Company Registration No. 10889686

Bollington Wilson Group Limited

Report and Financial Statements

For the year ended 31 December 2020

Bollington Wilson Group Limited
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OFFICERS AND PROFESSIONAL ADVISERS

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J O Whittingham

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Registered number

No. 10889686

STRATEGIC REPORT

For the year to 31 December 2020

Introduction

The directors are pleased to present their report and audited financial statements for the year ended 31 December 2020.

Principal Activity

The principal activity of the Group continues to be that of an intermediary providing insurance and risk management services to general insurance customers. The Group provides its services to a wide customer base including:

- Personal customers
- Small and medium sized enterprises
- Large corporates
- Wholesale clients

The Company and the Group of which it is a member are domiciled and incorporated in the UK.

Business Review

The Group produces consolidated monthly management accounts that are monitored and reviewed by management. Key performance indicators include:

	2020 £	2019 £
Turnover	40,496,524	33,134,485
Gross Profit	32,985,190	26,293,531
Loss Before Tax	(9,441,578)	(7,817,298)
Total Comprehensive Loss	(10,421,316)	(8,069,638)

The directors are pleased to report an increase in the turnover of 22% compared to the prior year, which has been achieved through a combination of growth in the underlying performance and as a result of a number of acquisitions that were completed towards the end of 2019 and during 2020. The strong performance of the business is also reflected in the increase in gross profit of 25%.

Ashgrove Insurance Services, an insurance broker based in North Manchester was acquired in Dec 2019. Prophet Trade Credit, a niche insurance broker based in Harrogate; CLA Risk Solutions a West-Midlands based broker; were acquired during January 2020 and February 2020 respectively.

Watson Laurie, a Bolton based broker, specialising in corporate, schemes, European commercial real estate funding, and latent defects insurance was acquired on 31 July 2020.

Finally, the customer book of Frank Brierley, an Oldham based broker were acquired at the end of December 2020.

The Group made a loss after tax of £10,421,315, the loss is predominantly driven by interest charges from bank borrowings and loan notes that the Group has issued to support the acquisitions and amortisation of goodwill.

On 5th February 2021 the Bollington Wilson Group Limited became a wholly owned subsidiary of Gallagher Holdings (UK) Limited, which is a wholly owned subsidiary of Arthur J Gallagher & Co, a company incorporated in the USA. Arthur J Gallagher & Co is one of the world's largest insurance brokerage, risk management and consulting firms.

Statement by the directors on the performance of their statutory duties in accordance with S172(1) of the Companies Act 2006

The directors of Bollington Wilson Group Limited have regard to the interests of the Company's stakeholders in accordance with S172(1) of the Companies Act 2006.
The directors recognise their responsibility to act in good faith to promote the success of the Company for the benefit of its shareholders, including the majority shareholder; Inflexion Buyout Fund IV (No.1), while also considering the impact of their decisions on other stakeholders. These stakeholders include clients, strategic partners (for example, insurance companies), employees, suppliers, our regulator, the environment and the wider community. Engagement with these stakeholders, to understand the issues and factors which are most important to them, is an important aspect of our decision-making process. In making key decisions, the directors consider the outcomes of engagement with the relevant stakeholders. Set out below are three key decisions taken by the directors during 2020, with details of the stakeholder engagement process undertaken in arriving at them, and how it influenced the decisions taken.

1. COVID-19 pandemic and our response

During the 2020 financial year, the COVID-19 pandemic had far-reaching consequences for UK businesses, including Bollington Wilson Group Limited. Throughout the year, the Board considered how the pandemic, and the resultant lockdowns, would impact the business, and each of its stakeholders, including clients, suppliers, our regulator, and the Company's employees. Decisions taken by the Company's board took into account the impacts of the pandemic on these groups and sought to ensure that the Company could continue to act in all stakeholders' best interests.

How the directors engaged with stakeholders:

From March 2020, the business operations were successfully transferred offsite with 95% of the employees working remotely. The Company was able to successfully maintain its operations with minimal disruption.

The Company put into place contingency plans for any anticipated impact to cash flow as a result of credit control and utilised the support measures made available by the UK Government such as the Coronavirus Job Retention Scheme and deferral of tax payments. This enabled many jobs to be secured in a time of uncertainty. Most employees returned to work by October 2020; the Company made use of the Coronavirus Job Retention Scheme from November to January 2021, largely to support vulnerable employees or those requesting furlough for childcare arrangements. The Company did not claim any amounts under the Coronavirus Job Retention Scheme after January 2021.

The directors were aware of the need for regular communications with the workforce and provided updates to staff using blogs and video messages. Regular pulse surveys were sent out to employees to monitor employee engagement and to understand how working from home was impacting individuals.

Efforts were also made to keep our regulator updated, and an increased volume of data was requested by, and provided to, the FCA during the lockdown periods.

Outcomes:

The team remained resilient throughout 2020 and maintained a high level of service to our clients. Careful consideration of our stakeholders, including our valued employee base, and suppliers, contributed to a strong performance by Bollington Wilson Group Limited in 2020, in spite of the many challenges resulting from COVID-19.

2. Strategic acquisitions

The Company worked with the support and backing of the majority shareholder; Inflexion Buyout Fund IV (No.1), to complete several strategic acquisitions during 2020.

The purchase of Ashgrove Insurance Services, an insurance broker based in North Manchester was completed in Dec 2019.
Prophet Trade Credit, a niche insurance broker based in Harrogate was completed in January 2020.

CLA (Risk Solutions) Limited a West-Midlands based broker; was acquired in February 2020.

Watson Laurie, a Bolton based broker, specialising in corporate, schemes, European commercial real estate funding, and latent defects insurance was acquired on 31 July 2020.
The asset purchase agreement of Frank Brierley, an Oldham based broker was completed at the end of December 2020.

How the directors engaged with stakeholders:

In evaluating each of the acquisitions careful attention was given to the range of services and the sectors covered to ensure that they complemented our existing offering. Due diligence showed that the businesses would be a good fit with Bollington's Corporate division, and that the range of services offered by each could be of benefit to the other's customer base.

A 100-day plan was implemented following the successful acquisition of each of the businesses, including a cross-party working group with representatives from the leadership teams and across various workstreams. This ensured that there was regular communication between the business as we progressed towards integration.

The Company also engaged with its regulator, the Financial Conduct Authority, in seeking approval for the Bollington acquisition to proceed.

Outcomes:

The employees and clients of CLA (Risk Solutions) Limited were successfully transferred into Bollington Insurance Brokers Limited in October 2020, with creation of brand CLA Bollington.

The integration of Ashgrove into the Bollington Insurance Brokers Limited Corporate divisions was completed in November 2020 including the successful transfer of and its employees and clients, this included the closure of the office, which was geographically close to Bollington in the North-West base

3. <u>Sale of shareholding to Arthur J Gallagher & Co</u>

During 2020 the Company worked with the support and backing of the majority shareholder; Inflexion Buyout Fund IV (No.1), to secure an exit for the investors, with the aim of providing long-term security for the business, its employees and its customers.

How the directors engaged with stakeholders:

In evaluating the sale of the Company, an important factor for the Board was the cultural fit between Bollington and Arthur J Gallagher & Co. Based on thorough due diligence work, it was determined that the cultural fit between the two businesses should be strong. Bollington employs over 400 people and ensuring that our employees could transition successfully into the Gallagher group, and continue to build their careers with, was an important consideration in evaluating the acquisition.

Careful attention was also paid to the respective client base, with Bollington located predominantly in the North-West of England. Due diligence showed that Bollington's book of business would be a good fit with Gallagher's, and that the range of services offered by each could be of benefit to the other's customer base.

The Company and Arthur J Gallagher & Co also engaged with the regulator, the Financial Conduct Authority, in seeking approval for the Bollington acquisition to proceed.

Section 172 Statement - continued

Outcomes:

The successful completion of the acquisition of Bollington by Arthur J Gallagher & Co was announced on 8 February 2021, following full regulatory approval. The integration of Bollington, and its employees and clients, into the Gallagher group is well underway, with the aim of securing a long-term future for the employees and access to wider range of services for our existing customers.

These decisions underline the importance of consideration of a range of stakeholder interests to the Company's decision-making. The Company, its directors and its management remain fully committed to engaging effectively with the Company's key stakeholders as part of their decision-making process and will continue to do so in future.

Principal Risks and Uncertainties

Due to the nature of its business the Group is exposed to various risks which it manages closely using management information which is reviewed regularly by management and the directors at its monthly trading meetings.

Key risks include:

- Liquidity risk is managed daily by reviewing the Company's bank accounts and producing monthly cashflow projections.

- Credit risk through both insurance and trade receivables. This risk is mitigated using strict credit control procedures.

- Competition is an ongoing risk which the Company mitigates by continual investment in its people, products, marketing and technology which makes the Company's proposition attractive in the marketplace.

- Counterparty risk - insurers and banks are reviewed regularly by management. Cash and deposits are with prime financial institutions.

- Solvency and FCA capital requirements are monitored closely and reported on to the directors at monthly trading meetings. A CASS 5 external assurance review is performed annually.

- Customer satisfaction is monitored closely by management utilising, but not limited to, externally commissioned surveys, complaints monitoring and self-audits. The Company is committed to Treating Customers Fairly (TCF) responsibilities.

- Staff satisfaction is monitored closely by management utilising, but not limited to, externally commissioned surveys, attrition, sickness and disciplinary rates.

The directors have considered the impact that Covid-19 might have on the group and have identified the following areas of risks. They will continue to monitor the risks associated with the impact of Covid -19 as this situation emerges.

- Operational Resilience – the business has in place business continuity and disaster recovery plans for offsite working, including a cyber resilience plan. All business operations can continue with remote working with minimal disruption to service levels. This includes steps required to meet our regulatory obligations to protect consumers and maintain market integrity. Call monitoring and call assessments continue as well as an increased number of file audits. Our HR and IT teams monitor employee wellbeing and technology requirements.

- Cyber security - the resilience plan includes; data loss prevention; a secure VPN; AV installed on all machines and local firewalls to prevent malware and viruses from being installed and a managed SIEM solution. We are ISO27001 and Cyber Essentials accredited and follow this methodology for Information Security and risk assessments.

Going Concern

The financial statements have been prepared on a going concern basis as the directors are satisfied that the Company has adequate resources to continue in business for the foreseeable future. In making this decision the directors have considered a wide range of information relating to present and future conditions, including the current state of the Balance Sheet, future projections on profitability, cash flows and capital resources.

Given the external developments and geopolitical disruption in relation to the ongoing COVID-19 pandemic, future forecasts and projections have taken these conditions into account. The Company is fully operational, has deployed continuity protocols and has not been materially impacted by the COVID-19 pandemic. The Company has adequate resources to continue in operational existence for a period of at least twelve months following the approval of the Group accounts, and no material uncertainties related to going concern have been identified. As at 31 December 2020, the Group has net liabilities of £26,799,304 (2019: £16,377,989). Due to the Group's year-end position, the ultimate parent undertaking, Arthur J. Gallagher & Co, has confirmed its continued support for the company for a period of at least twelve months from the date of approval of the financial statements.

This report was approved by the board on 23 September 2021 and signed on its behalf.

James Whittingham

J O Whittingham
Director

DIRECTORS' REPORT

The directors present their report and the financial statements for the year ended 31 December 2020.

Statement of Director's Responsibility

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

An analysis of likely future developments in the business and use of financial instruments is given in the Strategic Report.

Directors

The directors who served during the year and up to the date of this report were:

	Appointed	Resigned
M P Rea	05 February 2021	
J O Whittingham	05 February 2021	
P C Moors		05 February 2021
C M Patterson		05 February 2021
P F Evans		05 February 2021
P F McDonnell		05 February 2021
C E Wormald		05 February 2021
M E McKinlay		05 February 2021
A R Crompton	31 July 2020	05 February 2021

DIRECTOR'S REPORT (Continued)

The directors' interests in the shares of the Company were as follows:

Director	Class	2020 No.	2020 £	2019 No.	2019 £
P C Moors	B2	196,309	982	196,309	982
	C1	1,128,691	113	1,128,691	113
	D1	30,200	3	30,200	3
C M Patterson	B2	21,812	109	21,812	109
	C2	178,188	891	178,188	891
	D1	33,200	3	6,800	3
P F McDonnell	C2	150,000	750	150,000	750
	D1	13,000	1	13,000	1
P F Evans	D1	110,000	11	110,000	11

Following the year end directors' interests in shares of the Company were disposed of as part of the sale of shareholding to Arthur J Gallagher & Co.

Directors' and officers' indemnities

The Group has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Results and Dividends

The results for the year are shown in the Consolidated Statement of Comprehensive Income on page 16. No dividends were paid or proposed in the year (£Nil paid in the prior year).

Environment

The Company is committed to pursuing sound environmental policies in all aspects of its business and seeks to encourage and promote good environmental practice amongst its employees and within the communities in which it operates.

Climate and Energy Change

The Company has assessed the energy consumption across all subsidiaries and as a Group in aggregate to be less than 40MWh and is determined to be a low energy user, as such detailed information on Streamlined Energy and Carbon Reporting (SECR) is not disclosed.

Employees

The Company's policy is to recruit and promote on the basis of aptitude and ability without discrimination of any kind. Applications for employment by disabled people are always considered bearing in mind the qualifications and abilities of the applicants. In the event of employees becoming disabled every effort is made to ensure their continued employment. The Group's policy is to adopt an open management style, thereby encouraging information consultation at all levels about aspects of the Group's operations. The Group is very proud of its Investor in People Gold Accreditation.

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Deloitte LLP will therefore continue in office.

This report was approved by the Board on 23 September 2021 and signed on its behalf.

James Whittingham

J O Whittingham
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOLLINGTON WILSON GROUP LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Bollington Wilson Group Limited (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2020 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated and company statements of financial position;
- the consolidated and company statements of changes in equity;
- the consolidated statement of cash flow;
- the statement of accounting policies; and
- the related notes 1 to 30.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These include the Companies Act 2006 and the Income and Corporation Taxes Act 1988; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included Finance Conduct Authority ("FCA") and UK general Data Protection Regulation

We discussed among the audit engagement team including significant component audit teams and relevant internal specialists such as IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOLLINGTON WILSON GROUP LIMITED (Continued)

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

- Inappropriate valuation of goodwill on acquisition of subsidiaries;
- Revenue transactions being recorded in the incorrect period.

In response to the risk of inappropriate valuation of goodwill on acquisition of subsidiaries we have:
- Tested the design and implementation of the key control identified;
- Ascertained the appropriateness of the methodology used to value goodwill; and
- Independently assessed impairment triggers goodwill by reviewing external and internal factors impacting the business;

In response to the risk of revenue transactions being recorded in the incorrect period we have:
- Tested the design and implementation of the key control identified;
- Substantively tested revenue transactions by agreeing a sample of commissions recognised to third party documentation to confirm whether the revenue was recognised in the correct financial period; and
- Assessed the accounting treatment in line with the requirements of FRS 102.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:
- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with FCA.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:
- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOLLINGTON WILSON GROUP LIMITED (Continued)

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Peter Birch (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Manchester
United Kingdom

23 September 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2020

	Note	2020 £	2019 £
Turnover	3	40,496,524	33,134,485
Cost of sales		(7,511,334)	(6,840,954)
Gross profit		**32,985,190**	**26,293,531**
Administrative expenses		(25,891,339)	(22,741,173)
Other operating income	4	316,037	-
Goodwill amortisation	12	(7,764,897)	(5,629,902)
Operating loss	5	**(355,009)**	**(2,077,544)**
Net interest expense	9,10	(9,086,569)	(5,739,755)
Loss before tax		**(9,441,578)**	**(7,817,299)**
Tax on loss	11	(979,738)	(252,340)
Total comprehensive loss for the year		**(10,421,316)**	**(8,069,639)**

Total comprehensive loss for the financial year attributable to:

Owners of the parent Company	(10,421,315)	(8,069,639)
	(10,421,315)	**(8,069,639)**

All of the loss for the financial year is attributable to the controlling interest of the Company and is derived from continuing operations.

The notes on pages 22 to 42 form part of these financial statements.

Company Registration No. 10889686

BOLLINGTON WILSON GROUP LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Goodwill	12	67,276,585	47,397,931
Tangible assets	13	2,539,258	2,611,390
		69,815,843	**50,009,321**
Current assets			
Debtors	15	6,991,513	5,048,588
Cash at bank and in hand	16	6,000,392	1,336,947
		12,991,905	**6,385,535**
Creditors: amounts falling due within one year	17	**(7,125,656)**	**(2,693,232)**
Net Current Assets		**5,866,249**	**3,692,303**
Debtors: amounts falling due after more than one year	15	**15,426**	**114,994**
Total assets less current liabilities		**75,697,518**	**53,816,618**
Creditors: amounts falling due after more than one year	17,18	**(101,926,822)**	**(70,194,607)**
Provisions for liabilities	20	**(570,000)**	**-**
Net liabilities		**(26,799,304)**	**(16,377,989)**
Capital and reserves			
Share capital	24	10,135	10,135
Share premium	25	104,461	104,461
Capital redemption reserve		1,644	1,644
Profit and loss account deficit		(26,915,544)	(16,494,229)
Equity shareholders' deficit		**(26,799,304)**	**(16,377,989)**

The notes on pages 22 to 42 form part of these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 September 2021:

James Whittingham

J O Whittingham
Director

COMPANY STATEMENT OF FINANCIAL POSITION
As at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	14	16	16
Tangible assets	13	1,596	-
		1,612	**16**
Current assets			
Debtors	15	224,008	202,385
		224,008	**202,385**
Creditors: amounts falling due within one year	**17**	**(1,641,393)**	**(1,495,647)**
Net current liabilities		**(1,417,385)**	**(1,293,262)**
Debtors: amounts falling due after more than one year	**15**	**503,621**	**503,621**
Total assets less current liabilities		**(912,152)**	**(789,625)**
Creditors: amounts falling due after more than one year	**17**	**(537,118)**	**(537,118)**
Net liabilities		**(1,449,270)**	**(1,326,743)**
Capital and reserves			
Share capital	**24**	10,135	10,135
Share premium	**25**	104,461	104,461
Capital redemption reserve		1,644	1,644
Profit and loss account deficit		(1,565,510)	(1,442,983)
Equity shareholders' deficit		**(1,449,270)**	**(1,326,743)**

The notes on pages 22 to 42 form part of these financial statements.

As permitted by Section 408 of the Companies Act, the Company is exempt from the requirements to present its own profit and loss account. The loss attributable to the Company is £(122,527) (2019: £(325,723)).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 September 2021 :

James Whittingham

J O Whittingham
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2020

	Called up Share Capital £	Share Premium £	Capital Redemption £	Profit and Loss Account £	Total Equity £
At 01 January 2020	10,135	104,461	1,644	(16,494,229)	(16,377,989)
(Loss) of the financial year	-	-	-	(10,421,315)	(10,421,315)
At 31 December 2020	**10,135**	**104,461**	**1,644**	**(26,915,544)**	**(26,799,304)**

	Called up Share Capital £	Share Premium £	Capital Redemption £	Profit and Loss Account £	Total Equity £
At 01 January 2019	10,103	86,003	1,644	(8,424,590)	(8,326,840)
Issue of Shares	32	18,458	-	-	18,490
(Loss) of the financial year	-	-	-	(8,069,639)	(8,069,639)
At 31 December 2019	**10,135**	**104,461**	**1,644**	**(16,494,229)**	**(16,377,989)**

The notes on pages 21 to 41 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2020

	Called up Share Capital £	Share Premium £	Capital Redemption £	Retained Earnings £	Total Equity £
At 01 January 2020	10,135	104,461	1,644	(1,442,983)	(1,326,743)
(Loss) of the financial year	-	-	-	(122,527)	(122,527)
At 31 December 2020	**10,135**	**104,461**	**1,644**	**(1,565,510)**	**(1,449,270)**

	Called up Share Capital £	Share Premium £	Capital Redemption £	Retained Earnings £	Total Equity £
At 01 January 2019	11,088	82,662	-	(161,664)	(67,914)
Issue of Shares	758	3,341	-	-	4,099
Buyback of Shares	(1,743)	-	1,644	-	(99)
(Loss) of the financial year	-	-	-	(325,723)	(325,723)
At 31 December 2019	**10,103**	**86,003**	**1,644**	**(487,387)**	**(389,637)**

The notes on pages 21 to 41 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2020

	2020 £	2019 £
Cash flows from operating activities		
(Loss) for the financial year	**(10,421,316)**	**(8,069,638)**
Amortisation and impairment of intangible assets	7,764,897	5,629,902
Depreciation of tangible fixed assets	892,802	713,276
Profit on disposal of tangible assets	(4,750)	(736)
Interest paid	9,216,757	5,762,509
Interest received	(130,188)	(23,562)
(Increase)/decrease in debtors	(2,035,613)	1,422,861
Increase/(decrease) in creditors	1,081,935	(5,145,451)
Corporation tax	922,907	(357,189)
Net Cash generated from Operating Activities	**7,287,431**	**(68,028)**
Cash flows from investing activities		
Cost of business combinations in the year	(25,135,180)	(3,393,998)
Cash acquired in business combinations	2,900,216	24,567
Interest received on deposits	130,188	23,562
Proceeds on disposal of fixed assets	4,750	30,554
Purchase of tangible fixed assets	(714,281)	(1,147,861)
Tangible fixed assets acquired in business combinations	(106,389)	-
Proceeds on disposal of investments	-	3,342
Net cash used in Investing Activities	**(22,920,696)**	**(4,459,834)**
Cash flows from financing activities		
New borrowings	30,577,000	500,000
Repayment of borrowings	(5,000,000)	(62,757)
(Repayment)/Increase in finance leases	(7,379)	10,943
Interest paid on borrowings	(5,272,912)	(1,129,010)
Net cash used in Financing Activities	**20,296,709**	**(680,824)**
Net increase/(decrease) in cash and cash equivalents	**4,663,445**	**(5,208,686)**
Cash and cash equivalents at beginning of year	1,336,947	6,545,633
Cash and cash equivalents at end of year	**6,000,392**	**1,336,947**

Cash and cash equivalents at the end of the year comprise:

Cash at bank and in hand	**6,000,392**	**1,336,947**

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

1.1 General information and Basis of preparation of financial statements

Bollington Wilson Group Limited (the "Company") is a private company limited by shares incorporated in the United Kingdom under the Companies Act and registered in England. The address of the registered office is given on page 3. The nature of the Company's operations and its principal activities are set out in the Strategic Report on pages 4-8.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The financial statements are prepared in accordance with applicable law and United Kingdom accounting standards. The principle accounting policies are summarised below. All accounting policies have been consistently applied throughout the current and preceding year.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

1.2 Financial Reporting Standard 102 - reduced disclosure exemption

Related party transactions
The Company has taken advantage of the exemptions available under paragraph 33.1A of FRS 102 Related Party Disclosures, not to disclose transactions that have taken place between members of the Group where the party to the transaction is a wholly owned member.

Cash flow statement
The Company meets the definition of a 'qualifying entity' under FRS 102 and as such has elected to take the exemption under FRS 102, para 1.12(b) not to present the Company statement of cash flows.

Exemptions have been taken in relation to financial instruments and remuneration of key management personnel.

1.3 Going concern

The financial statements have been prepared on a going concern basis, under the historical cost basis. Given the external developments and geopolitical disruption in relation to the ongoing COVID-19 pandemic, future forecasts and projections have taken these conditions into account. The Company has adequate resources to continue in operational existence for a period of at least twelve months following the approval of the Group accounts, and no material uncertainties related to going concern have been identified. The Company is fully operational, has deployed continuity protocols and has not been materially impacted by the COVID-19 pandemic.

The directors therefore continue to prepare the accounts on a going concern basis. As at 31 December 2020, the Group has net liabilities of £26,799,304 (2019: £16,377,989). Due to the Group's year-end position, the ultimate parent undertaking, Arthur J. Gallagher & Co, has confirmed its continued support for the company for a period of at least twelve months from the date of approval of the financial statements.

1. Accounting policies (continued)

1.4A Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquired business plus costs directly attributable to the business combination.

Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill. If the net fair value of the identifiable assets and liabilities exceeds the cost of the business combination the excess is recognised separately on the face of the Consolidated Statement of Financial Position immediately below goodwill.

1.4B Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved when the Company:

a) has the power over the investee;
b) is exposed, or has rights, to variable return from its involvement with the investee; and
c) has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control over the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

1.5 Investment in subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Group (its subsidiaries). Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

1.6 Revenue

Turnover represents commission and fees earned on insurance business transacted during the accounting period and is recognised in the period in which the right to the consideration has been established taking into account our Terms of Business Agreement with our partner insurers.

1.7 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. Such an asset is identifiable when:

a) it is separable, i.e. capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or

b) it arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

1. Accounting policies (continued)

1.7 Intangible assets (continued)

Goodwill represents the excess of the cost of acquisition of incorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating subsidiaries expected to benefit from the acquisition. Cash-generating subsidiaries to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the subsidiary may be impaired. If the recoverable amount of the cash-generating subsidiaries is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.8 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.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Income Statement during the period in which they are incurred.

Depreciation is charged 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:

Leasehold improvements:	Over period of lease
Motor vehicles:	33%
Fixtures and fittings:	25%
Computer equipment	25%

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 proceeds with the carrying amount and are recognised in the Income Statement.

1.9 Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower the carrying amount is reduced to its estimated recoverable amount and an impairment loss is recognised immediately in the Income Statement.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined if no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Income Statement.

1. Accounting policies (continued)

1.10 Cost of sales

Cost of sales is made up of commissions payable and is recognised in the period in which the income to which it relates is recognised.

1.11 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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

1.12 Leasing

Assets obtained under finance leases are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Income Statement so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.13 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

The Company enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

1. Accounting policies (continued)

1.13 Financial instruments (continued)

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company assesses at each Balance Sheet date whether there is objective evidence that a financial asset or group of financial assets are impaired. A financial asset, or a group of financial assets, is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that loss event (or events) has an impact on estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Objective evidence that a financial asset, or group of assets, is impaired includes observable data that comes to the attention of the Company about the following loss events:
- delinquency in contractual payments of principal or interest;
- cash flow difficulties;
- breach of loan covenants or conditions; and
- initiation of bankruptcy proceedings.

1.14 Provisions for liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the Income Statement in the period it arises.

1.15 Finance costs

Finance costs are charged to the Income Statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.16 Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

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

1. Accounting policies (continued)

1.16 Taxation (continued)

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within Creditors and deferred tax assets within Debtors. Deferred tax assets and deferred tax liabilities are offset only if:

• the Company has a legally enforceable right to set off current tax assets against current tax liabilities, and

• the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority or either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

1.17 Employee benefits

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. The following items are subject to critical accounting estimates or judgements.

Impairment of intangibles
In assessing whether intangible assets are impaired, management considered the long-term cash generative potential of the contracts underpinning the assets, and the future cash flows expected to be derived and applied a suitable discount rate in order to calculate present value, all of which required estimation of future performance and assumptions to be made in calculating the discount rate applied.

Impairment of investments
In assessing whether investments in subsidiary companies are impaired, management considered the long-term cash generative potential of the subsidiary company and hence its future cash flows and applied a suitable discount rate in order to calculate present value, all of which required estimation of future performance and assumptions to be made in calculating the discount rate applied.

3. Turnover

An analysis of turnover of the Group by class of business is as follows:

	2020 £	2019 £
Commercial insurance	17,142,032	11,884,544
Direct insurance	14,252,970	12,817,186
Premium finance commission	5,787,928	4,930,008
Wholesale insurance	3,206,795	3,420,341
Other	106,799	82,406
	40,496,524	**33,134,485**

All of the turnover arose in the United Kingdom and was predominantly transacted in pound sterling.

4. Other operating income

	2020 £	2019 £
Other operating income	316,037	-
	316,037	-

Other operating income includes £306,037 in respect of government grants received in relation to the Coronavirus job retention scheme, which the Group used to support the costs of employees who were furloughed as a result of the impact to the business arising from the Covid-19 pandemic.

It also includes £10,000 in relation to small business rates grant received from the government to support the property costs in one eligible subsidiary Company. There are no future related costs in respect of these grants which were received solely as compensation for costs incurred in the year. The Group did claim any government grants after Jan 2021.

5. Operating loss

The Group operating loss is stated after charging/(crediting):

	2020 £	2019 £
Profit on disposal of tangible fixed assets	(4,750)	(736)
Depreciation of tangible fixed assets	892,802	713,276
Amortisation of intangible assets, including goodwill	7,764,897	5,629,902
Operating lease charges	836,471	780,824
Onerous lease charges	570,000	-
	10,059,420	**7,123,266**

The onerous leases charges are the future costs of property leases that are no longer required for operations and were vacated during the year.

6. Auditor remuneration

Fees payable to the Company's auditor in respect of:

	2020	2019
	£	£
Auditing of the financial statements of the company	17,365	14,200
Auditing of the financial statements of the subsidiary companies	86,835	71,000
CASS 5 assurance review	33,475	33,000
	137,675	**118,200**

7. Employees

Staff costs of the Group, including directors' remuneration, were as follows:

	2020	2019
	£	£
Salaries and related costs	14,143,584	12,278,548
Other staffing costs	183,505	140,092
Costs of defined contribution pension scheme	577,369	433,067
Social security costs	1,316,867	1,175,072
	16,221,325	**14,026,779**

The company has no employees. The directors are employed by other companies within the Group. The Salaries and related costs represent charges made by the ultimate parent company's institutional shareholder for directors' fees in respect of its representation on the Company's board.

The average number of employees of the Group, including the directors, during the year was as follows:

	2020	2019
	No.	No.
Directors	7	8
Other employees	436	354
	443	**362**

8. Directors' remuneration

	2020	2019
	£	£
Directors remuneration	1,263,187	1,740,883
Social security costs	133,725	215,157
Defined contribution pension scheme	60,016	85,533
	1,456,928	**2,041,573**

During the year retirement benefits were accruing to 3 directors in respect of defined contribution pension schemes (prior year: 5). The highest paid director received remuneration of £373,077 (prior year: £356,190) including pension contributions.

9. Interest receivable

	2020	2019
	£	£
Other interest receivable	130,188	23,562
	130,188	**23,562**

10. Interest payable and similar expense

	2020	2019
	£	£
Interest on bank overdrafts and loans	3,684,386	2,598,198
Loan note interest payable	5,532,371	3,165,119
	9,216,757	**5,763,317**
Net interest expense	**(9,086,569)**	**(5,739,755)**

11. Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on profits of the year	1,178,241	334,084
Adjustments in respect of previous years	(268,485)	(56,428)
Total current tax	**909,756**	**277,656**
Deferred tax		
Origination and reversal of timing differences	(72,291)	(2,869)
Adjustments in respect of previous years	139,400	(22,748)
Effect of tax rate changes on opening liability	2,872	301
Other		-
Total deferred tax	**69,981**	**(25,316)**
Taxation on profit on ordinary activities	**979,737**	**252,340**
Standard rate of corporation tax in the UK	19.00%	19.00%

Corporation tax is calculated at the UK standard rate of Corporation Tax on the estimated assessable profit or loss for the year.

11. Taxation (continued)

The charge for the year can be reconciled to the income statement as follows:

	2020 £	2019 £
Loss before tax:	(9,441,577)	(7,817,298)
Tax at UK corporation tax rate	(1,794,295)	(1,485,287)
Effects of:		
Expenses not deductible for tax purposes	2,237,453	2,888,054
Effects of group relief/other relief	-	0
Tax rate changes	2,872	(131,775)
Deferred tax not recognised	586,232	198,454
Adjustments in respect of previous years	(52,525)	(1,228,412)
Corporate interest restriction	-	
Other differences leading to an increase/(decrease) in tax	1	11,306
Total tax charge for the year	**979,737**	**252,340**

In the Spring Budget 2020, the UK Government announced that from 1 April 2020 the corporation tax rate would remain 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020, a closing rate of 19% has been applied to deferred tax balances. Subsequent to the balance sheet date the UK Government legislated to increase the main rate of corporation tax to 25% as of 1 April 2023. This increase has not been reflected in the 2020 closing deferred tax asset, as it was not enacted at the balance sheet date.

12. Intangible Assets

	Consolidated Goodwill £	Total £
Cost		
At 01 January 2020	59,576,027	59,576,027
Additions:		
Assets acquired as part of a business combination	27,661,739	27,661,739
Adjustment to consideration in respect of assets previously acquired as part of a business combination	(18,188)	(18,188)
At 31 December 2020	**87,219,578**	**87,219,578**
Amortisation		
At 01 January 2020	12,178,096	12,178,096
Charge for the year	7,764,897	7,764,897
At 31 December 2020	**19,942,993**	**19,942,993**
Net Book Value		
At 31 December 2020	**67,276,585**	**67,276,585**
At 31 December 2019	**47,397,931**	**47,397,931**

	Prior year Consolidated Goodwill £	Total £
Cost		
At 01 January 2019	56,206,596	56,206,596
Additions	3,369,431	3,369,431
At 31 December 2019	**59,576,027**	**59,576,027**
Amortisation		
At 01 January 2019	6,548,194	6,548,194
Charge for the year	5,629,902	5,629,902
At 31 December 2019	**12,178,096**	**12,178,096**
Net Book Value		
At 31 December 2019	**47,397,931**	**47,397,931**
At 1 January 2019	**49,658,402**	**49,658,402**

Goodwill comprises the excess paid over and above the fair value of the assets when acquiring Subsidiary Companies. Goodwill is being amortised over 10 years.

13. Tangible fixed assets

	Consolidated				
	Leasehold Land & Buildings	Fixtures and Fittings	Office Equipment	Motor Vehicles	Total
	£	£	£	£	£
Cost					
At 01 January 2020	788,708	102,261	2,802,708	49,465	3,743,142
Additions	11,425	28,885	666,384	7,587	714,281
Assets acquired as part of business combination	-	72,576	33,813	-	106,389
At 31 December 2020	**800,133**	**203,722**	**3,502,905**	**57,052**	**4,563,812**
Depreciation					
At 01 January 2020	130,655	52,452	937,820	10,825	1,131,752
Charge for the year	83,669	32,730	768,108	8,295	892,802
At 31 December 2020	**214,324**	**85,182**	**1,705,928**	**19,120**	**2,024,554**
Net Book Value					
At 31 December 2020	**585,809**	**118,540**	**1,796,977**	**37,932**	**2,539,258**
At 31 December 2019	**658,053**	**49,809**	**1,864,888**	**38,640**	**2,611,390**

	Consolidated - Prior year				
	Leasehold Land & Buildings	Fixtures and Fittings	Office Equipment	Motor Vehicles	Total
	£	£	£	£	£
Cost					
At 01 January 2019	788,708	90,547	1,713,161	38,890	2,631,306
Additions	-	11,714	1,089,547	46,600	1,147,861
Disposals				(36,025)	(36,025)
At 31 December 2019	**788,708**	**102,261**	**2,802,708**	**49,465**	**3,743,142**
Amortisation					
At 01 January 2019	47,732	23,371	344,509	9,071	424,683
Charge for the year	82,923	29,081	593,311	7,961	713,276
Disposals	-	-	-	(6,207)	(6,207)
At 31 December 2019	**130,655**	**52,452**	**937,820**	**10,825**	**1,131,752**
Net Book Value					
At 31 December 2019	**658,053**	**49,809**	**1,864,888**	**38,640**	**2,611,390**
At 31 December 2018	**740,976**	**67,176**	**1,368,652**	**29,819**	**2,206,623**

Fixed assets additions in the Company during 2020 - £1,596 office equipment.

14. Fixed asset investments

Held by Company:	Country of Incorporation	Holding	Principal activity	Company number
Bollington Wilson Limited	UK	100%	Holding company	10891115

Held by Subsidiary:	Country of Incorporation	Holding	Principal activity	Company number
Talbot Deane Investments Ltd	UK	100%	Holding company	08345152
F Wilson Group Ltd	UK	100%	Holding company	10955362
The Bollington Group Holdings Ltd	UK	100%	Holding company	10889686
Bollington Insurance Brokers Ltd	UK	100%	Insurance broking	02918954
Bollington Underwriting Ltd	UK	100%	Insurance broking	02074674
Compucar Ltd	UK	100%	Dormant	02970218
F Wilson (Holdings) Ltd	UK	100%	Holding company	03901801
F Wilson (Insurance Brokers) Ltd	UK	100%	Insurance broking	01305146
Quoteline Direct Ltd	UK	100%	Dormant	02883874
Wilsons Commercial Insurance Services Ltd	UK	100%	Dormant	03617393
Wilsons (Life and Pensions) Brokers Ltd	UK	100%	Dormant	02085223
Dalton Browne Ltd	UK	100%	Holding company	10620600
Northern Keep Ltd	UK	100%	Holding company	07898821
Ashgrove Insurance Services Ltd	UK	100%	Insurance broking	04196144
CLA (Risk Solutions) Ltd	UK	100%	Insurance broking	05057252
Stafford Brokers Ltd	UK	100%	Dormant	08546414
CLA Acquisitions Ltd	UK	100%	Insurance broking	06419563
Prophet Group Ltd	UK	100%	Holding company	04516834
Prophet Trade Credit Ltd	UK	100%	Insurance broking	04312403
Prophet Reports & Collections Ltd	UK	100%	Insurance broking	04908684
Surecollect Ltd	UK	100%	Dormant	06245594
Watson Laurie Holdings Ltd	UK	100%	Holding company	08292698
Watson Laurie Ltd	UK	100%	Insurance broking	02281004

The registered office address of all subsidiary companies is The Walbrook Building, 25 Walbrook, London, England, EC4N 8AW.

The following subsidiaries are taking an audit exemption and are therefore exempt from the requirement to the audit of accounts under section 479A of the Companies Act 2006.

Subsidiary	Company number
Talbot Deane Investments Ltd	08345152
F Wilson Group Ltd	10955362
F Wilson (Holdings) Ltd	03901801
Dalton Browne Ltd	10620600
Northern Keep Ltd	07898821
Ashgrove Insurance Services Ltd	04196144
CLA (Risk Solutions)	05057252
CLA Acquisitions Ltd	06419563
Prophet Group Ltd	04516834
Prophet Trade Credit Ltd	04312403
Prophet Reports & Collections Ltd	04908684
Watson Laurie Holdings Ltd	08292698
Watson Laurie Ltd	02281004

14. Fixed asset investments (continued)

All subsidiary companies in the Group have taken advantage of the exemptions afforded by FRS102:

- paragraph 33.1A - not to disclose transactions that have taken place between members of the Group where the party to the transaction is a wholly owned member; and
- paragraph 1.12(b) - not to present individual company statements of cash flows.

	Consolidated		Company	
	2020	2019	2020	2019
	£	£	£	£
Cost or valuation				
At 01 January 2020	-	-	16	16
At 31 December 2020	**-**	**-**	**16**	**16**

15. Debtors

Amounts falling due within one year

	Consolidated		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	4,628,303	3,158,064	-	-
Prepayments and accrued income	2,057,932	1,332,006	18,490	20,290
Deferred taxation	23,806	2,000	-	-
Corporation tax	249,778	442,033	-	-
Loan to group company	-	-	114,988	114,988
Amounts owed by group companies	-	-	90,530	67,107
Other debtors	31,695	114,485	-	-
	6,991,514	**5,048,588**	**224,008**	**202,385**

Amounts falling due after more than one year

	Consolidated		Company	
	2020	2019	2020	2019
	£	£	£	£
Loan notes issued by subsidiary	-	-	503,621	503,621
Deferred Taxation	15,426	114,994	-	-
	15,426	**114,994**	**503,621**	**503,621**

16. Cash and cash equivalents

	Consolidated		Company	
	2020	2019	2020	2019
	£	£	£	£
Cash at bank and in hand	6,000,392	1,336,947	-	-
	6,000,392	**1,336,947**	**-**	**-**

17. Creditors

Amounts falling due within one year

	Consolidated		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	392,492	138,395	19,290	(331)
Accruals	1,180,204	1,015,273	149,901	75,464
Owed to group companies	-	-	1,472,202	1,420,514
Other taxes and social security costs	554,562	355,869	-	-
Corporation tax	810,979	80,326	-	-
Other creditors	4,179,597	1,095,990	-	-
Finance leases	7,822	7,379	-	-
	7,125,656	**2,693,232**	**1,641,393**	**1,495,647**

Amounts falling due after more than one year

	Consolidated		Company	
	2020	2019	2020	2019
	£	£	£	£
Bank loans	60,501,394	33,994,825	-	-
Loans from investors	38,644,676	35,630,401	-	-
Loans from management	537,118	537,118	537,118	537,118
Finance leases	24,441	32,263	-	-
Other creditors	2,219,193	-		
	101,926,822	**70,194,607**	**537,118**	**537,118**

Other creditors include deferred consideration payable in respect of the acquisition of fixed assets investments.

18. Loans

	Consolidated 2020 £	Consolidated 2019 £	Company 2020 £	Company 2019 £
Amounts due within 1 year:				
Other loans	-	-	-	-
	-	-	-	-
Amounts due 1-2 years:				
Other loans	-	-	-	-
	-	-	-	-
Amounts due 2-5 years:				
Other loans	99,683,188	70,162,344	537,118	537,118
	99,683,188	**70,162,344**	**537,118**	**537,118**
Loans due after more than 1 year:	**99,683,188**	**70,162,344**	**537,118**	**537,118**
Total loans	**99,683,188**	**70,162,344**	**537,118**	**537,118**

Terms of loans falling due within 2 to 5 years:

	Consolidated 2020 £	Consolidated 2019 £	Company 2020 £	Company 2019 £
Loans repayable on 31 October 2024 subject to 0% Coupon	537,118	537,118	537,118	537,118
Loans repayable on 31 October 2024 subject to 10% Coupon	38,644,676	35,122,777	-	-
Loans repayable on 31 October 2024 subject to 12.5% Annual Coupon and 25% redemption Premium every 6 months for the first 24 months	-	507,624	-	-
Bank loan repayable on 24 August 2024 subject to 6%+ 3M LIBOR Coupon	57,564,394	33,994,825	-	-
Revolving credit facility repayable on 24 August 2024 subject to 2.5% +3M LIBOR	2,937,000	-	-	-
Total loans due after more than 1 year	**99,683,188**	**70,162,344**	**537,118**	**537,118**

19. Acquisition of subsidiaries

Prophet Group Limited - Analysis of acquisition

Net assets at date of acquisition

	Book value £	Adjustments £	Fair value £
Fixed assets	6,449	-	6,449
Investments	245,671	(245,671)	-
Debtors	414,771	-	414,771
Cash	86,252	-	86,252
Creditors	(121,684)	-	(121,684)
			385,788
Goodwill arising on acquisition			**3,745,767**
			4,131,555
Discharged by:			
Cash consideration			1,834,198
Deferred consideration			2,198,144
Costs associated with acquisition			99,213
			4,131,555

On 31 January 2020, the Group acquired 100% of the share capital of Prophet Group Ltd for a consideration of £4,032,342 including deferred consideration. Prophet Group Ltd is the parent company of Prophet Trade Credit Ltd, Prophet Reports and Collections Ltd and Surecollect Ltd, the consolidated assets of the Group have been presented here. Revenue of £630,415 and profit after tax of £266,169 arose in the period from acquisition to 31 December 2020 relating to Prophet Group Ltd.

CLA Risk (Solutions) Limited - Analysis of acquisition

Net assets at date of acquisition

	Book value £	Adjustments £	Fair value £
Fixed assets	4,476	-	4,476
Investments	43,002	(43,002)	-
Debtors	35,161	-	35,161
Cash	375,235	-	375,235
Creditors	(151,926)	-	(151,926)
			262,946
Goodwill arising on acquisition			3,884,097
			4,147,043
Discharged by:			
Cash consideration			3,064,914
Deferred consideration			947,972
Costs associated with acquisition			134,157
			4,147,043

19. Acquisition of subsidiaries (continued)

CLA Risk (Solutions) Limited - Analysis of acquisition (continued)

On 7 February 2020 the Group acquired 100% of the share capital of CLA (Risk Solutions) Ltd for a consideration of £4,012,887. CLA (Risk Solutions) Ltd is the parent company of CLA Acquisitions Ltd and Stafford Brokers Ltd, the consolidated assets of the Group have been presented here. Revenue of £1,059,945 and profit after tax of £307,828 arose in the period from acquisition to 31 December 2020 relating to CLA (Risk Solutions) Ltd.

Watson Laurie Limited - Analysis of acquisition

Net assets at date of acquisition

	Book value	Adjustments	Fair value
	£	£	£
Fixed Assets	100,714	-	100,714
Debtors	6,544,438	-	6,544,438
Cash	2,438,728	-	2,438,728
Creditors	(5,082,902)	-	(5,082,902)
			4,000,978
Goodwill arising on acquisition			19,001,875
			23,002,853
Discharged by:			
Cash consideration			20,041,541
Deferred consideration			2,388,375
Costs associated with acquisition			572,937
			23,002,853

On 31 July 2020, the Group acquired 100% of the share capital of Watson Laurie Holdings Ltd for a consideration of £22,429,916 including deferred consideration. Watson Laurie Holdings Ltd is the parent company of Watson Laurie Ltd, the consolidated assets of the Group have been presented here. Revenue of £2,112,331 and profit after tax of £736,533 arose in the period from acquisition to 31 December 2020 relating to Watson Laurie Holdings Ltd.

Frank Brierley

On 21 December 2020, the Group acquired the business and assets of Graham Pope, Peter Doherty and David Shipp trading as Frank Brierley Insurances for a consideration of £1,000,000, including deferred consideration; fees of £30,000 were incurred. Goodwill arising on the acquisition is £1,030,000.

The goodwill arising on the acquisitions are reflected in note 12.

20. Provisions for liabilities

	Consolidated		Company	
	2020	2019	2020	2019
	£	£	£	£
At 01 January 2020	-	-	-	-
Brought forward on acquisition	-	-	-	-
Charged to the income statement for the year	570,000	-	-	-
Adjustment in respect of other years	-		-	-
At 31 December 2020	**570,000**	**-**	**-**	**-**

The onerous leases provision is determined from the discounted future cashflows of property leases that are no longer required for operations and were vacated during the year.

21. Finance lease obligations

	Consolidated		Company	
	2020	2019	2020	2019
	£	£	£	£
Not later than 1 year	7,822	7,379	-	-
Later than 1 year and not later than 5 years	24,441	32,263	-	-
Over 5 years	-	-	-	-
	32,263	**39,642**	**-**	**-**

During the year the Group had finance lease arrangements in respect of assets with a total capital value at 31 December 2020 of the leases of £31,295 (2019: £38,641).

22. Operating lease commitments

	Consolidated		Company	
	2020	2019	2020	2019
	£	£	£	£
Not later than 1 year	915,476	818,776	-	-
Later than 1 year and not later than 5 years	2,653,690	2,758,831	-	-
Over 5 years	1,107,385	1,587,427	-	-
	4,676,551	**5,165,034**	**-**	**-**

23. Deferred Taxation

	Consolidated 2020 £	Consolidated 2019 £	Company 2020 £	Company 2019 £
At 01 January 2020	(116,419)	(91,678)	-	-
Brought forward on acquisition	7,780	-	-	-
Charged to the income statement for the year	(69,418)	(1,992)	-	-
Adjustment in respect of other years	138,825	(22,749)	-	-
At 31 December 2020	**(39,232)**	**(116,419)**	-	-
Fixed asset timing differences	1,422	(73,610)	-	-
Short term timing differences	(40,654)	(42,809)	-	-
Non-trading timing differences		-	-	-
	(39,232)	**(116,419)**	-	-

24. Share Capital

Authorised:	£	2020 No.	2019 No.	2020 £	2019 £
Ordinary shares	0.0010	6,500,000	6,500,000	6,500	6,500
B1	0.0010	-	-	-	-
B2	0.0050	218,121	218,121	1,090	1,090
C1	0.0001	1,128,691	1,128,691	113	113
C2	0.0050	478,188	478,188	2,391	2,391
C3	0.0100	-	-	-	-
D	0.0001	50,000	50,000	5	5
D1	0.0001	362,400	362,400	36	36
		8,737,400	**8,737,400**	**10,135**	**10,135**

Allotted, called up and fully paid:	£	2020 No.	2019 No.	2020 £	2019 £
Ordinary shares	0.0010	6,500,000	6,500,000	6,500	6,500
B1	0.0010	-	-	-	-
B2	0.0050	218,121	218,121	1,090	1,090
C1	0.0001	1,128,691	1,128,691	113	113
C2	0.0050	478,188	478,188	2,391	2,391
C3	0.0100	-	-	-	-
D	0.0001	50,000	50,000	5	5
D1	0.0001	362,400	362,400	36	36
		8,737,400	**8,737,400**	**10,135**	**10,135**

25. Share Premium

	2020 £	2019 £
At 01 January 2020	104,461	86,003
Shares issued	-	18,458
At 31 December 2020	**104,461**	**104,461**

26. Net debt reconciliation

	At 01 January 2020 £	Cash flows £	Repayment of finance leases £	Other non cash change £	At 31 December 2020 £
Cash at bank and in hand	1,336,947	4,663,445	-	-	6,000,392
Total cash	**1,336,947**	**4,663,445**	**-**	**-**	**6,000,392**
Shareholder and Management loans	(36,167,519)	500,000	-	(3,514,275)	(39,181,794)
Bank loans	(33,994,825)	(26,077,000)	-	(429,569)	(60,501,394)
Finance lease	(39,642)	-	7,379	-	(32,263)
Total debt	**(70,201,986)**	**(25,577,000)**	**7,379**	**(3,943,845)**	**(99,715,451)**
Net debt	**(68,865,039)**	**20,913,555**	**7,379**	**(3,943,845)**	**(93,715,059)**

Non-Cash Transactions

During the year the Group issued PIK notes of £3,512,900 (2019: £4,186,833) in relation to the 10% interest due on the loans from investors. Other non-cash movement on bank loans and shareholder loans relate to the amortisation of fees and accrued interest.

27. Pension Commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the various Group companies to the fund. Contributions to the scheme by the Group amounted to £577,369 (prior year: £433,067). Contributions by the Company amounted to £nil (prior year £nil).

28. Parent Company and Ultimate Holding Company

The immediate parent company is Gallagher Holdings (UK) Limited, a company incorporated in England. The largest group of undertakings which the Company is a member and for which financial statements are prepared in Arthur J Gallagher & Co. a company incorporated in the United States of America, which is the ultimate holding company.

29. Related Party Transactions

The Company has taken advantage of the exemption conferred by FRS102 section 33 "related party disclosures" not to disclose transactions with members of the Group claiming 100% of the voting rights in the Company are controlled within that Group and the Company is included in the consolidated financial statements.

30. Post balance sheet events

On 5 February 2021 Bollington Wilson Group Limited became a wholly owned subsidiary of Gallagher Holdings (UK) Limited, a company incorporated in England. As part of the sale the bank loans and shareholder loans were repaid in full, including the loans listed on The International Stock Exchange (TISE).

Bollington Wilson Group Limited is 100% owned and controlled by Arthur J. Gallagher & Co (Country of incorporation and Domicile: USA), the ultimate holding company.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
This page does not form part of the Statutory financial Statements

COMPANY STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2020

	Note	2020 £	2019 £
Administrative expenses		(80,020)	(276,908)
Operating loss		**(80,020)**	**(276,908)**
Net interest expense		(42,507)	(48,815)
Loss before tax		**(122,527)**	**(325,723)**
Tax on profit		-	-
Loss for the year		**(122,527)**	**(325,723)**
Other comprehensive expense for the year		-	-
Total comprehensive expense for the year		**(122,527)**	**(325,723)**

Total comprehensive income/loss for the financial year attributable to:

Owners of the parent Company	(325,723)	(955,596)
Total attributed	**(122,527)**	**(325,723)**

All of the loss for the financial year is attributable to the controlling interest of the Company and is derived from continuing operations.