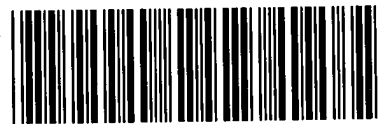


Company Registration No. 8810797 (England and Wales)

GALLAGHER DEVELOPMENTS GROUP LIMITED
(FORMERLY GALLAGHER DEVELOPMENTS HOLDCO LIMITED)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

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GALLAGHER DEVELOPMENTS GROUP LIMITED
(FORMERLY GALLAGHER DEVELOPMENTS HOLDCO LIMITED)
COMPANY INFORMATION

Directors	Mr A C Gallagher Mr G H Gosling
Company number	8810797
Registered office	Gallagher House Gallagher Way Gallagher Business Park Warwick Warwickshire CV34 6AF
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Birmingham United Kingdom

GALLAGHER DEVELOPMENTS GROUP LIMITED

(FORMERLY GALLAGHER DEVELOPMENTS HOLDCO LIMITED)

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GALLAGHER DEVELOPMENTS GROUP LIMITED (FORMERLY GALLAGHER DEVELOPMENTS HOLDCO LIMITED)

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2019

The directors present their annual report and audited financial statements for the year ended 30 September 2019.

On 13 March 2019 the Company changed its name from Gallagher Developments Holdco Limited to Gallagher Developments Group Limited.

The annual report has been prepared in accordance with the provisions applicable to companies entitled to small companies' exemption under Section 415A of the Companies Act 2006, which also provides an exemption from the preparation of a strategic report.

Principal activities

The principal activity of the Group in the year under review was that of property investment. The principal activity of the Company in the year under review was that of the holding Company of a property investment group.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr A C Gallagher
Mr G H Gosling

Results and dividends

No ordinary dividends were paid or proposed for the year ended 30 September 2019 (2018: £nil).

Qualifying third party indemnity provisions

The Group maintain liability insurance for their directors and officers. This is a qualifying third party indemnity provision for the purpose of the Companies Act 2006, and was in place during the financial year and up to the date of signing these financial statements.

Political donations

The Group made political donations of £533,000 to the Conservative Party (2018: £nil) and the Group made contributions to charitable organisations during the year totalling £139,000 (2018: £nil).

Financial risk management

The Group uses internally generated funding and bank loan facilities to ensure that it has sufficient working capital available to undertake its property investment activities. The Group has significant cash resources and banking facilities available to it. Where the Group is subject to any significant risk in relation to interest rate movements, interest rate hedges are used.

Future developments

The Directors expect the general level of activity to remain stable in the forthcoming year across the Group.

Going concern

The financial statements have been prepared on a going concern basis with the directors considering the cash flows for the Company and Group arising from rental inflows, operating costs, property development projects and financing activities in the current market conditions. The Company has provided confirmation of support to certain subsidiary undertakings and related undertakings and the directors have reviewed the basis on which this parent company support can be provided. Accordingly, the directors believe that it is appropriate to prepare the financial statements of the Group on a going concern basis.

**GALLAGHER DEVELOPMENTS GROUP LIMITED
(FORMERLY GALLAGHER DEVELOPMENTS HOLDCO LIMITED)
DIRECTORS' REPORT (CONTINUED)**

FOR THE YEAR ENDED 30 SEPTEMBER 2019

Statement of disclosure to auditors

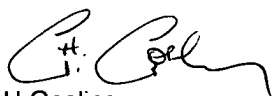
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditors of the company are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditors of the company are aware of that information.

Auditors

PricewaterhouseCoopers LLP were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Approved on behalf of the board



Mr G H Gosling

Director

5 February 2020

GALLAGHER DEVELOPMENTS GROUP LIMITED
(FORMERLY GALLAGHER DEVELOPMENTS HOLDCO LIMITED)
DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2019

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law) and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law). 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 group and company and of the profit or loss of the group and company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

**GALLAGHER DEVELOPMENTS GROUP LIMITED
(FORMERLY GALLAGHER DEVELOPMENTS HOLDCO LIMITED)
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GALLAGHER DEVELOPMENTS GROUP LIMITED**

Report on the audit of the financial statements

Opinion

In our opinion, Gallagher Developments Group Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 30 September 2019 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the group and company balance sheets as at 30 September 2019; the group statement of comprehensive income, and the group and company statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern. For example, the terms of the United Kingdom's withdrawal from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the group's trade, customers, suppliers and the wider economy.

**GALLAGHER DEVELOPMENTS GROUP LIMITED
(FORMERLY GALLAGHER DEVELOPMENTS HOLDCO LIMITED)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

TO THE MEMBERS OF GALLAGHER DEVELOPMENTS GROUP LIMITED

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 30 September 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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 Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**GALLAGHER DEVELOPMENTS GROUP LIMITED
(FORMERLY GALLAGHER DEVELOPMENTS HOLDCO LIMITED)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF GALLAGHER DEVELOPMENTS GROUP LIMITED**

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



**Neil Philpott (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham, United Kingdom**

5 February 2020

GALLAGHER DEVELOPMENTS GROUP LIMITED
(FORMERLY GALLAGHER DEVELOPMENTS HOLDCO LIMITED)
GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Notes	2019 £'000	2018 £'000
Turnover	3	5,018	3,638
Cost of sales		(477)	(420)
Gross profit		4,541	3,218
Administrative expenses		(4,401)	(1,024)
Operating profit	4	140	2,194
Interest receivable and similar income	7	4,630	382
Interest payable and similar expenses	8	(1,617)	(700)
Amounts written off loans and investments		(7,381)	-
Fair value losses on investment properties	11	(2,535)	(1,190)
(Loss)/profit before taxation		(6,763)	686
Tax on (loss)/profit	9	(302)	(306)
(Loss)/profit for the financial year		(7,065)	380
(Loss)/profit for the financial year is attributable to:			
- Owners of the parent company		(7,181)	380
- Non-controlling interests		116	-
		(7,065)	380

All of the Group's activities relate to continuing operations.

GALLAGHER DEVELOPMENTS GROUP LIMITED
(FORMERLY GALLAGHER DEVELOPMENTS HOLDCO LIMITED)
GROUP BALANCE SHEET

AS AT 30 SEPTEMBER 2019

		2019	2018
	Notes	£'000	£'000
Fixed assets			
Tangible assets	10	66	60
Investment properties	11	49,864	48,063
Investments	12	13,222	12,730
		<u>63,152</u>	<u>60,853</u>
Current assets			
Stocks	15	657	656
Debtors	16	44,121	38,527
Cash at bank and in hand		27,635	37,080
		<u>72,413</u>	<u>76,263</u>
Creditors: amounts falling due within one year	17	(16,274)	(27,135)
Net current assets		<u>56,139</u>	<u>49,128</u>
Total assets less current liabilities		<u>119,291</u>	<u>109,981</u>
Creditors: amounts falling due after more than one year	18	(22,587)	(6,286)
Provisions for liabilities		(74)	-
Net assets		<u>96,630</u>	<u>103,695</u>
Capital and reserves			
Called up share capital	21	10	90,000
Share premium account		-	3,660
Merger reserve		2,980	2,980
Profit and loss reserves		93,640	7,055
Total equity		<u>96,630</u>	<u>103,695</u>
Equity attributable to owners of the parent company		<u>96,514</u>	<u>103,695</u>
Non-controlling interests		116	-
		<u>96,630</u>	<u>103,695</u>

**GALLAGHER DEVELOPMENTS GROUP LIMITED
(FORMERLY GALLAGHER DEVELOPMENTS HOLDCO LIMITED)
GROUP BALANCE SHEET (CONTINUED)**

AS AT 30 SEPTEMBER 2019

These financial statements have been prepared in accordance with the provisions applicable to groups and companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 5 February 2020 and are signed on its behalf by:



Mr G H Gosling
Director

GALLAGHER DEVELOPMENTS GROUP LIMITED
(FORMERLY GALLAGHER DEVELOPMENTS HOLDCO LIMITED)
COMPANY BALANCE SHEET
AS AT 30 SEPTEMBER 2019

		2019		2018	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Investments	12		18,556		25,613
Current assets					
Debtors	16	72,882		69,898	
Cash at bank and in hand		1,202		4,323	
		<u>74,084</u>		<u>74,221</u>	
Creditors: amounts falling due within one year	17	<u>(296)</u>		<u>(1,254)</u>	
Net current assets			73,788		72,967
Total assets less current liabilities			<u>92,344</u>		<u>98,580</u>
Capital and reserves					
Called up share capital	21		10		90,000
Share premium account			-		3,660
Merger reserve			2,613		2,613
Profit and loss reserves			89,721		2,307
Total equity			<u>92,344</u>		<u>98,580</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The Company's loss for the financial year was £6,236,000 (2018: £10,000 loss).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 5 February 2020 and are signed on its behalf by:



Mr G H Gosling
Director

Company Registration No. 8810797

GALLAGHER DEVELOPMENTS GROUP LIMITED
(FORMERLY GALLAGHER DEVELOPMENTS HOLDCO LIMITED)
GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2019

		Share capital £'000	Share premium account £'000	Other reserves £'000	Profit and loss reserves £'000	Total controlling interest £'000	Non- controlling interest £'000	Total £'000
Balance at 1 October 2017		67,000	3,660	-	6,675	77,335	-	77,335
Year ended 30 September 2018:								
Profit and total comprehensive income for the year		-	-	-	380	380	-	380
Issue of share capital		23,000	-	-	-	23,000	-	23,000
Recognition of merger reserve		-	-	2,980	-	2,980	-	2,980
Balance at 30 September 2018		90,000	3,660	2,980	7,055	103,695	-	103,695
Year ended 30 September 2019:								
Loss and total comprehensive income for the year		-	-	-	(7,181)	(7,181)	116	(7,065)
Reduction of shares	21	(89,990)	(3,660)	-	93,650	-	-	-
Balance at 30 September 2019		10	-	2,980	93,524	96,514	116	96,630

GALLAGHER DEVELOPMENTS GROUP LIMITED
(FORMERLY GALLAGHER DEVELOPMENTS HOLDCO LIMITED)
COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Notes	Share capital £'000	Share premium account £'000	Other reserves £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 October 2017		67,000	3,660	-	2,317	72,977
Year ended 30 September 2018:						
Loss and total comprehensive expense for the year		-	-	-	(10)	(10)
Issue of share capital		23,000	-	-	-	23,000
Recognition of merger reserve		-	-	2,613	-	2,613
Balance at 30 September 2018		90,000	3,660	2,613	2,307	98,580
Year ended 30 September 2019:						
Loss and total comprehensive expense for the year		-	-	-	(6,236)	(6,236)
Reduction of shares	21	(89,990)	(3,660)	-	93,650	-
Balance at 30 September 2019		10	-	2,613	89,721	92,344

GALLAGHER DEVELOPMENTS GROUP LIMITED
(FORMERLY GALLAGHER DEVELOPMENTS HOLDCO LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

Company information

Gallagher Developments Group Limited ("the Company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Gallagher House, Gallagher Way, Gallagher Business Park, Warwick, Warwickshire, CV34 6AF.

The group consists of Gallagher Developments Group Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), Section 1A and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention, modified to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated financial statements incorporate those of Gallagher Developments Group Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

Group reconstructions are accounted for by using the acquisition accounting method and utilising merger relief when applicable.

All financial statements are made up to 30 September 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

The financial statements have been prepared on a going concern basis with the Directors considering the cash flows for the Group arising from rental inflows, operating costs, property development projects and financing activities in the current market conditions. Accordingly, the Directors believe that it is appropriate to prepare the financial statements of the Group on a going concern basis.

GALLAGHER DEVELOPMENTS GROUP LIMITED
(FORMERLY GALLAGHER DEVELOPMENTS HOLDCO LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

(Continued)

1.4 Turnover

Turnover represents the rental income receivable, service charges and other recoveries from investment properties in the United Kingdom and management recharges.

In circumstances where a tenant has been given an incentive to enter into a lease by way of a payment the incentive is treated as a reduction in rental income. The group has taken advantage of the exemption in respect of the lease incentives on leases in existence on the date of transition to FRS 102 (1 October 2014). Similarly, where an incentive is given to a tenant by way of a rent free period the total rental income receivable for the period to the first rent review is recognised on a straight line basis from term commencement to the date of the first rent review.

1.5 Cost of sales

Cost of sales includes expenses relating to the servicing of property and collection of rental income.

In addition to the costs originally stocked in work in progress in addition to the costs originally stocked in work in progress attributable to each sales transaction, also included in cost of sales and written off to the statement of comprehensive income, are expenses necessarily incurred on projects of the business prior to the viability of the project being reasonably secure, after which such costs are capitalised in accordance with the stocks accounting policy.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	25% Straight line
Motor vehicles	25% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.7 Investment properties

Investment properties are properties owned by the Group which are held for long-term rental income and capital appreciation. Investment property includes property that is being constructed, developed or re-developed for future use as an investment property. Investment property is initially recognised at cost, including related transaction costs. It is subsequently carried at each published balance sheet date at fair value on an open market basis as determined by the directors. Changes in fair value are included in the statement of comprehensive income.

Investment property is recognised as an asset when it is probable that the future economic benefits that are associated with the investment property:

- will flow to the Company;
- there are no material conditions precedent which could prevent completion; and
- the cost of the investment property can be measured reliably.

GALLAGHER DEVELOPMENTS GROUP LIMITED
(FORMERLY GALLAGHER DEVELOPMENTS HOLDCO LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

(Continued)

1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

GALLAGHER DEVELOPMENTS GROUP LIMITED
(FORMERLY GALLAGHER DEVELOPMENTS HOLDCO LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 Stocks

Work in progress is valued at the lower of cost and estimated selling price less costs to complete and selling expenses. Cost initially includes the purchase of a development property and acquisition expenses. Directly attributable development costs are capitalised. Provision is made against stock where circumstances indicate that recovery is unlikely.

1.11 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial instruments

The group 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.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

GALLAGHER DEVELOPMENTS GROUP LIMITED
(FORMERLY GALLAGHER DEVELOPMENTS HOLDCO LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.13 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax assets and liabilities arising due to timing differences between the recognition of gains and losses in the financial statements and their recognition in the tax computation at the current rate of tax are recognised in the financial statements. Deferred tax assets are only recognised when it is considered more likely than not that they will be realised.

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.17 Foreign exchange

Assets and liabilities in foreign currencies are translated into pounds sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into pounds sterling at the rate of exchange ruling at the date of transaction. Any differences are taken to the Statement of Comprehensive Income.

1.18 Amortisation of loan issue costs

Costs incurred in respect of obtaining loan finance are disclosed against the bank loan creditor and the costs are amortised over the term of the loan.

GALLAGHER DEVELOPMENTS GROUP LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019

2 Judgements and key sources of estimation uncertainty

In the application of the group'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.

There are no accounting judgements used within these financial statements.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Valuation of investment properties

The valuation of the property portfolio is a critical part of the Group's performance. The Group carries the property portfolio at fair value in the balance sheet and carries out internal valuation on an annual basis.

The determination of the fair value of each property requires, to the extent applicable, the use of estimates and assumptions in relation to factors such as future lease income, lease incentives, current market yields, future development costs and the appropriate discount rate.

Valuation of investments

The valuation of non-listed investments is a critical part of the Group's performance. The Group carries its non-listed investments at cost less provision for diminution in value in the balance sheet and carries out internal valuations on an annual basis.

The determination of the cost less provision for diminution in value requires, to the extent applicable, the use of estimates and assumptions in relation to factors such as the future recovery of capital, income flows, foreign exchange and third party counterparty risk.

Provision for future costs

Provision for costs is based on estimates of future costs expected to be incurred to satisfy contractual obligations. In order to assess the appropriateness of the provision for future costs, these are reviewed on an annual basis taking account of the latest price information and works that will be required. The estimate of costs to complete may differ from the actual costs incurred on completion.

Carrying value of land and work in progress

Work in progress, which includes land held for development, is valued at the lower of cost and estimated selling price less costs to complete and selling expenses. In order to assess the appropriateness of the carrying value of work in progress in the financial statements, the company is required to determine forecast sales rates, expected sales prices and estimated costs to complete.

GALLAGHER DEVELOPMENTS GROUP LIMITED
(FORMERLY GALLAGHER DEVELOPMENTS HOLDCO LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

3 Turnover and other revenue

	2019	2018
	£'000	£'000
Turnover analysed by class of business		
Rental income	4,176	3,638
Management charges	842	-
	<u>5,018</u>	<u>3,638</u>
Dividends received	<u>242</u>	<u>-</u>

4 Operating profit

	2019	2018
	£'000	£'000
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(159)	-
Depreciation of owned tangible fixed assets	38	-
Profit on disposal of tangible fixed assets	(7)	-
	<u></u>	<u></u>

5 Auditors' remuneration

	2019	2018
	£'000	£'000
Fees payable to the company's auditors and associates:		
For audit services		
Audit of the financial statements of the group and company	17	6
Audit of the financial statements of the company's subsidiaries	40	20
	<u>57</u>	<u>26</u>

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group		Company	
	2019	2018	2019	2018
	Number	Number	Number	Number
Total employees	17	2	2	2
	<u></u>	<u></u>	<u></u>	<u></u>

GALLAGHER DEVELOPMENTS GROUP LIMITED
(FORMERLY GALLAGHER DEVELOPMENTS HOLDCO LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

6 Employees

(Continued)

Their aggregate remuneration comprised:

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Wages and salaries	2,215	-	-	-
Social security costs	294	-	-	-
Pension costs	54	-	-	-
	<u>2,563</u>	<u>-</u>	<u>-</u>	<u>-</u>

The directors are paid by Countywide Developments Limited. This company is wholly owned by Gallagher Developments Group Limited. The directors' of this Company are the only key management personnel in the Group.

7 Interest receivable and similar income

	2019	2018
	£'000	£'000
Interest income		
Interest on bank deposits	268	-
Interest receivable from related parties	174	373
Other interest income	3,946	9
	<u>4,388</u>	<u>382</u>
Total interest revenue	4,388	382
Other income from investments		
Dividends received	242	-
	<u>4,630</u>	<u>382</u>

8 Interest payable and similar expenses

	2019	2018
	£'000	£'000
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	488	770
Interest payable to related parties	361	105
Other interest on financial liabilities	51	67
	<u>900</u>	<u>942</u>
Other finance costs:		
Finance costs for financial instruments measured at fair value through profit or loss	413	(242)
Other interest	304	-
	<u>1,617</u>	<u>700</u>
Total finance costs	1,617	700

GALLAGHER DEVELOPMENTS GROUP LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019

9 Taxation

	2019	2018
	£'000	£'000
Current tax		
UK corporation tax on profits for the current period	713	412
Adjustments in respect of prior periods	(10)	-
Group tax relief	(372)	-
	<u>331</u>	<u>412</u>
Deferred tax		
Origination and reversal of timing differences	(29)	(106)
	<u>(29)</u>	<u>(106)</u>
Total tax charge for the year	<u>302</u>	<u>306</u>

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2019	2018
	£'000	£'000
(Loss)/profit before taxation	(6,763)	686
	<u>(6,763)</u>	<u>686</u>
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	(1,285)	130
Tax effect of expenses that are not deductible in determining taxable profit	1,634	298
Tax effect of income not taxable in determining taxable profit	(57)	-
Gains not taxable	(15)	-
Tax effect of utilisation of tax losses not previously recognised	(23)	-
Adjustments in respect of prior years	(10)	-
Permanent capital allowances in excess of depreciation	-	(16)
Share of LLP profits	87	-
Deferred tax	(29)	(106)
	<u>302</u>	<u>306</u>
Taxation charge for the year	<u>302</u>	<u>306</u>

The Finance (No 2) Act 2015, which was substantively enacted on 26 October 2015, included provisions which reduced the main rate of corporation tax to 19% from 1 April 2017 and the Finance Act 2016, which was substantively enacted on 15 September 2016, included provisions which reduced the main rate of corporation tax to 17% from 1 April 2020. Accordingly, the current year tax charge has been provided for at a rate of 19% and deferred tax assets and liabilities have been provided for at rates between 17% and 19% depending on the expected date that the deferred tax assets or liabilities are expected to unwind.

GALLAGHER DEVELOPMENTS GROUP LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019

10 Tangible fixed assets

Group	Plant and equipment £'000	Motor vehicles £'000	Total £'000
Cost			
At 1 October 2018	6	54	60
Additions	-	53	53
Disposals	-	(24)	(24)
Transfers	9	(9)	-
	<u>15</u>	<u>74</u>	<u>89</u>
At 30 September 2019			
Depreciation and impairment			
At 1 October 2018	-	-	-
Depreciation charged in the year	8	30	38
Eliminated in respect of disposals	-	(15)	(15)
	<u>8</u>	<u>15</u>	<u>23</u>
At 30 September 2019			
Carrying amount			
At 30 September 2019	<u>7</u>	<u>59</u>	<u>66</u>
At 30 September 2018	<u>6</u>	<u>54</u>	<u>60</u>

11 Investment property

	Group 2019 £'000	Company 2019 £'000
Fair value		
At 1 October 2018 and 30 September 2019	48,063	-
Additions	4,687	-
Disposals	(351)	-
Revaluations	(2,535)	-
	<u>49,864</u>	<u>-</u>
At 30 September 2019		

Investment properties are held at fair value as at 30 September 2019 based on internal valuations performed by directors, who have significant knowledge and experience of the property investment market. The loss arising on revaluation of the investment property is included in the Statement of Comprehensive Income for the year.

The historic cost of tangible fixed assets at 30 September 2019 was £52,251,000 (2018: £44,195,000).

GALLAGHER DEVELOPMENTS GROUP LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

12 Fixed asset investments

		Group		Company	
	Notes	2019	2018	2019	2018
		£'000	£'000	£'000	£'000
Investments in subsidiaries	13	-	-	18,556	25,613
Listed investments		5,821	10,060	-	-
Unlisted investments		7,401	2,670	-	-
		<u>13,222</u>	<u>12,730</u>	<u>18,556</u>	<u>25,613</u>
Listed investments carrying amount		<u>5,821</u>	<u>10,060</u>	<u>-</u>	<u>-</u>

Movements in fixed asset investments

Group	Investments other than loans £'000
Cost	
At 1 October 2018	22,104
Additions	4,731
	<u>26,835</u>
At 30 September 2019	
Impairment	
At 1 October 2018	9,374
Impairment losses	4,239
	<u>13,613</u>
At 30 September 2019	
Carrying amount	
At 30 September 2019	<u>13,222</u>
At 30 September 2018	<u>12,730</u>

GALLAGHER DEVELOPMENTS GROUP LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

12 Fixed asset investments

(Continued)

Movements in fixed asset investments
Company

**Shares in
group
undertakings
£'000**

Cost

At 1 October 2018

25,613

Additions

1

At 30 September 2019

25,614

Impairment

At 1 October 2018

-

Impairment losses

7,058

At 30 September 2019

7,058

Carrying amount

At 30 September 2019

18,556

At 30 September 2018

25,613

GALLAGHER DEVELOPMENTS GROUP LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019

13 Subsidiaries

Details of the company's subsidiaries at 30 September 2019 are as follows:

Company Name	Company number	Principal activity	Class of shares held	% Held	
				Direct	Indirect
Biddulph Property Investments Limited	05262818	Property investment	Ordinary	100.00	
Countywide Dundee Limited	04195590	Property investment	Ordinary		100.00
Countywide Heathcote Limited	06346742	Property development	Ordinary		100.00
Countywide Molesey Limited	04132029	Dormant	Ordinary		100.00
EBW Property Investments Limited	05046178	Property investment	Ordinary	100.00	
Ensco 807 Limited	07361630	Property investment	Ordinary	60.00	
Gallagher Developments Caerphilly Limited	08810807	Property investment	Ordinary	100.00	
Gallagher Developments Cardington Limited	11101764	Property investment	Ordinary	100.00	
Gallagher Developments Limited	00937417	Dormant	Ordinary	100.00	
Gallagher Developments Warwick Limited	08810805	Property investment	Ordinary	100.00	
Gallagher Investments Holdco Limited	08810802	Investment Holding	Ordinary	100.00	
Hull Property Investments Limited	05438809	Property investment	Ordinary	100.00	
Gallagher BSH Limited	11677288	Property investment	Ordinary	60.00	
Countywide Developments Limited	02865543	Property investment	Ordinary	100.00	

Warwick Gates Management Company Limited by Guarantee is a wholly owned subsidiary of Gallagher Developments Warwick Limited. The liability of Gallagher Developments Warwick Limited is limited to £2 in the event of Warwick Gates Management Company Limited being wound up.

The registered office address of all the entities listed above is Gallagher House, Gallagher Way, Gallagher Business Park, Heathcote, Warwick, CV34 6AF.

14 Financial instruments

	Group 2019 £'000	2018 £'000	Company 2019 £'000	2018 £'000
Carrying amount of financial assets				
Debt instruments measured at amortised cost	43,840	38,436	n/a	n/a
Equity instruments measured at cost less impairment	13,222	12,730	n/a	n/a
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount of financial liabilities				
Measured at amortised cost	38,660	32,973	n/a	n/a
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

GALLAGHER DEVELOPMENTS GROUP LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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14 Financial instruments

(Continued)

Interest rate swap

The Group holds a derivative contract in the form of an interest rate swap which expires April 2019. Interest is charged at a fixed rate of 1.54% - 1.77% above LIBOR, cash flows on the interest rate swap are paid quarterly. As at 30 September 2019 the fair value of the derivative contract was £413,000 payable (2018: £126,000 payable).

	Due within one year		Due after one year	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Derivatives carried at fair value - Liabilities				
Interest rate swaps	413	126	-	-
	<u>413</u>	<u>126</u>	<u>-</u>	<u>-</u>

15 Stocks

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Work in progress	657	656	-	-
	<u>657</u>	<u>656</u>	<u>-</u>	<u>-</u>

16 Debtors

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	150	1,333	-	-
Corporation tax recoverable	123	-	109	-
Amounts owed by group undertakings	-	-	72,773	69,898
Amounts owed by undertakings in which the company has a participating interest	-	11,488	-	-
Other debtors	43,691	25,652	-	-
	<u>43,964</u>	<u>38,473</u>	<u>72,882</u>	<u>69,898</u>

Other debtors include related party balances of £7,363,000 (2018: £11,488,000).

Amounts falling due after more than one year:

Deferred tax asset (note 20)	157	54	-	-
	<u>157</u>	<u>54</u>	<u>-</u>	<u>-</u>
Total debtors	<u>44,121</u>	<u>38,527</u>	<u>72,882</u>	<u>69,898</u>

GALLAGHER DEVELOPMENTS GROUP LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

17 Creditors: amounts falling due within one year

		Group		Company	
	Notes	2019	2018	2019	2018
		£'000	£'000	£'000	£'000
Bank loans and overdrafts	19	572	18,772	-	-
Other borrowings	19	2	-	-	-
Trade creditors		359	583	12	28
Amounts due to group undertakings		-	-	10	-
Corporation tax payable		56	304	-	139
Other taxation and social security		145	144	-	81
Other creditors		10,026	4,601	257	-
Accruals and deferred income		5,114	2,731	17	1,006
		<u>16,274</u>	<u>27,135</u>	<u>296</u>	<u>1,254</u>

Other creditors include related party balances of £6,285,000 (2018: £1,931,000).

18 Creditors: amounts falling due after more than one year

		Group		Company	
	Notes	2019	2018	2019	2018
		£'000	£'000	£'000	£'000
Bank loans and overdrafts	19	13,003	-	-	-
Other borrowings	19	9,584	6,286	-	-
		<u>22,587</u>	<u>6,286</u>	<u>-</u>	<u>-</u>

19 Loans and overdrafts

		Group		Company	
		2019	2018	2019	2018
		£'000	£'000	£'000	£'000
Bank loans		13,575	18,772	-	-
Loans from group undertakings and related parties		9,586	6,286	-	-
		<u>23,161</u>	<u>25,058</u>	<u>-</u>	<u>-</u>
Payable within one year		574	18,772	-	-
Payable after one year		22,587	6,286	-	-
		<u></u>	<u></u>	<u></u>	<u></u>

The bank loans are on normal commercial terms and are secured by way of fixed and floating charge over the assets of Gallagher Developments Caerphilly Limited. Interest is charged at 2.25% above LIBOR and the loan are repayable in full in 2024.

GALLAGHER DEVELOPMENTS GROUP LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019

19 Loans and overdrafts

(Continued)

The loan from related parties is a long term loan on normal commercial terms and is secured by way of a negative pledge on the assets of Gallagher Developments Cardington Limited. Interest is charged at 2.25 - 3% above the Bank of England base rate. The loans are long term loans on normal commercial terms and are secured by way of a negative pledge on the assets of Gallagher Developments Cardington Limited and Gallagher Developments Warwick Limited. The loans are repayable in full in 2023/24.

20 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2019 £'000	Liabilities 2018 £'000	Assets 2019 £'000	Assets 2018 £'000
Group				
Accelerated capital allowances	74	-	-	-
Tax losses	-	-	157	54
	<u>74</u>	<u>-</u>	<u>157</u>	<u>54</u>

The company has no deferred tax assets or liabilities.

	Group 2019 £'000	Company 2019 £'000
Movements in the year:		
Net asset at 1 October 2018	54	-
Credit to income statement	29	-
	<u>83</u>	<u>-</u>
Net asset at 30 September 2019		

Other than as disclosed above, neither the Group nor the Company had any further unrecognised liability to deferred tax.

21 Share capital

	Group and company 2019 £'000	2018 £'000
Ordinary share capital		
Issued and fully paid		
10,000 (2018: 90,000,000) Ordinary Shares of £1 each	<u>10</u>	<u>90,000</u>

On 1 October 2018 the company reduced its share capital from 90,000,000 ordinary shares of £1 each to 10,000 ordinary shares of £1 each. As a result the share premium account of £3,660,000 was transferred to profit and loss reserves.

GALLAGHER DEVELOPMENTS GROUP LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019

22 Capital commitments

At 30 September 2019, the group was committed to invest a further £0.9m (2018: £nil) into a US limited liability partnership. The company has no capital commitments.

23 Related party transactions

Transactions with related parties

As at 30 September 2019, the Group owed The Caroline Gallagher 2004 Trust £1,667,214 (2018: £nil).

Group companies

The Group has taken advantage of the exemption in FRS 8 - 'Related party disclosures', not to disclose transactions with other 100% owned group companies.

Gallagher Finance Limited

As at 30 September 2019, Gallagher Finance Limited, a company under control of Mr A C Gallagher, was owed by the Group £9,584,000 (2018: £6,286,000) which included interest charges of £290,000 (2018: £106,000). Interest is charged at 2.25 - 3% above the Bank of England base rate. The loans are long term loans on normal commercial terms and are secured by way of a negative pledge on the assets of Gallagher Developments Cardington Limited and Gallagher Developments Warwick Limited. The loans are repayable in full in 2023/24.

During the year the Group provided administrative services to Gallagher Finance Limited. Services provided to the 30 September 2019 amounted to £50,000 (2018: £nil). This balance has yet to be invoiced and is currently accounted for in other creditors. As at 30 September 2019 the balance due from Gallagher Finance Limited is £nil (2018: £nil).

Management fees

During the year, the Group accrued management fees to Ashflame Properties Limited, a company under control of Mr A C Gallagher, of £725,000 (2018: £nil). As at 30 September 2019 Ashflame Properties Limited owed the Group £3,007,000 (2018: £nil).

During the year, the Group was charged £54,000 (2018: £nil) by Countywide Coventry Limited, a company under control of Mr A C Gallagher, for use of an aircraft. As at 30 September 2019 the Group owed Countywide Coventry Limited £63,000 (2018: £nil).

Director transactions

As at 30 September 2019, Mr A C Gallagher was owed by the Group £372,000 (2018: £320,000).

As at 30 September 2019, Mr G H Gosling was owed by the Group £940,000 (2018: £nil)

Name of related party

Countywide CCL Limited
 Fortdale Chester Square Limited
 Fortdale Hereford Sqaure Limited
 Gallagher Alma Limited
 Gallagher Bournbrook Limited
 Gallagher Finance Limited
 Gallagher Ventures Limited

Nature of relationship

Controlled by Mr A C Gallagher
 Jointly owned by Mr A C Gallagher
 Jointly owned by Mr A C Gallagher
 Controlled by Mr A C Gallagher
 Controlled by Mr A C Gallagher
 Controlled by Mr A C Gallagher
 Controlled by Mr A C Gallagher

GALLAGHER DEVELOPMENTS GROUP LIMITED
(FORMERLY GALLAGHER DEVELOPMENTS HOLDCO LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019

23 Related party transactions

(Continued)

Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Interest received		Interest paid	
	2019	2018	2019	2018
	£'000s	£'000s	£'000s	£'000s
Ashflame Properties Limited	7	-	-	-
Countywide Coventry Limited	1	-	-	-
Gallagher Alma Limited	-	-	4	-
Gallagher Bournbrook Limited	-	-	64	-
Gallagher Ventures Limited	167	-	-	-

Amounts owed to/by related parties

The following amounts were outstanding at the reporting end date:

	Amount owed to		Amounts owed by	
	2019	2018	2019	2018
	£'000s	£'000s	£'000s	£'000s
Countywide CCL Limited	-	-	234	-
Gallagher Alma Limited	109	-	-	-
Gallagher Bournbrook Limited	1,560	-	-	-
Gallagher Finance Limited	10	6	-	-
Gallagher Ventures Limited	-	-	4,122	-

As at 30 September 2019, the Group owed The Caroline Gallagher 2004 Trust £1,667,214 (2018: £nil).

24 Controlling party

The Company is controlled by Mr A C Gallagher by virtue of his ownership of the entire issued share capital.