRS 9 Financial Instruments and IFRS 16 Leases.

The above standards all have an effective date of 1 January 2022. All of these standards are not applicable and will not have an impact on the financial statements.

#### 1.4 Property, plant and equipment

Property and equipment is carried at cost less accumulated depreciation and any impairment losses. Depreciation is calculated on the straight line basis to write-off the cost of each class of asset to its residual value over its estimated useful life as follows:

# GALLAGHER RE (PROPRIETARY) LIMITED

(Registration Number 2005/026120/07)

Annual Financial Statements for the year ended 31 December 2022

## Accounting Policies

---

### *Accounting Policies continued...*

<b>Item</b>	<b>Average useful life</b>
Motor vehicles (in use)	4 years
Furniture and fittings	10 years
Leasehold improvements	5 years
Office equipment	5 years
IT equipment	3 years
Computer software	2 years

Depreciation methods, estimated remaining useful lives and residual values are reviewed at least annually.

The cost of an item of property and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the Company; and
- the cost of the item can be measured reliably

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Costs include costs incurred initially to acquire or construct an item of property and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property and equipment, the carrying amount of the replaced part is derecognised.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

### **1.5 Reinsurance broking assets and liabilities**

The Company acts as agent in placing the reinsurable risks of its clients with reinsurers and, as such, generally is not principal to the contracts under which the right to receive premiums from clients, or reimbursement of reinsured losses from reinsurers, arises. Consequently, the Company is generally neither contractually entitled to demand premiums from clients nor liable to reinsurers for any uncollected amounts arising from such transactions.

In recognition of this relationship, uncollected premiums and claims from reinsurance broking transactions are not included as assets or liabilities of the Company. Other than the receivable for revenue not yet received for fees and commissions earned on a transaction, no recognition of the reinsurance transactions occurs.

In certain exceptional circumstances, the Company advances premiums, refunds or claims to reinsurance underwriters or clients prior to collection from fiduciary funds. To the extent that these advances result in increased credit risk this is reflected in the recognition of an expense for bad and doubtful debts and an equal and opposite provision.



# GALLAGHER RE (PROPRIETARY) LIMITED

(Registration Number 2005/026120/07)

Annual Financial Statements for the year ended 31 December 2022

## Accounting Policies

---

### *Accounting Policies continued...*

#### **Deposits and cash: held in fiduciary capacity ('fiduciary funds')**

Unremitted reinsurance premiums and claims are recorded within fiduciary funds. Fiduciary funds are required to be kept in certain regulated bank accounts subject to guidelines which emphasise capital preservation and liquidity. Such funds are not available to service the Company's debt or for other corporate purposes. Notwithstanding the legal relationships with clients and reinsurers, the Company is generally entitled to retain interest and investment income earned on fiduciary funds in accordance with agreements with reinsured and reinsurers and in accordance with industry custom and practice where these agreements are not in place.

## 1.6 Financial Instruments

### **The Company's financial instruments at year end comprise:**

#### **Trade and other receivables**

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payment of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Trade and other receivables originated by the Company are stated at nominal value as reduced by appropriate allowances for doubtful debts. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

#### **Trade and other payables**

##### **Financial liabilities:**

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss.)

Note 20 Financial instruments and risk management present the financial instruments held by the Company based on their specific classifications.

Trade and other payables are stated at their nominal values.



# GALLAGHER RE (PROPRIETARY) LIMITED

(Registration Number 2005/026120/07)

Annual Financial Statements for the year ended 31 December 2022

## Accounting Policies

---

### *Accounting Policies continued...*

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are measured at amortised cost at year end.

#### **Bank overdraft and borrowings**

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Company's accounting policy for borrowing costs.

#### **Equity instruments**

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss.
- Designated at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

#### **Impairment losses on financial assets**

On loans and receivables an impairment loss is recognised in profit or loss when there is objective evidence that it is impaired. The impairment is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate.

Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

## **1.7 Taxation**

#### **Current taxation assets and liabilities**

Current taxation for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current taxation (assets) / liabilities for the current and prior periods are measured at the amount expected to be (recovered from) / paid to the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by year end.

# GALLAGHER RE (PROPRIETARY) LIMITED

(Registration Number 2005/026120/07)

Annual Financial Statements for the year ended 31 December 2022

## Accounting Policies

---

### *Accounting Policies continued...*

#### **Deferred taxation assets and liabilities**

A deferred taxation asset is recognised for all deductible temporary difference to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred taxation asset arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred taxation asset is recognised for all deductible temporary differences arising from investments in subsidiaries, to the extent that it is probable that:

- the parent is able to control the timing of the reversal of the temporary difference; and
- taxable profit will be available against which the temporary difference can be utilised.

A deferred taxation asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred taxation assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by year end.

A deferred taxation liability is recognised for all taxable temporary differences, except to the extent that the deferred taxation liability arises from:

- the initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction which:
  - is not a business combination; and
  - at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred taxation liability is recognised for all taxable temporary differences associated with investments in subsidiaries, except to the extent that both of the following conditions are satisfied:

- the parent is able to control the timing of the reversal of the temporary difference; and
- it is probable that the temporary difference will not reverse in the foreseeable future.

#### **Tax expenses**

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised in the same or a different period, directly in equity; or
- a business combination.

Current taxation and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

### **1.8 Impairment of assets**

The Company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset.

# GALLAGHER RE (PROPRIETARY) LIMITED

(Registration Number 2005/026120/07)

Annual Financial Statements for the year ended 31 December 2022

## Accounting Policies

---

### *Accounting Policies continued...*

The recoverable amount of an asset is calculated as the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount, with the resulting impairment loss being recognised immediately in profit or loss.

The Company assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss.

### 1.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

#### **Short term leases – lessee**

For short-term leases (lease term of 12 months or less) and of low-value assets (such as tablet and personal computers, small items of office furniture and telephones), the Company has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16. This expense is presented with 'other expenses' in profit or loss.

### 1.10 Provisions and contingencies

Provisions are recognised when:

- the Company has a present obligation as a result of a past event
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the Company settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised.



# GALLAGHER RE (PROPRIETARY) LIMITED

(Registration Number 2005/026120/07)

Annual Financial Statements for the year ended 31 December 2022

## Accounting Policies

---

### *Accounting Policies continued...*

#### 1.11 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a service to a customer.

The Company recognises revenue for commissions (or fees negotiated in lieu of commission) in respect of their placements at the date when the reinsured is billed or at the inception date of the contract, whichever is the later. Commissions on additional premiums and adjustments are recognised as and when transacted.

A portion of reinsurance commission and fees is deferred to cover the cost of services provided over the contract period. The amount deferred is recognised as revenue over the contract period on a consistent basis, reflecting the level of servicing activities incurred during the period.

Investment income is recognised in profit and loss using the effective interest rate method.

#### 1.12 Translation of foreign currencies

##### **Foreign currency transactions**

A foreign currency transaction is recorded, on initial recognition in South African Rand, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At each reporting date:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

Cash flows arising from transactions in a foreign currency are recorded in South African Rand by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

##### **Significant judgements and estimates**

In preparing the audited annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the audited annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the audited annual financial statements. Significant judgements include:

##### **Loans and receivables**

The Company assesses its loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the Company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

# GALLAGHER RE (PROPRIETARY) LIMITED

(Registration Number 2005/026120/07)

Annual Financial Statements for the year ended 31 December 2022

## Accounting Policies

---

### *Accounting Policies continued...*

#### **Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in note 10 - Provisions.

#### **Taxation**

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred taxation provisions in the period in which such determination is made.

The Company recognises the net future tax benefit related to deferred income taxation assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income taxation assets requires the group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred taxation assets recorded at the end of the reporting period could be impacted.



# GALLAGHER RE (PROPRIETARY) LIMITED

(Registration Number 2005/026120/07)

Annual Financial Statements for the year ended 31 December 2022

## Notes to the annual financial statements

Figures in ZAR

2022

2021

### 2. Property, plant and equipment

	Cost	Accumulated depreciation	2022 Carrying value	Cost	Accumulated depreciation	2021 Carrying value
<i>Owned assets</i>						
Motor vehicles	171,511	(171,510)	1	171,511	(171,510)	1
Furniture and fittings	62,246	(43,214)	19,032	651,775	(549,035)	102,740
Lease hold improvements	-	-	-	552,371	(444,310)	108,061
Office equipment	59,398	(34,788)	24,610	224,866	(221,877)	2,989
IT equipment	376,470	(183,594)	192,876	225,577	(215,614)	9,963
Computer software	-	-	-	165,048	(165,048)	-
	669,625	(433,106)	236,519	1,991,148	(1,767,394)	223,754

The carrying amounts of property, plant and equipment can be reconciled as follows:

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2022 Carrying value at end of year
<i>Owned assets</i>					
Motor vehicles	1	-	-	-	1
Furniture and fittings	102,740	-	(77,483)	(6,225)	19,032
Lease hold improvements	108,061	-	(108,061)	-	-
Office equipment	2,989	25,964	-	(4,343)	24,610
IT equipment	9,963	209,718	-	(26,805)	192,876
Computer software	-	-	-	-	-
	223,754	235,682	(185,544)	(37,373)	236,519

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2021 Carrying value at end of year
<i>Plant and equipment</i>					
Motor vehicles	1	-	-	-	1
Furniture and fittings	169,651	-	(7,743)	(59,168)	102,740
Lease hold improvements	218,535	-	-	(110,474)	108,061
Office equipment	7,467	223	-	(4,701)	2,989
IT equipment	35,188	4,832	-	(30,057)	9,963
Computer software	3,622	-	(908)	(2,714)	-
	434,464	5,055	(8,651)	(207,114)	223,754

The motor vehicle has been fully depreciated but still in use. A depreciation assessment was carried out at year end and this does not have a material impact on the financial statements.

### 3. Value Added Tax

Value Added Tax receivable from South African Revenue Services	(1,933,136)	(1,900,463)
--	-------------	-------------

# GALLAGHER RE (PROPRIETARY) LIMITED

(Registration Number 2005/026120/07)

Annual Financial Statements for the year ended 31 December 2022

## Notes to the annual financial statements

Figures in ZAR

2022

2021

### 4. Debtors

Prepaid expenses	143,833	45,235
Deposits	129,800	-
Sundry Debtors	(336,187)	11,595
Uncollected brokerage	19,572,888	11,559,214
	<u>19,510,334</u>	<u>11,616,044</u>
Allowance for doubtful account	(7,541,636)	(2,550,592)
	<u>11,968,698</u>	<u>9,065,452</u>

### 5. Cash and cash equivalents

#### Favourable cash balances

Deposits and cash - fiduciary funds	328,767,216	223,634,831
Deposits and cash - own funds	30,139,314	20,341,258
	<u>358,906,530</u>	<u>243,976,089</u>

### 6. Share capital

#### Authorised

1000 Ordinary shares of R1 each	<u>1,000</u>	<u>1,000</u>
---------------------------------	--------------	--------------

#### Issued

401 Ordinary shares of R1 each	401	401
Share premium	24,999,600	24,999,600
	<u>25,000,001</u>	<u>25,000,001</u>

Unissued ordinary shares are under the control of the directors in terms of a resolution of shareholders.

### 7. Loan from shareholder

The loan from shareholder was settled in full in May 2021.

### 8. Deferred revenue

A portion of reinsurance commission and fees is deferred to cover the cost of services provided over the contract period. The amount deferred is recognised as revenue over the contract period on a consistent basis, reflecting the level of servicing activities incurred during the period.

Opening balance	4,179,524	2,447,717
Revenue deferred during the year	3,169,531	3,402,249
Revenue released during the year	(2,484,091)	(1,670,442)
	<u>4,864,964</u>	<u>4,179,524</u>

# GALLAGHER RE (PROPRIETARY) LIMITED

(Registration Number 2005/026120/07)

Annual Financial Statements for the year ended 31 December 2022

## Notes to the annual financial statements

Figures in ZAR	2022	2021
<b>9. Deferred taxation asset</b>		
Balance at beginning of year	2,107,348	1,686,034
<i>Movements consisting of:</i>		
Prior year adjustment	-	-
Other	747,039	421,314
Balance at end of year	<u>2,854,387</u>	<u>2,107,348</u>
<b>10. Provisions</b>		
<b>Leave provision</b>		
Carrying amount at the beginning of the year	1,097,974	1,196,399
Accrued employee leave	(86,480)	(393,919)
Amounts incurred and charged against the provision	20,335	295,494
Carrying amount at end of the year	<u>1,031,829</u>	<u>1,097,974</u>
The leave provision arises when employees accrue leave days on a monthly basis and the outflow of economic benefits is when leave days are paid out.		
<b>Bonus provision</b>		
Carrying amount at the beginning of the year	2,271,384	2,412,174
Increase in provision	5,732,973	4,085,380
Amounts incurred and charged against the provision	(3,475,875)	(4,226,170)
Carrying amount at end of the year	<u>4,528,482</u>	<u>2,271,384</u>
Bonuses have certainties about the amount and timing of these cashflows. The nature of obligations is clear and the expected timing of outflow of economic benefits is the bonus term.		
<b>11. Creditors</b>		
Amounts falling due in one year:		
Trade creditors	459,136	-
Sundry creditors	948,933	79,762
	<u>1,408,069</u>	<u>79,762</u>
<b>12. Fiduciary liabilities</b>		
Fiduciary trade creditors	<u>328,767,217</u>	<u>223,634,831</u>
	328,767,217	223,634,831

# GALLAGHER RE (PROPRIETARY) LIMITED

(Registration Number 2005/026120/07)

Annual Financial Statements for the year ended 31 December 2022

## Notes to the annual financial statements

Figures in ZAR

2022

2021

### 13. Taxation payable / receivable

Applicable tax rate	28%	28%
Taxable income	22,397,463	19,317,801
Taxation payable	6,271,290	5,408,984
Tax payable / (refundable) balance brought forward	40,498	(154,932)
Prior years adjustments	664,665	-
Deferred taxation asset expensed	-	-
Provisional tax paid	(6,235,228)	(5,213,554)
Provisional tax paid( 3rd payment for 2021)	(195,430)	-
Refund for 2021	154,932	-
Tax payable / (refundable)	<u>700,727</u>	<u>40,498</u>

### 14. Revenue

An analysis of revenue is as follows:

Fees	20,567,433	19,575,474
Brokerage	15,118,375	16,516,481
Interest received	11,800,534	4,191,988
	<u>47,486,342</u>	<u>40,283,943</u>

#### Disaggregation of revenue from contracts with customers

The company disaggregates revenue from customers as follows:

##### Rendering of services

Fees earned	20,567,433	19,575,474
Commission earned	15,118,375	16,516,481
<b>Total revenue from contracts with customers</b>	<u>35,685,808</u>	<u>36,091,955</u>

##### Timing of revenue recognition

###### At a point in time

Rendering of services	<u>20,567,433</u>	<u>19,575,474</u>
-----------------------	-------------------	-------------------

###### Over time

Commission received	<u>15,118,375</u>	<u>16,516,481</u>
---------------------	-------------------	-------------------

# GALLAGHER RE (PROPRIETARY) LIMITED

(Registration Number 2005/026120/07)

Annual Financial Statements for the year ended 31 December 2022

## Notes to the annual financial statements

Figures in ZAR

2022

2021

### 15. Operating profit

Operating profit is arrived at after taking into account the following items:

#### *Income*

Exchange rate profits on foreign exchange

460,000

-

#### *Expenditure*

Loss on disposal of property, plant and equipment

169,673

3,497

Exchange rate losses on foreign exchange

-

205,460

169,673

208,957

Depreciation

37,373

234,705

Audit fees

364,562

427,363

Salaries

22,143,687

15,885,062

Rent - premises

1,574,446

1,412,891

24,120,068

17,960,021

### 16. Finance costs

#### Finance costs on financial liabilities measured at amortised cost

Interest on long-term loan from shareholder

-

98,205

SARS

-

167,247

-

265,452

### 17. Income tax expense

Current tax

6,271,290

6,132,819

Prior year adjustment

664,665

-

Deferred tax

Current year temporary differences

(747,037)

(421,314)

Income tax for the year

6,188,918

5,711,505



# GALLAGHER RE (PROPRIETARY) LIMITED

(Registration Number 2005/026120/07)

Annual Financial Statements for the year ended 31 December 2022

## Notes to the annual financial statements

Figures in ZAR

2022

2021

### 18. Directors' emoluments

							2022
Name	Fees paid to director for services	Fees paid for acceptance of office	Salary	Bonuses and performance related payments	Expense allowance	Contributions paid under pension scheme	Pensions
NJ van de Coolwijk	-	-					
							2021
Name	Fees paid to director for services	Fees paid for acceptance of office	Salary	Bonuses and performance related payments	Expense allowance	Contributions paid under pension scheme	Pensions
NJ van de Coolwijk	-	-					

### 19. Related party transactions

Name	Transactions	Amounts owed (to) / by the related party at year-end	
		2022	2021
Gallagher International Holdings (US) Inc	Usage of Gallagher Re brand	716,653	-
Willis Investment Holdings (Bermuda) Limited (2021 Related party)	Interest paid on loan from previous shareholder		98,205

# GALLAGHER RE (PROPRIETARY) LIMITED

(Registration Number 2005/026120/07)

Annual Financial Statements for the year ended 31 December 2022

## Notes to the annual financial statements

Figures in ZAR

2022

2021

### 20. Financial risk management

The Company's financial instruments consist mainly of cash and short term deposits, trade and other receivables and trade and other payables.

#### 20.1 Financial risk management objectives

The Company's senior management is responsible for monitoring and managing the financial risks relating to the operations of the Company. This is achieved through the use of internal risk analyses which analyse exposures by likelihood and magnitude of risks. These risks include market risk, credit risk, liquidity risk and cash flow interest rate risk. The Company does not enter into or trade financial instruments, including derivative financial instruments.

Financial assets		
Debtors	11,968,698	9,065,452
Deposits and cash - fiduciary	328,767,216	223,634,831
Deposits and cash	30,139,314	20,341,258
Financial liabilities		
Fiduciary liabilities	328,767,217	223,634,831
Creditors	3,341,205	79,762

#### 20.2 Market risk management

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

#### 20.3 Foreign currency risk management

The Company's policy is not to cover its own foreign currency denominated transactions under forward exchange contracts, however, the Company is not exposed to movements in the exchange rate on foreign currency denominated payables and receivables as the Company is the managing agent of its clients and the exchange rate fluctuation risks are transferred to the underwriter, being the ultimate risk carrier.

However, should the Company be exposed to exchange rate fluctuations, the profit for the year ended 31 December 2022 would increase/decrease by R1,817,359 (2021: R116 128) for a 10% increase/decrease in the ZAR against the USD at reporting date (US\$1: ZAR17.0106). The balances at year end were as follows:

	2022	2022	2021	2021
Financial assets	ZAR	USD	ZAR	USD
Deposits and cash	18,173,587	1,068,368	11,612,765	728,064

# GALLAGHER RE (PROPRIETARY) LIMITED

(Registration Number 2005/026120/07)

Annual Financial Statements for the year ended 31 December 2022

## Notes to the annual financial statements

Figures in ZAR

2022

2021

### *Financial risk management continued...*

#### 20.4 Interest rate risk management

Cash and short-term cash investments are deposited with major financial institutions which earn interest at market related interest rates. Movement in market interest rates would result in movements in interest earned by the Company.

#### Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at year end. For fixed rate liabilities, the analysis is prepared assuming the amount of liability outstanding at year end date was outstanding for the whole year. For floating rate assets, the analysis is prepared assuming the amount of assets receivable at year end was receivable for the whole year and the South African Repo Rate was consistent for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonable possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended 31 December 2022 would decrease/increase by R 1,292,064 (2021: R 878,314). This is mainly attributable to the Company's exposure to interest rates on its variable rate short-term deposits.

#### 20.5 Liquidity risk management

The Company manages liquidity risk by monitoring forecast cash flows.

#### Contractual maturity analysis of financial liabilities

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting arrangements.

	2022 Carrying value	2022 Contractual cash flows	2021 Carrying value	2021 Contractual cash flows
Non derivative financial liabilities				
Fiduciary liabilities	328,767,217	328,767,217	223,634,831	223,634,831
Creditors	3,341,205	3,341,205	2,630,355	2,630,355

The following represents the ageing of the contractual maturity of financial liabilities as at 31 December 2022:

2022	0 - 1 years	1 - 2 years	2 - 3 years	3 + years
Fiduciary liabilities	328,767,217	-	-	-
Creditors	3,341,205	-	-	-

# GALLAGHER RE (PROPRIETARY) LIMITED

(Registration Number 2005/026120/07)

Annual Financial Statements for the year ended 31 December 2022

## Notes to the annual financial statements

Figures in ZAR

2022

2021

### Financial risk management continued...

#### 2021

Fiduciary liabilities	223,634,831	-	-	-
Creditors	79,763	16,034	12,491	2,522,067

#### 20.6 Credit risk management

Credit risk is the risk that counterparties may not be able to repay amounts in full when due. This risk arises in respect of amounts due from clients and insurers in respect of brokerage not yet received, funded claims and funded premiums. It also arises in respect of its cash and investment holdings. An impairment allowance would be made if there were to be an identified loss event which would evidence a potential reduction in the recoverability of the cash flows. No such event has been identified.

Brokerage not yet received is monitored closely to minimise the time taken to collect. The risk of funded claims and premiums is mitigated by the Company's policy of only funding claims and premiums in exceptional circumstances and then through active collection of the debts created.

A debtor is considered in default when there is reasonable doubt for recoverability with unsuccessful recovery enforcement. The Company considers the economic cycle, industry conditions and historic transactions as the basis of inputs and assumptions when measuring the expected credit loss. As a means of forward-looking information in determining the expected credit losses, thorough due diligence and Know Your Client compliance checks are performed for all new and existing clients. No event has been identified where a debtor is defined default for the financial year.

Regarding cash and cash equivalents, it is Group policy to deposit cash and short-term cash investments only with major financial institutions which have been approved for investment by the ultimate holding company.

#### Maximum exposure to credit risk

The following maximum exposures to credit risk existed at 31 December 2022 in respect of financial assets:

	Carrying value	Neither past due nor impaired	Past due but not impaired	Past due and impaired
			2022	
Debtors	19,510,334	6,891,055	12,619,279	-
			2021	
Debtors	11,625,279	8,479,655	3,145,624	-

All risks have been classified as low risk, consistent with prior years. The risks have been classified low as our clients are reputable insurance companies subject to regulated prudential requirements.



# GALLAGHER RE (PROPRIETARY) LIMITED

(Registration Number 2005/026120/07)

Annual Financial Statements for the year ended 31 December 2022

## Notes to the annual financial statements

Figures in ZAR

2022

2021

### *Financial risk management continued...*

Analysis of exposures to credit risk

The following represents the ageing of the carrying value of financial assets past due but not impaired at 31 December 2022.

2022	0 - 1 years	1 - 2 years	2 - 3 years	3 + years
Debtors	5,927,931	4,531,949	731,458	1,427,941
<b>2021</b>				
Debtors	10,171,302	-15,127	105,633	1,354,325

### 20.5 Fair value of financial instruments

The directors consider the carrying amounts of financial assets and financial liabilities recorded in the financial statements approximate their fair values.

### 20.6 Classification of financial instruments held

The cash and cash equivalents are held with banks which are rated A1 based on Moody's Rating Agency rating.

	2022 Financial assets at amortised cost	2021 Financial assets at amortised cost
Cash and cash equivalents	358,906,530	243,976,089

### 21. Capital commitments

The Company manages its capital to ensure it continues as a going concern while maximising the return to stakeholders by maintaining an optimum equity balance.

The capital structure of the Company consists of cash and cash equivalents and equity attributable to equity holders, comprising share capital and accumulated earnings as disclosed on the consolidated statement of financial position. Please refer to the annual statement of financial position and annual statement of comprehensive income which reflect the position and performance given the Company's capital management policies.

The Company does not have any further regulatory requirements in respect of capital management.

The Company's overall capital risk management strategy remains unchanged from the prior year.

# GALLAGHER RE (PROPRIETARY) LIMITED

(Registration Number 2005/026120/07)

Annual Financial Statements for the year ended 31 December 2022

## Notes to the annual financial statements

Figures in ZAR

2022

2021

### 22. Going Concern

We draw attention to the fact that as at 31 December 2022, the Company has an accumulated profit of R5,731,709 (2021: Loss R 2,831,794). The Company's total assets exceeded its liabilities by R30,731,710 (2021: R22,168,207).

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors evaluate at each annual period whether there are conditions or events, considered in the aggregate, that raise a material uncertainty about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued. The Directors' evaluation is based on relevant conditions and events that are known and reasonably knowable at the date that the financial statements are issued.

### 23. Subsequent events

No material facts or circumstances have arisen between the year end and the date of signing these annual financial statements.