

Registered number: 01445305

**LUCAS FETTES AND PARTNERS LIMITED**

**UNAUDITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**



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## LUCAS FETTES AND PARTNERS LIMITED

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### COMPANY INFORMATION

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Directors	M P Rea C D K Scott
Company secretary	A Peel
Registered number	01445305
Registered office	The Walbrook Building 25 Walbrook London EC4N 8AW

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## **LUCAS FETTES AND PARTNERS LIMITED**

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### **CONTENTS**

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	Page
<b>Directors' Report</b>	<b>1</b>
<b>Statement of Comprehensive Income</b>	<b>2</b>
<b>Balance Sheet</b>	<b>3</b>
<b>Statement of Changes in Equity</b>	<b>4</b>
<b>Notes to the Financial Statements</b>	<b>5 - 16</b>

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## LUCAS FETTES AND PARTNERS LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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The directors present their report and the financial statements for the year ended 31 December 2018.

#### Principal activity

The Company's principal activity was insurance broking providing retail insurance services to a variety of commercial clients ranging from start-ups to SMEs and listed companies.

#### Business review

On 30 April 2018 the Company hived-up all of the trade and assets to Stackhouse Poland Limited, a fellow Group subsidiary.

#### Directors

The directors who served during the year were:

J I D Agnew (resigned 5 April 2019)  
J M G Cary (resigned 5 April 2019)  
I A Jamieson (resigned 5 April 2019)  
T D Johnson (resigned 5 April 2019)  
R C F Bowdidge (resigned 17 April 2018)  
P G Carroll (resigned 17 April 2018)  
W A Cockayne (resigned 17 April 2018)  
R J Heighton (resigned 17 April 2018)  
R A Lucas (resigned 17 April 2018)  
H C Merison (resigned 17 April 2018)  
J D Phillips (resigned 17 April 2018)  
M J Taylor (resigned 17 April 2018)  
S P Trent (resigned 17 April 2018)  
V E Vicary (resigned 17 April 2018)  
P M Winterbottom (resigned 17 April 2018)  
J P Worthington (resigned 17 April 2018)  
M P Rea (appointed 5 April 2019)  
C D K Scott (appointed 5 April 2019)

#### Future developments

The Company is part of the Stackhouse Poland Group. On 5 April 2019, the entire share capital of Stackhouse Poland Group Limited was acquired by Gallagher Holdings (UK) Limited.

#### Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 26 September 2019 and signed on its behalf.



**C D K Scott**  
Director

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**LUCAS FETTES AND PARTNERS LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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	Note	31 December 2018 £000	9 months ended 31 December 2017 £000
Turnover		3,565	9,219
Cost of sales		(60)	(46)
<b>Gross profit</b>		<b>3,505</b>	<b>9,173</b>
Administrative expenses		(2,799)	(7,030)
Other operating income		10	22
<b>Operating profit</b>		<b>716</b>	<b>2,165</b>
Amounts written off investments		-	(1,021)
Interest receivable and similar income		4	3
<b>Profit before tax</b>		<b>720</b>	<b>1,147</b>
Tax on profit	6	-	196
<b>Profit for the financial year</b>		<b>720</b>	<b>1,343</b>
<b>Other comprehensive income for the year</b>			
<b>Total comprehensive income for the year</b>		<b>720</b>	<b>1,343</b>

The notes on pages 5 to 16 form part of these financial statements.

On 30 April 2018 all of the Company's trade and assets were hived to Stackhouse Poland Limited, a fellow Group subsidiary and the Company ceased trading from this date.

**LUCAS FETTES AND PARTNERS LIMITED**  
**REGISTERED NUMBER: 01445305**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2018**

	Note	2018 £000	2017 £000
<b>Fixed assets</b>			
Intangible assets	7	-	715
Tangible assets	8	-	327
Investments	9	-	7
		<u>-</u>	<u>1,049</u>
<b>Current assets</b>			
Debtors: amounts due after more than one year	10	-	334
Debtors: amounts falling due within one year	10	34	12,152
Cash at bank and in hand	11	37	10,733
		<u>71</u>	<u>23,219</u>
Creditors: amounts falling due within one year	12	(1)	(18,500)
<b>Net current assets</b>		<u>70</u>	<u>4,719</u>
<b>Total assets less current liabilities</b>		<u>70</u>	<u>5,768</u>
Provisions for liabilities	14	-	(66)
<b>Net assets</b>		<u><u>70</u></u>	<u><u>5,702</u></u>
<b>Capital and reserves</b>			
Called up share capital		50	50
Share premium account		20	20
Profit and loss account		-	5,632
		<u>70</u>	<u>5,702</u>

The directors consider that the Company is entitled to exemption from audit under section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements. The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 September 2019

**CD K Scott**  
 Director



The notes on pages 5 to 16 form part of these financial statements.

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**LUCAS FETTES AND PARTNERS LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
<b>At 1 April 2017</b>	50	20	4,289	4,359
<b>Comprehensive income for the period</b>				
Profit for the period	-	-	1,343	1,343
<b>Total comprehensive income for the period</b>	-	-	1,343	1,343
<b>At 1 January 2018</b>	50	20	5,632	5,702
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	720	720
<b>Total comprehensive income for the year</b>	-	-	720	720
Dividends paid	-	-	(6,352)	(6,352)
<b>At 31 December 2018</b>	50	20	-	70

The notes on pages 5 to 16 form part of these financial statements.

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## LUCAS FETTES AND PARTNERS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1. General information

Lucas Fettes & Partners Limited is a private company, limited by shares, registered in England and Wales. The Company's registered number is 01445305 and the registered office address is The Walbrook Building, 25 Walbrook, London, EC4N 8AW. The Company's principal activity is insurance broking

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

##### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

*The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":*

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Stackhouse Poland Group Limited as at 31 December 2018 and these financial statements may be obtained from Companies House.

##### 2.3 Turnover

Turnover represents insurance commissions and fees receivable, together with interest earned on premiums received.

Commission income is recognised at the inception point of the policy with an appropriate deferral for post placement activities during the period of the policy.



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## LUCAS FETTES AND PARTNERS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 2. Accounting policies (continued)

##### 2.4 Intangible assets

###### Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life.

###### Other intangible assets

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

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

##### 2.5 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Motor vehicles	-	20%	on cost
Office equipment	-	10%	- 25% straight line or reducing balance depending on the nature of the asset

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

##### 2.6 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

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## LUCAS FETTES AND PARTNERS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 2. Accounting policies (continued)

##### 2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

##### 2.8 Debtors

Short term debtors are measured at transaction price, less any impairment.

##### 2.9 Cash and cash equivalents

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

##### 2.10 Financial instruments

*The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, and balances with fellow group companies.*

##### 2.11 Creditors

Short term creditors are measured at the transaction price.

##### 2.12 Foreign currency translation

###### Functional and presentation currency

The Company's functional and presentational currency is GBP.

###### Transactions and balances

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

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

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

##### 2.13 Dividends

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

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## LUCAS FETTES AND PARTNERS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 2. Accounting policies (continued)

##### 2.14 Share based payments

Share based payment transactions are valued in accordance with FRS 102. A fair value of the share options awarded is measured at the date of the grant. Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Income Statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance Sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

##### 2.15 Pensions

###### Defined contribution pension plan

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

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

##### 2.16 Interest income

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

##### 2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

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## LUCAS FETTES AND PARTNERS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 2. Accounting policies (continued)

##### 2.18 Current and deferred taxation

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

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

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

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

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

#### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results ultimately may differ from those estimates.

#### 4. Employees

The average monthly number of employees, including the directors, during the year was as follows.

	31 December 2018 No.	9 months ended 31 December 2017 No.
Sales and administration	34	133

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**LUCAS FETTES AND PARTNERS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**5. Directors' remuneration**

The highest paid director received remuneration of £NIL (2017 - £118,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2017 - £10,000).

**6. Taxation**

	31 December 2018 £000	9 months ended 31 December 2017 £000
<b>Corporation tax</b>		
Group relief	-	(175)
	<u>-</u>	<u>(175)</u>
<b>Total current tax</b>	<u>-</u>	<u>(175)</u>
<b>Deferred tax</b>		
Origination and reversal of timing difference	-	(21)
<b>Total deferred tax</b>	<u>-</u>	<u>(21)</u>
<b>Taxation on profit/(loss) on ordinary activities</b>	<u>-</u>	<u>(196)</u>

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**LUCAS FETTES AND PARTNERS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**6. Taxation (continued)****Factors affecting tax charge for the year/period**

The tax assessed for the year/period is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 19%). The differences are explained below:

	31 December 2018 £000	9 months ended 31 December 2017 £000
Profit on ordinary activities before tax	720	1,148
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19%)	137	218
<b>Effects of:</b>		
Expenses not deductible for tax purposes	3	222
Adjustments to tax charge in respect of prior periods	32	(175)
Losses carried back	-	246
Other timing differences leading to an increase (decrease) in taxation	34	(709)
Other differences leading to an increase (decrease) in the tax charge	(3)	2
Group relief	(145)	-
Transfer of corporation tax liability on hive up	(58)	-
<b>Total tax charge for the year/period</b>	<b>-</b>	<b>(196)</b>

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

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**LUCAS FETTES AND PARTNERS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**7. Intangible assets**

	Goodwill £000
<b>Cost</b>	
At 1 January 2018	1,457
Transfers intra group	(1,457)
At 31 December 2018	-
<b>Amortisation</b>	
At 1 January 2018	742
Charge for the year	27
Transfers intra group	(769)
At 31 December 2018	-
<b>Net book value</b>	
At 31 December 2018	-
At 31 December 2017	715

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**LUCAS FETTES AND PARTNERS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**8. Tangible fixed assets**

	Motor vehicles £000	Office equipment £000	Total £000
<b>Cost</b>			
At 1 January 2018	382	1,131	1,513
Transfers intra group	(382)	(1,131)	(1,513)
At 31 December 2018	-	-	-
<b>Depreciation</b>			
At 1 January 2018	196	990	1,186
Charge for the year on owned assets	32	38	70
Transfers intra group	(228)	(1,028)	(1,256)
At 31 December 2018	-	-	-
<b>Net book value</b>			
At 31 December 2018	-	-	-
At 31 December 2017	186	141	327

**9. Fixed asset investments**

	Unlisted investments £000
At 1 January 2018	7
Transfers intra group	(7)
At 31 December 2018	-



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**LUCAS FETTES AND PARTNERS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**10. Debtors**

	2018 £000	2017 £000
<b>Due after more than one year</b>		
Corporation tax recoverable	-	334
	<u>-</u>	<u>334</u>
	2018 £000	2017 £000
<b>Due within one year</b>		
Trade debtors	-	7,518
Amounts owed by group undertakings	34	2,091
Staff loans	-	27
Director current account	-	1
Prepayments and accrued income	-	2,466
Tax recoverable	-	23
Deferred taxation	-	26
	<u>34</u>	<u>12,152</u>

**11. Cash and cash equivalents**

	2018 £000	2017 £000
Cash at bank and in hand	37	10,733
	<u>37</u>	<u>10,733</u>

Cash at bank includes £nil (31 March 2017: £9,895,000) held under a 'non-statutory trust', in accordance with the Financial Conduct Authority Rules

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**LUCAS FETTES AND PARTNERS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**12. Creditors: Amounts falling due within one year**

	2018 £000	2017 £000
Trade creditors	1	15,860
Other taxation and social security	-	241
Other creditors	-	1,807
Accruals and deferred income	-	592
	<u>1</u>	<u>18,500</u>

**13. Deferred taxation**

	2018 £000	2017 £000
At beginning of year	26	5
Charged to profit or loss	-	21
Transferred on hive across	(26)	-
<b>At end of year</b>	<u>-</u>	<u>26</u>

The deferred tax asset is made up as follows:

	2018 £000	2017 £000
Accelerated capital allowances	-	19
Short term timing differences	-	7
	<u>-</u>	<u>26</u>

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## LUCAS FETTES AND PARTNERS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 14. Provisions

	Other provisions £000
At 1 January 2018	66
Transfers intra group	(66)
At 31 December 2018	-

Other provisions represent provisions in connection with the estimated dilapidation costs of operating leases that may become due at the end of the lease terms.

#### 15. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £116,000 (2017: £344,000).

#### 16. Related party transactions

The Company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

#### 17. Post balance sheet events

On 5 April 2019, the entire issued share capital of Stackhouse Poland Group Limited, the ultimate parent company of the Company, was acquired by Gallagher Holdings (UK) Limited, a subsidiary of Arthur J. Gallagher & Co., a company incorporated in the United States of America, which is the ultimate holding company.

#### 18. Controlling party

The Company's immediate parent undertaking is Lucas Fettes Limited, a company registered in England & Wales and is part of the Stackhouse Poland Group. On 5 April 2019, the entire share capital of Stackhouse Poland Group Limited, the ultimate parent company, was acquired by Gallagher Holdings (UK) Limited. The largest group of undertakings of which the Company is a member and for which financial statements are prepared, is headed up by Arthur J. Gallagher & Co., a Company incorporated in the United States of America, which is the ultimate holding company. The registered address of Arthur J. Gallagher & Co. is 2850 W. Gold Rd, Rolling Meadows, IL 60008. A copy of these consolidated financial statements is available from the registered office of the Company.