

November 2022

Section 172 and Corporate Governance

Statements and Reports



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RSM UK

HOLDINGS LIMITED

SECTION 172(1) STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022


SECTION 172(1) STATEMENT

WORK OF THE BOARD

It is the Board's responsibility to ensure that the Directors have acted in good faith, both individually and collectively, and in a way that they consider to be most likely to 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's leadership bodies, including the Board, National Leadership Team (which is responsible for leadership, strategy and management of the Group on a day to day basis) and service line and core function leaders.


All the Board's activities are aligned with our strategic pillars, outlined below.



A

PREMIUM SERVICE

Delivering excellence in every aspect of what we do, to ensure we can provide the right advice and support to help our clients overcome challenges and achieve their ambitions.



B

PREMIUM EMPLOYER

Attracting and retaining talent by equipping them with the skills they need to excel throughout their careers, and creating a work environment where everyone can thrive.



C

MAKING A DIFFERENCE

Having a positive impact on our people, the communities where we operate and our planet for the benefit of people today and generations to come.



SECTION 172(1) STATEMENT (CONTINUED)

NOTABLE ACTIVITIES OF THE BOARD FOR THE YEAR ENDED 31 MARCH 2022

Key Board decisions	Board considerations	Principle stakeholders	Alignment to strategy
Declaration of dividend on ordinary shares of 4.5p per share for 2021 financial year.	<ul style="list-style-type: none"> Financial performance Affordability Dividend history Shareholder and stakeholder expectations 	<ul style="list-style-type: none"> Shareholders 	B
Offer to acquire ordinary shares from non RSM working shareholders.	<ul style="list-style-type: none"> Ability of shareholders to realise their investment Reinstating voting control among the working partner shareholders Long-term security of the business and financial implications for the Group 	<ul style="list-style-type: none"> Shareholders Banks People Clients Pension Schemes 	B
Approval of the Group's environmental strategy of net zero carbon by 2030.	<ul style="list-style-type: none"> Climate emergency Morally the right thing to do Demands from our people to be more environmentally active Supply chain pressures to adopt a more proactive environmental stance 	<ul style="list-style-type: none"> Suppliers Community Regulators and government People Clients 	B, C
Approval of the Group's budget and financial plans for 2022/23.	<ul style="list-style-type: none"> Prior year performance Opportunities and challenges in the market place Resourcing constraints Alignment to overall strategy Investment requirements Financing arrangements 	<ul style="list-style-type: none"> Shareholders Clients Suppliers Banks People Pension Schemes 	A, B, C
Recommendation to form a Partner Remuneration Committee.	<ul style="list-style-type: none"> Competitiveness of Partner remuneration. Transparency of remuneration-setting process. Independent oversight and governance 	<ul style="list-style-type: none"> People Regulators and government 	B, C
Review of principal risks.	<ul style="list-style-type: none"> Identification and likelihood of risks Evaluation, ownership and reporting requirements 	<ul style="list-style-type: none"> All 	A, B, C

SECTION 172(1) STATEMENT (CONTINUED)

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, partners, employees, suppliers, regulators and the communities in which we work. The Board delegates certain engagement activities below to the National Leadership Team.

Stakeholders	Areas of interest	How we engage
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 Employee networks Partnership Council Local office people updates and wellbeing activities Technical and personal skills training Reverse mentoring of Board members Engagement surveys including Best Companies <p>Further information regarding our people can be found on pages 52 to 57 (Strategic report, People) of the RSM UK Holdings Limited annual financial report (available at https://www.rsmuk.com/who-we-are/financial-report).</p>
Clients	<ul style="list-style-type: none"> Value of service Quality of service 	<ul style="list-style-type: none"> Tailored approach to wider RSM Group clients Data driven industry and economic insight and thought-leadership Client related technical and industry events Client surveys Voice of client reviews
Suppliers	<ul style="list-style-type: none"> Timely payments Landlord engagement 	<ul style="list-style-type: none"> Key contact points for major suppliers Finance function ensures correct and timely payments – for the year ended 31 March 2022 the Group paid suppliers on average within 13 days (2021: 11 days)
Shareholders	<ul style="list-style-type: none"> Profitability and growth Dividends Operational performance 	<ul style="list-style-type: none"> Dividend payments Access to Board members Regular communication from CEO and Chairman
Community	<ul style="list-style-type: none"> Employment ESG considerations Charity 	<ul style="list-style-type: none"> Volunteering scheme National and local charitable giving RSM UK Foundation Active participation in social mobility programmes including 10k Black Interns, Leadership Through Sport and Business, and Access Accountancy 650+ trainee positions (school and university) External trusteeships where permitted <p>Further information on the Group's corporate responsibility can be found on pages 58 to 61 (Strategic report, Environment, Community, Charity) of the RSM UK Holdings Limited annual financial report (available at https://www.rsmuk.com/who-we-are/financial-report), including the Group's Streamlined Energy and Carbon Report on pages 59 and 60 of that report.</p>

SECTION 172(1) STATEMENT (CONTINUED)

Stakeholders	Areas of interest	How we engage
Regulators and government	Financial Reporting Council, Institute of Chartered Accountants of Scotland, Institute of Chartered Accountants in England and Wales, HMRC, Solicitors Regulation Authority	<ul style="list-style-type: none"> Active internal quality control teams External quality reviews Audit Firm Transparency Report Public Interest Committee Regular liaison with Group's customer compliance manager at HMRC Approval of the Group's tax strategy which can be found at www.rsmuk.com/who-we-are/tax-strategy <p>For the year ended 31 March 2022 the Group paid taxes to HMRC (including payroll taxes, VAT, corporation tax and partnership tax) of £181.4m (2021: £129.2m).</p>
RSM International	<ul style="list-style-type: none"> Board representation Global initiatives and methodologies Network International Standard on Quality Management 1 implementation 	<ul style="list-style-type: none"> A Group director is a member of the RSM International Board Centre of excellence membership (for example, involvement in groups such as audit, tax, financial reporting, risk, technology and digital) Dedicated country practice leads
Pension Schemes	<ul style="list-style-type: none"> Acquisition of own shares Statement of investment principles 	<ul style="list-style-type: none"> Regular communication between Board directors and Trustee Independent Chair Consultation with RSM and Scheme advisors in relation to key decisions Agreement of detriment contribution funding plan for acquisition of own shares

The positive 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. The firm's Head of Ethics and Group Compliance sits on our Board to ensure regulatory and ethical matters are given the utmost prominence in everything we do.

Much of our business continues to be audit and assurance work, alongside tax and accounting 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 service across the profession. One of our board members sits on the firm's Public Interest Committee to provide that crucial link with the public interest and the whole of the business. There continues to be regulatory and political interest in our profession.

Through working collaboratively with the National Leadership Team and others in management and listening to feedback from the Group's stakeholders, the Board believes that RSM is well positioned to respond and adapt to market requirements and increasing uncertainty. This means continuing to deliver to all stakeholders, and responding to society's expectations.



RSM UK

HOLDINGS LIMITED

CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 31 MARCH 2022

OVERVIEW AND BOARD COMPOSITION

INTRODUCTION TO GOVERNANCE

This is the RSM UK Board's Governance report for the year ended 31 March 2022.

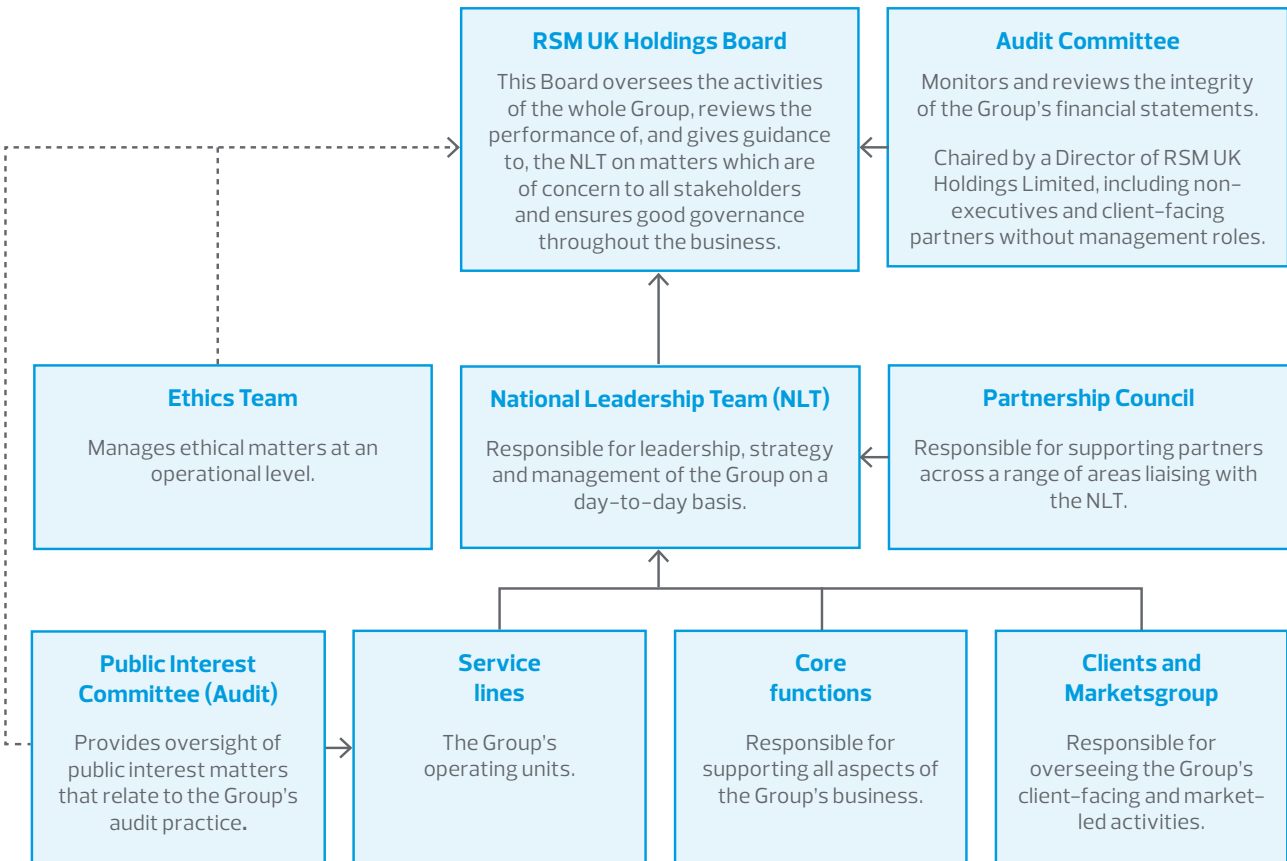
The report sets out our governance framework, the Board's work during the year and our engagement with stakeholders.

It also confirms our compliance with the provisions of s172 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.

BOARD COMPOSITION

The governance and leadership structure of the RSM UK Holdings Limited Group comprises the following:



OVERVIEW AND BOARD COMPOSITION (CONTINUED)

The RSM UK Holdings Board consists of our Executive Chairman, Chief Executive Officer, Chief Financial Officer, two non-executive directors and representatives from our partner group. The Chief Executive Officer has a four-year term. All other Directors have to retire by rotation and offer themselves for re-election every three years.

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

The Board represents a wide range of the business' key stakeholders, including shareholders, partners, risk and regulation officers, our international network and our people. This is complemented by non-executive directors who provide an external perspective and challenge the Board on its decision making. The size and composition of the Board is appropriate to the size and complexity of our business.

A biography for each Director can be found on the Group's website: <https://www.rsmuk.com/who-we-are/meet-our-leadership-team>.

The Board is committed to operating as effectively as possible and in line with best practice. The Executive Chairman meets individually with Board members monthly to discuss individual and collective performance. In October 2021 it began a governance review of the Group including the Board and in March 2022 it embarked on its first formal evaluation process including Board priorities and peer feedback.

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.

The Board delegates authority for all day-to-day management of the Group's affairs to the NLT. The NLT includes the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, the Chief Digital Officer, the Head of People and leaders of our most significant operational business units.

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, and reverse mentoring; and
- its members to ensure it is effective and adheres to best practice.

The Board has six full meetings each year, as well as many smaller meetings to discuss specific matters. In the year ended 31 March 2022, a total of 19 (2021: 21) meetings were held (individual board attendance is noted below). All meetings were held via Microsoft Teams, with the exception of two full meetings which were held in person in November 2021 and March 2022. In FY23, the Board intends that at least three of its six full meetings will be held in person.

OVERVIEW AND BOARD COMPOSITION (CONTINUED)

BOARD AND COMMITTEE MEETING ATTENDANCE

Name	Position	Board	Audit Committee
R H Donaldson	Chief Executive Officer	19/19	-
R Fleming	Audit Partner	-	6/6
H Freedman	Shareholder representative	16/19	4/6
R M Hamlin	Non-Executive Director	19/19	4/4
S A Hart	International Partner	18/19	-
V K Kirkhope	Head of People	19/19	-
K P O'Connor	Executive Chairman	18/19	-
D J Punt	Ethics and Compliance Partner	19/19	-
Z J Rudling	Partner representative	19/19	-
R Stupart	Tax Partner	-	6/6
V C Thakrar	Non-Executive Director	15/19	6/6
A J Westbrook	Chief Financial Officer	19/19	-

R M Hamlin succeeded H Freedman as chair of Audit Committee in November 2021.

The Board appoints the five members of the Audit Committee. Management team members may attend committee meetings by invitation only. Those frequently invited include Andrew Westbrook (Chief Financial Officer) and a finance representative, who give insight and input.

COMMITTEES AND SUPPORTING GROUPS

AUDIT COMMITTEE

The 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 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.

SUPPORTING GROUPS

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

- Ethics Team;
- Partnership Council;
- Service lines;
- Core functions;
- Public Interest Committee; and
- Client and Markets group.

Details of the roles and responsibilities of these groups is outlined on the Board composition structure chart on page 9 above.

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 carry out 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, and consideration of risk, governance, shareholders and people matters (including diversity and inclusion).

The Board receives regular and timely information on all key aspects of the business.

The Board reviews 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

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

- Approving the Group's published financial results and its declaration of dividends.
- Approving material acquisitions and disposals.
- Approving the defined benefit pension scheme's funding policies.
- Approving the purchase of own shares (i.e. Project Tempest).
- All matters related to the Company's share capital.

REMUNERATION

The NLT, overseen by the Board, is responsible for setting 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 overseen 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 level of CEO remuneration is determined constitutionally by the LLP Council of RSM UK Group LLP. The LLP Council is consulted in respect of the overall partner remuneration strategy. During FY22 the Group began transitioning to partner remuneration being overseen by a sub-committee of the Board called the Partner Remuneration Committee. It is intended that this body will in the future replace the LLP Council in determining the CEO remuneration and overseeing the partner remuneration strategy.

Inclusion is an essential part of our people strategy. This year we are voluntarily reporting our ethnicity pay gap alongside our statutory gender pay gap (see below). Both reports are available on our website: www.rsmuk.com. We are 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; and
- 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 pay reporting (GPR). The most recent GPR published can be found on the Group's website (www.rsmuk.com/who-we-are/diversity-reports).

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; or
- 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).

WATES CORPORATE GOVERNANCE PRINCIPLES

CORPORATE GOVERNANCE PRINCIPLES

For the year ended 31 March 2022, under the Companies (Miscellaneous Reporting) Regulations 2018, the Company 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).

Using the principal headings in the code, the table below outlines how the Company has applied those principles or references other parts of these reports or the RSM UK Holdings Limited annual financial report (available at <https://www.rsmuk.com/who-we-are/financial-report>) which provide more detail.

Principles	Reference
<p>PRINCIPLE 1 PURPOSE AND LEADERSHIP</p> <p>An effective board develops and promotes the purpose of a company, and ensures that its values, strategy and culture align with that purpose.</p>	For further information, please see pages 18 to 23 (Strategic Report, Our strategy) of our annual financial report
<p>PRINCIPLE 2 BOARD COMPOSITION</p> <p>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.</p>	Please see above section on 'Board composition'
<p>PRINCIPLE 3 DIRECTORS' RESPONSIBILITIES</p> <p>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.</p>	Please see above sections on 'Board composition', 'How the Board operates' and 'Matters reserved for the Board'
<p>PRINCIPLE 4 OPPORTUNITY AND RISK</p> <p>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.</p>	For further information, please see pages 42 to 49 (Strategic Report, Risk management and principal risks) of our annual financial report
<p>PRINCIPLE 5 REMUNERATION</p> <p>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.</p>	Please see above section on 'Matters reserved for the Board'
<p>PRINCIPLE 6 STAKEHOLDER RELATIONSHIPS AND ENGAGEMENT</p> <p>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.</p>	Please see the RSM UK Holdings Limited Section 172 statement, on pages 3 to 7 of this booklet

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



RSM UK

TAX AND ACCOUNTING
LIMITED

SECTION 172(1) STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022

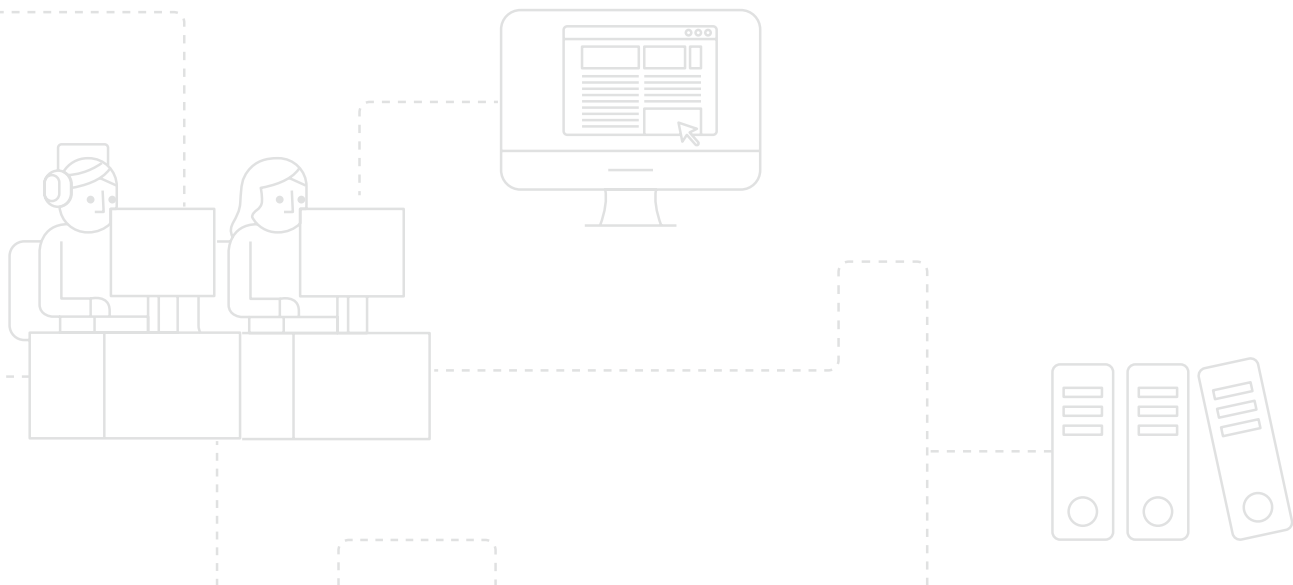
SECTION 172(1) STATEMENT

It is the RSM UK Tax and Accounting Limited (the 'Company') board's (the 'Board's') responsibility to ensure that the Directors have acted in good faith, both individually and collectively, and in a way that they consider to be most likely to promote the success of the Company and RSM 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 RSM 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 and service line and core function leaders.

NOTABLE ACTIVITIES OF THE BOARD FOR THE YEAR ENDED 31 MARCH 2022

Key Board decisions	Board considerations	Principal stakeholders
Approval of the RSM Group and Company's environmental strategy of net zero carbon by 2030.	<ul style="list-style-type: none"> Climate emergency. Morally the right thing to do. Demands from our people to be more environmentally active. Supply chain pressures to adopt a more proactive environmental stance. 	<ul style="list-style-type: none"> Suppliers Community Regulators and government People Clients
Approval of the Group's budget and financial plans for 2022/23.	<ul style="list-style-type: none"> Prior year performance. Opportunities and challenges in the market place. Resourcing constraints. Alignment to overall strategy. Investment requirements. Financing arrangements. 	<ul style="list-style-type: none"> Shareholders Clients Suppliers Banks People Pension Schemes
Review of the Group's principal risks.	<ul style="list-style-type: none"> Identification and likelihood of risks. Evaluation, ownership and reporting requirements. 	<ul style="list-style-type: none"> All



SECTION 172(1) STATEMENT (CONTINUED)

HOW THE BOARD ENGAGES WITH KEY STAKEHOLDERS

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

Stakeholders	Areas of interest	How we engage
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 broadcasts ▪ Employee networks ▪ Partnership Council ▪ Local office people updates and wellbeing activities ▪ Technical and personal skills training ▪ Reverse mentoring of Board members ▪ Engagement surveys including Best Companies
Clients	<ul style="list-style-type: none"> ▪ Value of service ▪ Quality of service 	<ul style="list-style-type: none"> ▪ Tailored approach to wider RSM Group clients ▪ Data driven industry and economic insight and thought-leadership ▪ Client related technical and industry events ▪ Client surveys ▪ Voice of client reviews
Suppliers	<ul style="list-style-type: none"> ▪ Timely payments ▪ Landlord engagement 	<ul style="list-style-type: none"> ▪ Key contact points for major suppliers ▪ Finance function ensures correct and timely payments – for the year ended 31 March 2022 the Group paid suppliers on average within 13 days (2021: 11 days)
Shareholders	<ul style="list-style-type: none"> ▪ Profitability and growth ▪ Dividends ▪ Operational performance 	<ul style="list-style-type: none"> ▪ Dividend payments ▪ Access to Board members ▪ Regular communication from RSM Group CEO and Chairman
Community	<ul style="list-style-type: none"> ▪ Employment ▪ ESG considerations ▪ Charity 	<ul style="list-style-type: none"> ▪ Volunteering scheme ▪ National and local charitable giving ▪ RSM UK Foundation ▪ Active participation in social mobility programmes including 10k Black Interns, Leadership Through Sport and Business, and Access Accountancy ▪ 650+ trainee positions (school and university) ▪ External trusteeships where permitted

SECTION 172(1) STATEMENT (CONTINUED)

HOW THE BOARD ENGAGES WITH KEY STAKEHOLDERS (CONTINUED)

Stakeholders	Areas of interest	How we engage
Regulators and government	Financial Reporting Council, Institute of Chartered Accountants of Scotland, Institute of Chartered Accountants in England and Wales, HMRC, Solicitors Regulation Authority	<ul style="list-style-type: none"> Active internal quality control teams External quality reviews Audit Firm Transparency Report Public Interest Committee Regular liaison with Group's customer compliance manager at HMRC Approval of Group's tax strategy which can be found at www.rsmuk.com/who-we-are/tax-strategy <p>For the year ended 31 March 2022 the Group paid taxes to HMRC (including payroll taxes, VAT, corporation tax and partnership tax) of £181.4m (2021: £129m).</p>
RSM International	<ul style="list-style-type: none"> Board representation Global initiatives and methodologies Network International Standard on Quality Management 1 implementation 	<ul style="list-style-type: none"> A Group director is a member of the RSM International Board Centre of excellence membership (for example, involvement in groups such as audit, tax, financial reporting, risk, technology and digital) Dedicated country practice leads
Pension Schemes	<ul style="list-style-type: none"> Statement of investment principles 	<ul style="list-style-type: none"> Regular communication between Board directors and Trustee Independent Chair Consultation with RSM and Scheme advisors in relation to key decisions

Further information on the RSM Group's response to section 172(1) can be found in the Section 172 Statement for RSM UK Holdings Limited (on pages 3 to 7 of this booklet) and in the financial statements of the ultimate parent company, RSM UK Holdings Limited (available at <https://www.rsmuk.com/who-we-are/financial-report>).



RSM UK

TAX AND ACCOUNTING
LIMITED

CORPORATE GOVERNANCE
REPORT

FOR THE YEAR ENDED 31 MARCH 2022

GOVERNANCE FRAMEWORK

The RSM UK Tax and Accounting Limited (the 'Company') board (the 'Board') consists of RSM Group's Chief Operating Officer acting as Chair, Chief Financial Officer, Chief People Officer, and relevant Service Line Heads composed of Partners from within the RSM 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 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 2022, under the Companies (Miscellaneous Reporting) Regulations 2018, the RSM 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 in the Corporate Governance Report for RSM UK Holdings Limited (on pages 8 to 14 of this booklet) and within the financial statements of the ultimate parent company, RSM UK Holdings Limited (available at <https://www.rsmuk.com/who-we-are/financial-report>). The Group's website (www.rsmuk.com) also contains further supporting information on the Wates Principles.

AUDIT COMMITTEE

The Board delegates matters to the formally constituted standing Audit Committee as appropriate. 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;
- the Group's identification and management of key risks;
- the effectiveness of internal controls;
- the performance and independence of the external auditor; and
- the 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 allows 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.



RSM UK

MANAGEMENT LIMITED

SECTION 172(1) STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

SECTION 172(1) STATEMENT

It is the RSM UK Management Limited (the 'Company') board's (the 'Board's') responsibility to ensure that the Directors have acted in good faith, both individually and collectively, and in a way that they consider to be most likely to promote the success of the Company and RSM 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 RSM 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 and service line and core function leaders.

NOTABLE ACTIVITIES OF THE BOARD FOR THE YEAR ENDED 31 MARCH 2022

Key Board decisions	Board considerations	Principle stakeholders
Approval of the RSM Group and Company's environmental strategy of net zero carbon by 2030.	<ul style="list-style-type: none"> ▪ Climate emergency. ▪ Morally the right thing to do. ▪ Demands from our people to be more environmentally active. ▪ Supply chain pressures to adopt a more proactive environmental stance. 	<ul style="list-style-type: none"> ▪ Suppliers ▪ Community ▪ Regulators and government ▪ People ▪ Clients
Approval of the Group's budget and financial plans for 2022/23.	<ul style="list-style-type: none"> ▪ Prior year performance. ▪ Opportunities and challenges in the market place. ▪ Resourcing constraints. ▪ Alignment to overall strategy. ▪ Investment requirements. ▪ Financing arrangements. 	<ul style="list-style-type: none"> ▪ Shareholders ▪ Clients ▪ Suppliers ▪ Banks ▪ People ▪ Pension Schemes
Review of the Group's principal risks.	<ul style="list-style-type: none"> ▪ Identification and likelihood of risks. ▪ Evaluation, ownership and reporting requirements. 	<ul style="list-style-type: none"> ▪ All

SECTION 172(1) STATEMENT (CONTINUED)

HOW THE BOARD ENGAGES WITH KEY STAKEHOLDERS

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

Stakeholders	Areas of interest	How we engage
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 RSM CEO broadcasts ▪ Employee networks ▪ Partnership Council ▪ Local office people updates and wellbeing activities ▪ Technical and personal skills training ▪ Reverse mentoring of Board members ▪ Engagement surveys including Best Companies
Clients	<ul style="list-style-type: none"> ▪ Value of service ▪ Quality of service 	<ul style="list-style-type: none"> ▪ Tailored approach to wider RSM Group clients ▪ Data driven industry and economic insight and thought-leadership ▪ Client related technical and industry events ▪ Client surveys ▪ Voice of client reviews
Suppliers	<ul style="list-style-type: none"> ▪ Timely payments ▪ Landlord engagement 	<ul style="list-style-type: none"> ▪ Key contact points for major suppliers ▪ Finance function ensures correct and timely payments – for the year ended 31 March 2022 the Group paid suppliers on average within 13 days (2021: 11 days)
Shareholders	<ul style="list-style-type: none"> ▪ Profitability and growth ▪ Dividends ▪ Operational performance 	<ul style="list-style-type: none"> ▪ Dividend payments ▪ Access to Board members ▪ Regular communication from the RSM Group CEO and Chairman
Community	<ul style="list-style-type: none"> ▪ Employment ▪ ESG considerations ▪ Charity 	<ul style="list-style-type: none"> ▪ Volunteering scheme ▪ National and local charitable giving ▪ RSM UK Foundation ▪ Active participation in social mobility programmes including 10k Black Interns, Leadership Through Sport and Business, and Access Accountancy ▪ 650+ trainee positions (school and university) ▪ External trusteeships where permitted

SECTION 172(1) STATEMENT (CONTINUED)

HOW THE BOARD ENGAGES WITH KEY STAKEHOLDERS (CONTINUED)

Stakeholders	Areas of interest	How we engage
Regulators and government	Financial Reporting Council, Institute of Chartered Accountants of Scotland, Institute of Chartered Accountants in England and Wales, HMRC, Solicitors Regulation Authority	<ul style="list-style-type: none"> Active internal quality control teams External quality reviews Audit Firm Transparency Report Public Interest Committee Regular liaison with Group's customer compliance manager at HMRC Approval of Group's tax strategy which can be found at www.rsmuk.com/who-we-are/tax-strategy <p>For the year ended 31 March 2022 the Group paid taxes to HMRC (including payroll taxes, VAT, corporation tax and partnership tax) of £181.4m (2021: £129m).</p>
RSM International	<ul style="list-style-type: none"> Board representation Global initiatives and methodologies Network International Standard on Quality Management 1 implementation 	<ul style="list-style-type: none"> A Group director is a member of the RSM International Board Centre of excellence membership (for example, involvement in groups such as audit, tax, financial reporting, risk, technology and digital) Dedicated country practice leads
Pension Schemes	<ul style="list-style-type: none"> Statement of investment principles 	<ul style="list-style-type: none"> Regular communication between Board directors and Trustee Independent Chair Consultation with RSM and Scheme advisors in relation to key decisions

Further information on the RSM Group's response to section 172(1) can be found in the Section 172 Statement for RSM UK Holdings Limited (on pages 3 to 7 of this booklet) and in the financial statements of the ultimate parent company, RSM UK Holdings Limited (available at <https://www.rsmuk.com/who-we-are/financial-report>).



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