



Section 172 and Corporate Governance

Statements and Reports | **October 2024**



Contents

01 RSM UK Holdings Limited	4
SECTION 172(1) STATEMENT	

02 RSM UK Holdings Limited	11
CORPORATE GOVERNANCE REPORT	

03 RSM UK Tax and Accounting limited	22
SECTION 172(1) STATEMENT	

04 RSM UK Management Limited	29
SECTION 172(1) STATEMENT	



RSM UK Holdings Limited

**STRATEGIC REPORT
SECTION 172(1) STATEMENT**
for the year ended **31 March 2024**

Section 172(1) Statement

WORK OF THE BOARD

It is the board's responsibility to ensure that the directors have acted in good faith, individually and collectively, and in a way that they consider will promote the success of the company and group for the benefit of all its stakeholders, specifically, in relation to the matters set out in paragraphs (a) to (f) of Section 172(1) of the Companies Act 2006.

The board recognises the impact that decisions made today might have on the longer-term success of the group, particularly during this period of global uncertainty. All key decisions are made after appropriate discussion, engagement and collaboration between the group and leadership bodies, including the board, National Leadership Team (NLT) and service line and core function leaders.

Notable activities of the board for the year ended 31 March 2024

Key board decisions	Board considerations	Principal stakeholders	Alignment to strategy
Completion of the acquisition of ordinary shares in RSM UK NLT Limited.	<ul style="list-style-type: none">Ability of shareholders to realise their investment.Obtaining 100% ownership by RSM UK Partner Benefit Trust (PBT).Long-term security of the business and financial implications for the group.	All	A B C
Review of the firm's governance structures.	<ul style="list-style-type: none">Formalise the governance, oversight, representation role of the board.Introduced new terms of reference for the board, its sub-committees and the NLT.Transparency and clarity of board, NLT and other roles.Project Tempest impact on group structure and key stakeholders.Partner election of CEO with fixed terms.Partner appointees to the board.Formal implementation of partner remuneration committee.Recruitment of additional Independent NED.	All	A B C
Approval of the group's budget for the year to 31 March 2025 (FY25).	<ul style="list-style-type: none">Prior year performance.Marketplace opportunities and challenges.Resourcing constraints.Alignment to overall strategy.Investment requirements.Financing arrangements.	Clients Suppliers Banks People Partners Pension Scheme	A B C

SECTION 172(1) STATEMENT (CONTINUED)

Notable activities of the board for the year ended 31 March 2024 (continued)

Key board decisions	Board considerations	Principal stakeholders	Alignment to strategy
Approval of the Annual Report and Financial Statements for FY23.	<ul style="list-style-type: none"> Review and refresh content. Audit Committee and auditor's reports. 	People Partners	B
Review of principal risks and risk appetite.	<ul style="list-style-type: none"> Identification, likelihood and impact of risks. Evaluation, ownership and reporting requirements. Risk mitigation measures. 	All	A B C
Re-election of CEO.	<ul style="list-style-type: none"> Partner choice. Continuity of business. Succession. 	People Partners Clients Banks	A B C
Launched the new Speak Up policies.	<ul style="list-style-type: none"> Employee engagement. Creating a safer workplace environment. 	People Partners	B
Commitment to engage actively with RSM International.	<ul style="list-style-type: none"> RSM International board activity. Input into network 2030 strategy. Attendance at, and support for, key events, working groups and strategy development. Engagement in the search for new CEO of RSM International. Sustainability and succession work for the network. Investment in RSM Ireland. 	All	A B C

Strategy key

A	Premium service provider
B	Premium employer
C	Making a difference

SECTION 172(1) STATEMENT (CONTINUED)

How the board engages with key stakeholders and the value we create for them

The board is clear that good governance and effective communication are essential, day-to-day, to deliver our purpose and protect the group's brand and reputation. They are also vital for positive relationships with our stakeholder community, which includes shareholders, clients, people (partners and employees), suppliers, regulators and the communities in which we work. The board delegates certain operational and strategic engagement activities to the NLT.

At RSM, we know that to deliver excellence in everything we do, we must build sustainable relationships with our stakeholders through positive, collaborative interactions, based on transparency and respect. We continue to develop better understanding and decision-making processes through ongoing, constructive conversation. Through these connections, we aim to create value for all our stakeholders.



SECTION 172(1) STATEMENT (CONTINUED)

How the board engages with key stakeholders and the value we create for them (continued)

Stakeholders	Areas of interest	How we engage	The value we create
Clients	<ul style="list-style-type: none"> Value of service Quality of service 	<ul style="list-style-type: none"> Tailored approach to clients. Data driven industry and economic insight and thought leadership. Client related technical and industry events. Client surveys. Voice of Client reviews. 	We use the full breadth of our collective knowledge, experience and expertise to help our clients achieve their aims, overcome challenges and grow with confidence.
People	<ul style="list-style-type: none"> Wellbeing Learning and development Reward and recognition Diversity and inclusion 	<ul style="list-style-type: none"> Firm-wide CEO broadcasts. Engagement surveys. Employee networks. Reverse mentoring available for all partners. Local office updates and wellbeing activities. Technical and personal skills training. 360-degree feedback. Partnership Council. Executive chair meetings with partners. 	We provide rewarding careers and protect wellbeing in an inclusive environment where employees and partners can develop skills, gain experience and make an impact.
Suppliers	<ul style="list-style-type: none"> Timely payments Landlord engagement Supplier code of conduct 	<ul style="list-style-type: none"> Key contact points for major suppliers. Timely and correct payments made within 11 days (2023: 9 days). Key suppliers are expected to adhere to the RSM Code of Conduct. 	We engage with local and national suppliers to address challenges, drive positive change and support businesses for the wellbeing of the wider economy.
Community	<ul style="list-style-type: none"> Social mobility and inclusion ESG considerations Charity 	<ul style="list-style-type: none"> 1,863 trainees (2023: 1,475) (school and university). Volunteering scheme. Active participation in social mobility programmes. RSM UK Foundation. National and local charitable giving. RSM Together. External trusteeships. 	<p>We allocate a proportion of the firm's financial and non-financial resources towards making positive societal contributions to the communities in which we operate – locally and nationally.</p> <p>Further information can be found on pages 24 and 25 (Strategic report, Making a difference) of the RSM UK Holdings Limited annual financial report (available at https://www.rsmuk.com/about-rsm/our-reports/our-financial-reports).</p>
Partners	<ul style="list-style-type: none"> Profitability and growth Ownership Operational performance Career development 	<ul style="list-style-type: none"> Access to board members. Regular communication from CEO. Election of CEO and partner board appointees. Partner Remuneration Committee. Launch of partner reverse mentoring program. Update of partner appraisal processes. 	Through transparency and good governance, we continue to build a profitable business, owned and controlled by the partners who are the custodians of the business.

SECTION 172(1) STATEMENT (CONTINUED)

How the board engages with key stakeholders and the value we create for them (continued)

Stakeholders	Areas of interest	How we engage	The value we create
RSM International	<ul style="list-style-type: none"> Board representation Global initiatives and methodologies Network ISQM1 implementation Global quality Global cyber security 	<ul style="list-style-type: none"> One group director is a member of the RSM International board. Centre of excellence membership (e.g. involvement in groups such as audit, tax, financial reporting, risk, technology and digital). Dedicated country practice leads. 	Working alongside RSM International Network member firms, we support globally active clients, providing a high-quality international service.
Regulators and government	<ul style="list-style-type: none"> FRC, ICAS, ICAEW, HMRC, SRA (Solicitors Regulation Authority) 	<ul style="list-style-type: none"> External quality reviews. Internal quality control teams. Audit Oversight Board. Audit Firm Transparency Report. Regular liaison with group's customer compliance manager (CCM) at HMRC. Ongoing dialogue with the Financial Reporting Council (FRC), ICAEW, and ICAS, plus wider regulators. Approval of the group's tax strategy which can be found at www.rsmuk.com/about-rsm/our-reports/tax-strategy. 	<p>We adhere to ethical practice and good governance that fosters trust in the profession, business and society.</p> <p>We engage with regulatory stakeholders to ensure we continue to comply and set a standard of excellence within our industry.</p> <p>For FY24 the group paid taxes to HMRC (including payroll taxes, VAT, corporation tax and partnership tax) of £231.6m (2023: £211.5m).</p>
Banks and loan note holders	<ul style="list-style-type: none"> Loans, facilities and covenants Net cash held and cashflow 	<ul style="list-style-type: none"> Covenant compliance reporting to bank. Loan notes issued to loan note holders. 	Meeting covenant obligations and repayments as planned.
Pension Schemes	<ul style="list-style-type: none"> Deficit and detriment recovery funding Liquidity requirements for LDIs (Liability Driven Investments) Acquisition of own shares Statement of investment principles 	<ul style="list-style-type: none"> Regular communication between board members and Trustee Independent Chair. Consultation with RSM and scheme advisers in relation to key decisions. Agreement of detriment contribution funding plan for acquisition of own shares. Agreement to advance future committed contributions post gilt crisis in October 2022. Joint working group involving board, NLT and trustees. 	<p>We ensure that we meet our obligations to our defined benefit pension scheme and group personal pension plan.</p> <p>We engage with trustees, scheme members and regulators to ensure we comply with the relevant industry standards.</p>

SECTION 172(1) STATEMENT (CONTINUED)

The reputation of the group is of paramount importance to the board and is not limited to its operating and financial performance. The firm is committed to delivering its services to the highest possible standards. Throughout our business we are committed to working with policy makers, regulators and standard setters to help develop a profession that we can all trust.

Our business has evolved over the last four years. Our audit and assurance work remains a core component of our broad offering to clients, which includes tax and consulting services. The audit profession has received much public scrutiny and challenge in recent years. The board understands the concerns and expectations of society and the need to evolve and improve the quality of external audit services across the profession. One of our board members sits on the firm's Audit Oversight Board (AOB) to provide that crucial link with the public interest and the whole of the business. The board is involved through the Nomination Committee in any external appointments to the AOB.

Through working collaboratively with the NLT and our wider management teams and core functions, and listening to feedback from the group's stakeholders, the board believes that RSM is well positioned to respond and adapt to market changes and increasing uncertainty. This means continuing to deliver to all stakeholders and to society's expectations.





RSM UK Holdings Limited

CORPORATE GOVERNANCE REPORT

for the year ended **31 March 2024**

Overview and board composition

INTRODUCTION TO GOVERNANCE

On behalf of the RSM UK board I am delighted to present our Governance Report for the year ended 31 March 2024.

The report sets out our governance framework and the board's work during the year. It confirms our compliance with the provisions of s172 of the Companies Act 2006 and how we have applied the principles set out in the Wates Corporate Governance Principles for Large Private Companies (published by the Financial Reporting Council in 2018).

The board has considered the annual report and accounts and confirms that in its opinion, taken as a whole, this presents a fair, balanced and understandable assessment of the company, and provides shareholders with information necessary to assess the group's position, performance, and strategy.

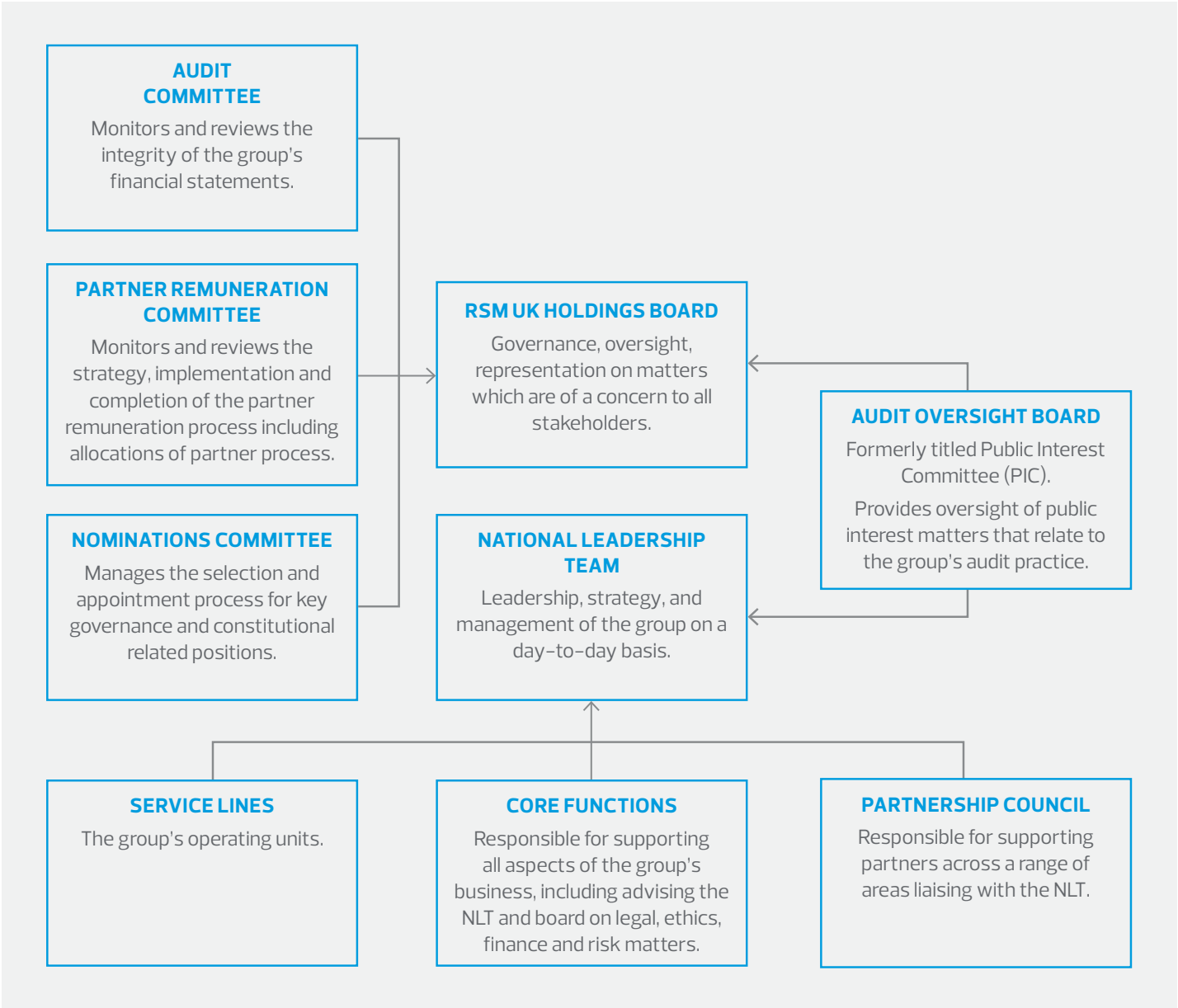
RSM UK GOVERNANCE REVIEW

As a result of the completion of Project Tempest, both Tempest 1 and Tempest 2, the board led a full review of our governance framework to reflect the fact that the group is now effectively partner owned through their beneficial interest in the PBT. The review was completed in June 2023 and came into force then. The key changes were as follows:

- Process for the election of the group's CEO by the partners on a one partner, one vote basis;
- A limit of two four-year terms for the elected CEO;
- Introduction of a new structure of the board including the appointment of a third NED and two partner board positions directly elected by the RSM UK partners;
- Updated terms of reference for the board, the NLT, CEO and Chair;
- Updated members agreements for the group's trading LLPs;
- Updated trust deed of the PBT; and
- Introduction of Reserved matters, ensuring partners exercise ultimate control of the group.

GOVERNANCE STRUCTURE AND BOARD COMPOSITION

The governance and leadership structure of the RSM UK group comprises the following:



As referred to above the composition of the RSM UK Holdings board was reviewed following the successful completion of Project Tempest. The purpose of this review was to ensure a balance between executive members and those capable of providing independent oversight consistent with the board's terms of reference. These were agreed in June 2023 and are being implemented over the next eighteen months such that the new board structure will be fully in place by 31 March 2025 at the latest.

GOVERNANCE STRUCTURE AND BOARD COMPOSITION (CONTINUED)

Under these proposals the board will comprise a Chair (appointed by the board), Chief Executive Officer (elected by the partners), Chief Financial Officer, up to two other partner appointees recommended by the CEO and approved by the board, three non-executive directors and two elected appointees from the RSM UK partner group, chosen by the partner group. Term length and restrictions for board members are as follows:

Board member	Length of term	Limit on terms/years served
CEO	four years	two terms
Chair	N/A	six years
CFO	N/A	N/A
Partner elected board members	three years	two terms
Non-executive directors	three years	two terms

The board has a separate Chair and Chief Executive Officer to ensure accountability, an appropriate degree of challenge, and a balanced division of responsibilities.

As at 31 March 2024, the group had re-elected its CEO for another four year term starting on 1 April 2024, appointed a third Non-Executive Director and elected two partner appointees, via a partner vote, to the Holdings board.

A biography for each director can be found on the group's website, www.rsmuk.com/about-rsm/meet-our-leadership-team.

The directors have a duty in accordance with the Companies Act 2006 to disclose any actual or potential conflicts of interest to the board. All cases are considered by the board, and if a conflict of interest is identified, the conflicted director is not permitted to participate in any discussion or vote on the matter unless agreed to by the board as a whole. A conflict of interest log is maintained.

The board delegates authority for all day-to-day management of the group's affairs to the NLT.

The NLT comprises the Chief Executive Officer, Chief Financial Officer, Senior Partner, Chief Digital Officer, Head of People, Head of Brand and Communications and leaders of our three operational business units – Audit, Tax and Consulting.

The board acknowledges that, whilst much has been achieved, there is still more work to do in relation to diversity in our senior leadership. The board is committed to developing:

- A more diverse workforce, including at the most senior levels.
- A programme of training for board members.
- Its members to ensure it is effective and adheres to best practice.

The board has six full meetings each year, as well as many ad-hoc meetings to discuss specific matters. In the year ended 31 March 2024, for RSM UK Holdings Limited (formerly Arrandco Group Limited), a total of 9 (2023: 0) meetings were held (individual board attendance is noted below).

GOVERNANCE STRUCTURE AND BOARD COMPOSITION (CONTINUED)

Board and board sub-committee meeting attendance in year ended 31 March 2024

Name	Position	Board	Audit Committee	Partner Remuneration Committee	Nomination Committee
A Baker	Consulting Partner	–	4/4	–	–
R H Donaldson	Chief Executive Officer	9/9	–	6/6	–
R Fleming	Audit Partner	–	4/4	–	–
C Beckett	Non-Executive Director	3/3	1/1	1/1	–
R M Hamlin	Non-Executive Director	9/9	4/4	6/6	13/13
S A Hart	International Partner	9/9	–	–	–
K P O'Connor	Executive Chair	9/9	–	6/6	13/13
D J Punt	Ethics and Compliance Partner	9/9	–	–	–
Z J Rudling	Partner representative	9/9	–	–	–
V C Thakrar	Non-Executive Director	8/9	4/4	6/6	13/13
A J Westbrook	Chief Financial Officer	9/9	–	6/6	–

Details of director appointments can be found on page 83 of the RSM UK Holdings Limited annual financial report. (available at <https://www.rsmuk.com/about-rsm/our-reports/our-financial-reports>).

Board sub-committees and supporting groups



Audit Committee

The board appoints the members of the Audit Committee and delegates matters to the formally constituted Audit Committee. Management team members may attend committee meetings by invitation only. Those frequently invited include the Chief Financial Officer and a finance representative, who give insight and input.

During the year Charlotte Beckett (Independent Non-Executive Director) was appointed to the Audit Committee.

The committee has clearly defined terms of reference which are reviewed annually and are available from the Company Secretary. The primary areas of focus for the Audit Committee are:

- Integrity of the group's financial statements.
- Identification and management of the group's key risks.
- Effectiveness of internal controls.
- Performance and independence of the external auditor.
- Group's compliance with legal and regulatory requirements.

The board is satisfied that the experience, skills, and knowledge of both the Audit Committee Chair and its members allow the committee to follow the principles of good governance. To support good governance, the group's Audit Committee regularly reviews its performance and relationship with the external auditor and will periodically retender the group's statutory audit.

BOARD SUB-COMMITTEES AND SUPPORTING GROUPS (CONTINUED)

Partner Remuneration Committee

The board appoints the members of this sub-committee to specifically oversee the overall partner remuneration strategy and sets the CEO and Executive Chair's remuneration. It comprises the Executive Chair and non-executive directors, Charlotte Beckett was appointed to the Partner Remuneration Committee during the year.

Nomination Committee

The board appoints members to this committee. Its role is to oversee the process of electing the group's CEO and partner elected appointees to the board. It also oversees the appointment of non-executives to the board and external members of the Audit Oversight Board.

Supporting groups

The board and NLT are further assisted by supporting groups that provide specialist input and advice. These groups are as follows:

- Partnership Council;
- Service lines;
- Core functions; and
- Audit Oversight Board.

Details of the roles and responsibilities of these groups are outlined on the board composition structure chart on page 13.

HOW THE BOARD OPERATES

The board and the NLT consider and review the level of financial resilience and liquidity needed to deliver the required business performance over the longer term.

The directors incorporate external factors in their decision making such as the performance of the professional services industry overall, and current economic, political and market conditions.

The board delegates authority for day-to-day management of the group's affairs to the NLT. In addition, certain governance responsibilities are delegated to board committees which support the board to perform its duties. These committees are made up of partners, and non-executives and they assist the board by providing independent management oversight.

The board has an agenda of standing items appropriate to the group's operating and reporting cycles. Items requiring board approval or endorsement are clearly defined.

Agenda items typically include reviews of strategy, business performance, ESG and consideration of risk (including risk deep dives on specific areas of risk), governance, partners and people matters (including diversity and inclusion).

The board receives regular and timely information on all key aspects of the business. The board reviews and approves the group's budget and forecasts and monitors its implementation throughout the year through reports, key performance indicators and other operational and financial performance information.

Matters reserved for the board and key areas of focus



While day to day management is delegated to the NLT, the following matters are reserved for the board:

- The group's published financial results and declaration of dividends;
- Approval of material acquisitions and disposals;
- All matters related to the company's share capital;
- Any material changes to the group structure;
- All governance documents relating to any entity in the group; and
- The appointment or removal of any member of the NLT.

Remuneration

The NLT, overseen by the board, is responsible for setting employee and partner remuneration that will support the group's overall strategy and is market appropriate. The group aims to attract and retain the highest-quality people who can deliver its strategic ambitions in line with its corporate purpose and in the interests of its stakeholders.

Partner remuneration is determined on an annual basis based upon the strategy set by the NLT. The process for all partners is managed by the NLT working alongside our service line heads and core function leaders and the respective subsidiary LLP management boards who are responsible for implementing this strategy. The partner remuneration process is overseen by the Partner Remuneration Committee on behalf of the board.

SECTION 172(1) STATEMENT (CONTINUED)

Inclusion

Inclusion is an essential part of our people strategy. This year the group is voluntarily reporting its ethnicity pay gap alongside the statutory gender pay gap (see below). Both reports are available on our website, www.rsmuk.com. The group is determined to increase the representation and progression of people from all minority backgrounds, and we continue to identify and remove any barriers.

Compliance

The board receives regular updates on the group's legal and regulatory matters and statutory non-financial requirements, including the:

- Modern Slavery Act
- Bribery Act 2010
- Equality Act 2010 (gender pay reporting).

In adherence with the acts, the board has approved the group's zero-tolerance policies against slavery, human trafficking, bribery, and corruption (all available on www.rsmuk.com).

The board has also considered the data and narrative relevant to the group's gender and ethnicity pay reporting (GPR).

The most recent GPR published can be found on the group's website (www.rsmuk.com/who-we-are/diversity-reports).

Speak Up

During the year, the board launched a review of our whistleblowing policies and procedures and broader culture of openness among our people led by Vijay Thakrar (Non-Executive Director) and John Taylor (Senior Partner) with the firm's Group Legal Counsel and Head of Risk. The aim is to not only refresh our policies but also to ensure our open culture extends to these important matters. The updated policy was launched in May 2025.

Effectiveness of the system of internal controls

The board is responsible for the group's systems of risk management and internal control and for reviewing their effectiveness. The board is satisfied that the group's internal control systems are functioning effectively.

It is important to note, however, that systems of risk management and internal control are designed to mitigate and manage, rather than eliminate principal risks. They can, therefore, provide only reasonable, rather than absolute, assurance against:

- The firm not achieving its business objectives.
- Non-compliance with laws, regulations, and professional standards.

The same is true of financial controls, which are also designed to mitigate and manage, rather than eliminate, principal risks. They can, therefore, provide only reasonable, rather than absolute, assurance against making a material misstatement in the RSM UK Holdings Limited financial statements (for example).

Corporate governance principles

For the year ended 31 March 2024, the Group has applied the Wates Corporate Governance Principles for Large Private Companies (published by the Financial Reporting Council in December 2018 and available on the FRC website). This has been applied due to a wholly owned subsidiary, RSM UK Tax and Accounting Limited, falling under the scope of the Companies (Miscellaneous Reporting) Regulations 2018.

Using the principal headings in the code, the table below outlines how the company has applied those principles and references other parts of these reports to provide more detail.

	Corporate governance principles	Reference
PRINCIPLE 01	Purpose and leadership An effective board develops and promotes the purpose of a company, and ensures that its values, strategy, and culture align with that purpose.	Pages 18 and 19 (Strategic report, Strategy) of the RSM UK Holdings Limited annual financial report (available at https://www.rsmuk.com/about-rsm/our-reports/our-financial-reports).
PRINCIPLE 02	Board composition Effective board composition requires an effective chair and a balance of skills, backgrounds, experience, and knowledge, with individual directors having sufficient capacity to make a valuable contribution. The size of a board should be guided by the scale and complexity of the company.	Pages 12–17, Governance Report overview and board composition, sub-committees and supporting groups.
PRINCIPLE 03	Directors' responsibilities The board and individual directors should have a clear understanding of their accountability and responsibilities. The board's policies and procedures should support effective decision-making and independent challenge.	Pages 12–17, Governance Report overview and board composition, sub-committees and supporting groups.

	Corporate governance principles	Reference
PRINCIPLE 04	Opportunity and risk A board should promote the long-term sustainable success of the company by identifying opportunities to create and preserve value and establishing oversight for the identification and mitigation of risks.	Pages 55 to 66 (Strategic report, Risk management and principal risks) of the RSM UK Holdings Limited annual financial report (available at https://www.rsmuk.com/about-rsm/our-reports/our-financial-reports).
PRINCIPLE 05	Remuneration A board should promote executive remuneration structures aligned to the long-term sustainable success of a company, taking into account pay and conditions elsewhere in the company.	Page 18, Governance Report Matters reserved for the board.
PRINCIPLE 06	Stakeholder relationships and engagement Directors should foster effective stakeholder relationships aligned to the company's purpose. The board is responsible for overseeing meaningful engagement with stakeholders, including the workforce, and having regard to their views when taking decisions.	Pages 18 and 19 (Strategic report, Strategy) and pages 36 to 41 (Strategic report, Section 172 statement) of the RSM UK Holdings Limited annual financial report (available at https://www.rsmuk.com/about-rsm/our-reports/our-financial-reports).

The group's website (www.rsmuk.com) contains further supporting information on the Wates Principles.

Approved by the board and signed on its behalf by



Kevin O'Connor
Executive Chair

28 August 2024



RSM UK Tax and Accounting Limited

SECTION 172(1) STATEMENT
for the year ended **31 March 2024**

GOVERNANCE FRAMEWORK

The UK Tax and Accounting Limited board consists of RSM UK group's Senior Partner acting as Chair, Chief Financial Officer (CFO), People partner, and relevant Service Line Heads composed of partners from within the RSM UK group with the required skills and experience to bring the appropriate degree of challenge, balance, division of responsibilities and accountability to the Board. The size and composition of the Board is appropriate to the size and complexity of the business.

The directors delegate authority for the company's governance compliance to the ultimate parent, RSM UK Holdings Limited. The RSM UK Holdings Limited Board oversees the RSM UK group's governance framework policies and processes and ensures these are upheld consistently across all group members and subsidiaries, including RSM UK Tax and Accounting Limited.

For the year ended 31 March 2024, under the Companies (Miscellaneous Reporting) Regulations 2018, the RSM UK group has applied the Wates Corporate Governance Principles for Large Private Companies (published by the Financial Reporting Council (FRC) in December 2018 and available on the FRC website).

Full details of how the group has applied the principles are disclosed within the financial statements of the ultimate parent company, RSM UK Holdings Limited. The group's website (www.rsmuk.com) also contains further supporting information on the Wates Principles.

AUDIT COMMITTEE

The RSM Board delegates matters to the formally constituted Audit Committee. The Committee has clearly defined terms of reference, which are reviewed annually and are available from the Company Secretary. The primary focus of the Audit Committee is the:

- integrity of the group's financial statements;
- identification and management of the group's key risks;
- effectiveness of internal controls;
- performance and independence of the external auditor; and
- group's compliance with legal and regulatory requirements.

The RSM Board is satisfied that the experience, skills and knowledge of both the Audit Committee Chair and its members allow the Committee to follow the principles of good governance. To support good governance, the group's Audit Committee regularly reviews its performance and relationship with the external auditor and will periodically retender the group's statutory audit.

SECTION 172(1) STATEMENT

It is the Board's responsibility to ensure that the Directors have acted in good faith, individually and collectively, and in a way that they consider will promote the success of the company for the benefit of all its stakeholders, specifically, in relation to the matters set out in paragraphs (a) to (f) of Section 172(1) of the Companies Act 2006.

The Board recognises the impact that decisions made today might have for the longer-term success of the RSM UK group and Company, particularly during this period of global uncertainty. All key decisions are made after appropriate discussion, engagement and collaboration between the group's leadership bodies, including the RSM UK Holdings Limited Board, National Leadership Team (NLT) and service line and core function leaders.

Notable activities of the Board for the year ended 31 March 2024

Key board decisions	Board considerations	Principal stakeholders
Completion of the acquisition of ordinary shares in RSM UK NLT Limited.	<ul style="list-style-type: none"> Ability of shareholders to realise their investment. Obtaining 100% ownership by RSM UK Partner Benefit Trust (PBT). Long-term security of the business and financial implications for the group. 	All
Review of the firm's governance structures.	<ul style="list-style-type: none"> Formalise the governance, oversight, representation role of the board. Introduced new terms of reference for the board, its sub-committees and the NLT. Transparency and clarity of board, NLT and other roles. Project Tempest impact on group structure and key stakeholders. Partner election of CEO with fixed terms. Partner appointees to the board. Formal implementation of partner remuneration committee. Recruitment of additional Independent NED. 	All
Approval of the group's budget for the year to 31 March 2025 (FY25).	<ul style="list-style-type: none"> Prior year performance. Marketplace opportunities and challenges. Resourcing constraints. Alignment to overall strategy. Investment requirements. Financing arrangements. 	Clients Suppliers Banks People Partners Pension Scheme

SECTION 172(1) STATEMENT (CONTINUED)

Notable activities of the Board for the year ended 31 March 2024 (continued)

Key board decisions	Board considerations	Principal stakeholders
Approval of the Annual Report and Financial Statements for FY23.	<ul style="list-style-type: none"> Review and refresh content. Audit Committee and auditor's reports. 	People Partners
Review of principal risks and risk appetite.	<ul style="list-style-type: none"> Identification, likelihood and impact of risks. Evaluation, ownership and reporting requirements. Risk mitigation measures. 	All
Re-election of CEO.	<ul style="list-style-type: none"> Partner choice. Continuity of business. Succession. 	People Partners Clients Banks
Launched the new Speak Up policies.	<ul style="list-style-type: none"> Employee engagement. Creating a safer workplace environment. 	People Partners
Commitment to engage actively with RSM International.	<ul style="list-style-type: none"> RSM International board activity. Input into network 2030 strategy. Attendance at, and support for, key events, working groups and strategy development. Engagement in the search for new CEO of RSM International. Sustainability and succession work for the network. Investment in RSM Ireland. 	All

How the Board engages with key stakeholders

The Board is clear that good governance and effective communication are essential, day-to-day, to deliver our purpose and protect the group's brand and reputation. They are also vital for positive relationships with our stakeholder community, which includes shareholders, clients, people (partners and employees), suppliers, regulators and the communities in which we work.

At RSM, we know that to deliver excellence in everything we do, we must build sustainable relationships with our stakeholders through positive, collaborative interactions, based on transparency and respect. We continue to develop better understanding and decision-making processes through ongoing, constructive conversation. Through these connections, we aim to create value for all our stakeholders.

Stakeholders	Areas of interest	How we engage	The value we create
Clients	<ul style="list-style-type: none"> Value of service Quality of service 	<ul style="list-style-type: none"> Tailored approach to clients. Data driven industry and economic insight and thought leadership. Client related technical and industry events. Client surveys. Voice of Client reviews. 	We use the full breadth of our collective knowledge, experience and expertise to help our clients achieve their aims, overcome challenges and grow with confidence.
People	<ul style="list-style-type: none"> Wellbeing Learning and development Reward and recognition Diversity and inclusion 	<ul style="list-style-type: none"> Firm-wide CEO broadcasts. Engagement surveys. Employee networks. Reverse mentoring available for all partners. Local office updates and wellbeing activities. Technical and personal skills training. 360-degree feedback. Partnership Council. Executive chair meetings with partners. 	We provide rewarding careers and protect wellbeing in an inclusive environment where employees and partners can develop skills, gain experience and make an impact.

SECTION 172(1) STATEMENT (CONTINUED)

How the Board engages with key stakeholders (continued)

Stakeholders	Areas of interest	How we engage	The value we create
Suppliers	<ul style="list-style-type: none"> Timely payments Landlord engagement Supplier code of conduct 	<ul style="list-style-type: none"> Key contact points for major suppliers. Timely and correct payments made within 11 days (2023: 9 days). Key suppliers are expected to adhere to the RSM Code of Conduct. 	We engage with local and national suppliers to address challenges, drive positive change and support businesses for the wellbeing of the wider economy.
Community	<ul style="list-style-type: none"> Social mobility and inclusion ESG considerations Charity 	<ul style="list-style-type: none"> 1,863 trainees (2023: 1,475) (school and university). Volunteering scheme. Active participation in social mobility programmes. RSM UK Foundation. National and local charitable giving. RSM Together. External trusteeships. 	We allocate a proportion of the firm's financial and non-financial resources towards making positive societal contributions to the communities in which we operate – locally and nationally.
Partners	<ul style="list-style-type: none"> Profitability and growth Ownership Operational performance Career development 	<ul style="list-style-type: none"> Access to board members. Regular communication from CEO. Election of CEO and Partner Board appointees. Partner Remuneration Committee. Launch of partner reverse mentoring program. Update of partner appraisal processes. 	Through transparency, and good governance, we continue to build a profitable business, owned and controlled by the partners who are the custodians of the business.
RSM International	<ul style="list-style-type: none"> Board representation Global initiatives and methodologies Network ISQM 1 implementation Global quality Global cyber security 	<ul style="list-style-type: none"> One group director is a member of the RSM International Board. Centre of excellence membership (e.g. involvement in groups such as audit, tax, financial reporting, risk, technology and digital). Dedicated country practice leads. 	Working alongside RSM International Network member firms, we support globally active clients by providing a high-quality international service.

SECTION 172(1) STATEMENT (CONTINUED)

How the Board engages with key stakeholders (continued)

Stakeholders	Areas of interest	How we engage	The value we create
Regulators and government	<ul style="list-style-type: none"> FRC, ICAS, ICAEW, ARGAs, HMRC, SRA (Solicitors Regulation Authority) 	<ul style="list-style-type: none"> External quality reviews. Internal quality control teams. Audit Oversight Board. Audit Firm Transparency Report. Regular liaison with group's customer compliance manager (CCM) at HMRC. Ongoing dialogue with the Financial Reporting Council (FRC), ICAEW, and ICAS, plus wider regulators. Approval of the group's tax strategy which can be found at www.rsmuk.com/about-rsm/our-reports/tax-strategy. 	<p>We adhere to ethical practice and good governance that fosters trust in the profession, business and society.</p> <p>We engage with regulatory stakeholders to ensure we continue to comply and set a standard of excellence within our industry.</p> <p>For FY24 the group paid taxes to HMRC (including payroll taxes, VAT, corporation tax and partnership tax) of £231.6m (2023: £211.5m).</p>
Banks and loan note holders	<ul style="list-style-type: none"> Loans, facilities and covenants Net cash held and cashflow 	<ul style="list-style-type: none"> Covenant compliance reporting to bank. Loan notes issued to loan note holders. 	Meeting covenant obligations and repayments as planned.
Pension Schemes	<ul style="list-style-type: none"> Deficit and detriment recovery funding Liquidity requirements for LDIs Acquisition of own shares Statement of investment principles 	<ul style="list-style-type: none"> Regular communication between board members and Trustee Independent Chair. Consultation with RSM and scheme advisers in relation to key decisions. Agreement of detriment contribution funding plan for acquisition of own shares. Agreement to advance future committed contributions post gilt crisis in October 2022. Joint working group involving board, NLT and trustees. 	We ensure that we meet our obligations to our defined benefit pension scheme and group personal pension plan. We engage with trustees, scheme members and regulators to ensure we comply with the relevant industry standards.

Further information on the RSM UK group's response to Section 172(1) can be found in the financial statements of the ultimate parent company, RSM UK Holdings Limited.



RSM UK Management Limited

SECTION 172(1) STATEMENT
for the year ended **31 March 2024**

Section 172(1) Statement

WORK OF THE BOARD

It is the board's responsibility to ensure that the directors have acted in good faith, individually and collectively, and in a way that they consider will promote the success of the company and group for the benefit of all its stakeholders, specifically, in relation to the matters set out in paragraphs (a) to (f) of Section 172(1) of the Companies Act 2006.

The board recognises the impact that decisions made today might have on the longer-term success of the group, particularly during this period of global uncertainty. All key decisions are made after appropriate discussion, engagement and collaboration between the group and leadership bodies, including the board, National Leadership Team (NLT) and service line and core function leaders.

Notable activities of the board for the year ended 31 March 2024

Key board decisions	Board considerations	Principal stakeholders
Completion of the acquisition of ordinary shares in RSM UK NLT Limited.	<ul style="list-style-type: none">▪ Ability of shareholders to realise their investment.▪ Obtaining 100% ownership by RSM UK Partner Benefit Trust (PBT).▪ Long-term security of the business and financial implications for the group.	All
Review of the firm's governance structures.	<ul style="list-style-type: none">▪ Formalise the governance, oversight, representation role of the board.▪ Introduced new terms of reference for the board, its sub-committees and the NLT.▪ Transparency and clarity of board, NLT and other roles.▪ Project Tempest impact on group structure and key stakeholders.▪ Partner election of CEO with fixed terms.▪ Partner appointees to the board.▪ Formal implementation of partner remuneration committee.▪ Recruitment of additional Independent NED.	All
Approval of the group's budget for the year to 31 March 2025 (FY25).	<ul style="list-style-type: none">▪ Prior year performance.▪ Marketplace opportunities and challenges.▪ Resourcing constraints.▪ Alignment to overall strategy.▪ Investment requirements.▪ Financing arrangements.	Clients Suppliers Banks People Partners Pension Scheme

SECTION 172(1) STATEMENT (CONTINUED)

Notable activities of the board for the year ended 31 March 2024 (continued)

Key board decisions	Board considerations	Principal stakeholders
Approval of the Annual Report and Financial Statements for FY23.	<ul style="list-style-type: none"> ▪ Review and refresh content. ▪ Audit Committee and auditor's reports. 	People Partners
Review of principal risks and risk appetite.	<ul style="list-style-type: none"> ▪ Identification, likelihood and impact of risks. ▪ Evaluation, ownership and reporting requirements. ▪ Risk mitigation measures. 	All
Re-election of CEO.	<ul style="list-style-type: none"> ▪ Partner choice. ▪ Continuity of business. ▪ Succession. 	People Partners Clients Banks
Launched the new Speak Up policies.	<ul style="list-style-type: none"> ▪ Employee engagement. ▪ Creating a safer workplace environment. 	People Partners
Commitment to engage actively with RSM International.	<ul style="list-style-type: none"> ▪ RSM International board activity. ▪ Input into network 2030 strategy. ▪ Attendance at, and support for, key events, working groups and strategy development. ▪ Engagement in the search for new CEO of RSM International. ▪ Sustainability and succession work for the network. ▪ Investment in RSM Ireland. 	All

SECTION 172(1) STATEMENT (CONTINUED)

How the board engages with key stakeholders and the value we create for them

The board is clear that good governance and effective communication are essential, day-to-day, to deliver our purpose and protect the group's brand and reputation. They are also vital for positive relationships with our stakeholder community, which includes shareholders, clients, people (partners and employees), suppliers, regulators and the communities in which we work. At RSM, we know that to deliver excellence in everything we do, we must build sustainable relationships with our stakeholders through positive, collaborative interactions, based on transparency and respect. We continue to develop better understanding and decision-making processes through ongoing, constructive conversation. Through these connections, we aim to create value for all our stakeholders.



SECTION 172(1) STATEMENT (CONTINUED)

How the board engages with key stakeholders and the value we create for them (continued)

Stakeholders	Areas of interest	How we engage	The value we create
Clients	<ul style="list-style-type: none"> Value of service Quality of service 	<ul style="list-style-type: none"> Tailored approach to clients. Data driven industry and economic insight and thought leadership. Client related technical and industry events. Client surveys. Voice of Client reviews. 	We use the full breadth of our collective knowledge, experience and expertise to help our clients achieve their aims, overcome challenges and grow with confidence.
People	<ul style="list-style-type: none"> Wellbeing Learning and development Reward and recognition Diversity and inclusion 	<ul style="list-style-type: none"> Firm-wide CEO broadcasts. Engagement surveys. Employee networks. Reverse mentoring available for all partners. Local office updates and wellbeing activities. Technical and personal skills training. 360-degree feedback. Partnership Council. Executive chair meetings with partners. 	We provide rewarding careers and protect wellbeing in an inclusive environment where employees and partners can develop skills, gain experience and make an impact.
Suppliers	<ul style="list-style-type: none"> Timely payments Landlord engagement Supplier code of conduct 	<ul style="list-style-type: none"> Key contact points for major suppliers. Timely and correct payments made within 11 days (2023: 9 days). Key suppliers are expected to adhere to the RSM Code of Conduct. 	We engage with local and national suppliers to address challenges, drive positive change and support businesses for the wellbeing of the wider economy.
Community	<ul style="list-style-type: none"> Social mobility and inclusion ESG considerations Charity 	<ul style="list-style-type: none"> 1,863 trainees (2023: 1,475) (school and university). Volunteering scheme. Active participation in social mobility programmes. RSM UK Foundation. National and local charitable giving. RSM Together. External trusteeships. 	We allocate a proportion of the firm's financial and non-financial resources towards making positive societal contributions to the communities in which we operate – locally and nationally.
Partners	<ul style="list-style-type: none"> Profitability and growth Ownership Operational performance Career development 	<ul style="list-style-type: none"> Access to board members. Regular communication from CEO. Election of CEO and partner board appointees. Partner Remuneration Committee. Launch of partner reverse mentoring program. Update of partner appraisal processes. 	Through transparency and good governance, we continue to build a profitable business, owned and controlled by the partners who are the custodians of the business.

SECTION 172(1) STATEMENT (CONTINUED)

How the board engages with key stakeholders and the value we create for them (continued)

Stakeholders	Areas of interest	How we engage	The value we create
RSM International	<ul style="list-style-type: none"> Board representation. Global initiatives and methodologies. Network ISQM1 implementation. Global quality. Global cyber security. 	<ul style="list-style-type: none"> One group director is a member of the RSM International board. Centre of excellence membership (e.g. involvement in groups such as audit, tax, financial reporting, risk, technology and digital). Dedicated country practice leads. 	Working alongside RSM International Network member firms, we support globally active clients, providing a high-quality international service.
Regulators and government	<ul style="list-style-type: none"> FRC, ICAS, ICAEW, HMRC, SRA (Solicitors Regulation Authority). 	<ul style="list-style-type: none"> External quality reviews. Internal quality control teams. Audit Oversight Board. Audit Firm Transparency Report. Regular liaison with group's customer compliance manager (CCM) at HMRC. Ongoing dialogue with the Financial Reporting Council (FRC), ICAEW, and ICAS, plus wider regulators. Approval of the group's tax strategy which can be found at www.rsmuk.com/about-rsm/our-reports/tax-strategy. 	<p>We adhere to ethical practice and good governance that fosters trust in the profession, business and society.</p> <p>We engage with regulatory stakeholders to ensure we continue to comply and set a standard of excellence within our industry.</p> <p>For FY24 the group paid taxes to HMRC (including payroll taxes, VAT, corporation tax and partnership tax) of £231.6m (2023: £211.5m).</p>
Banks and loan note holders	<ul style="list-style-type: none"> Loans, facilities and covenants. Net cash held and cashflow. 	<ul style="list-style-type: none"> Covenant compliance reporting to bank. Loan notes issued to loan note holders. 	Meeting covenant obligations and repayments as planned.
Pension Schemes	<ul style="list-style-type: none"> Deficit and detriment recovery funding. Liquidity requirements for LDIs (Liability Driven Investments). Acquisition of own shares. Statement of investment principles. 	<ul style="list-style-type: none"> Regular communication between board members and Trustee Independent Chair. Consultation with RSM and scheme advisers in relation to key decisions. Agreement of detriment contribution funding plan for acquisition of own shares. Agreement to advance future committed contributions post gilt crisis in October 2022. Joint working group involving board, NLT and trustees. 	<p>We ensure that we meet our obligations to our defined benefit pension scheme and group personal pension plan.</p> <p>We engage with trustees, scheme members and regulators to ensure we comply with the relevant industry standards.</p>

Further information on the RSM UK group's response to section 172(1) can be found in the financial statements of the ultimate parent company, RSM UK Holdings Limited.

Contact us

Kevin O'Connor

Executive Chair

T +44 (0)11 3285 5000

kevin.oconnor@rsmuk.com

Andrew Westbrook

Chief Financial Officer

T +44 (0)20 3201 8350

andrew.westbrook@rsmuk.com

Robert Donaldson

Chief Executive Officer

T +44 (0)20 3201 8619

robert.donaldson@rsmuk.com

Ed Dewar

Head of PR

T +44 (0)20 3201 8145

ed.dewar@rsmuk.com

rsmuk.com

The UK group of companies and LLPs trading as RSM is a member of the RSM network. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm each of which practises in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction. The RSM network is administered by RSM International Limited, a company registered in England and Wales (company number 4040598) whose registered office is at 50 Cannon Street, London EC4N 6JJ. The brand and trademark RSM and other intellectual property rights used by members of the network are owned by RSM International Association, an association governed by article 60 et seq of the Civil Code of Switzerland whose seat is in Zug.

RSM UK Corporate Finance LLP, RSM UK Restructuring Advisory LLP, RSM UK Risk Assurance Services LLP, RSM UK Tax and Advisory Services LLP, RSM UK Audit LLP, RSM UK Consulting LLP, RSM Northern Ireland (UK) Limited and RSM UK Tax and Accounting Limited are not authorised under the Financial Services and Markets Act 2000 but we are able in certain circumstances to offer a limited range of investment services because we are licensed by the Institute of Chartered Accountants in England and Wales. We can provide these investment services if they are an incidental part of the professional services we have been engaged to provide. RSM UK Legal LLP is authorised and regulated by the Solicitors Regulation Authority, reference number 626317, to undertake reserved and non-reserved legal activities. It is not authorised under the Financial Services and Markets Act 2000 but is able in certain circumstances to offer a limited range of investment services because it is authorised and regulated by the Solicitors Regulation Authority and may provide investment services if they are an incidental part of the professional services that it has been engaged to provide. Whilst every effort has been made to ensure accuracy, information contained in this communication may not be comprehensive and recipients should not act upon it without seeking professional advice.

© 2024 RSM UK Group LLP, all rights reserved. 0800