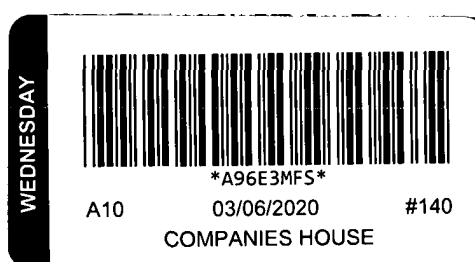


Company Registration No. 10432852 (England and Wales)

GALLAGHER FINANCE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019



GALLAGHER FINANCE LIMITED

COMPANY INFORMATION

Directors	Mr A C Gallagher Mr G H Gosling
Company number	10432852
Registered office	Gallagher House Gallagher Way Gallagher Business Park Warwick Warwickshire CV34 6AF
Auditor	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Birmingham United Kingdom

GALLAGHER FINANCE LIMITED

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GALLAGHER FINANCE 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.

Principal activities

The principal activity of the company during the year was trading as a finance company.

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

Auditor

PricewaterhouseCoopers LLP were appointed as auditor to the company 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.

Statement of disclosure to auditor

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 company's auditor is 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 company's auditor is aware of that information.

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

On behalf of the board



Mr G H Gosling

Director

5 February 2020

GALLAGHER FINANCE 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 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 company and of the profit or loss of the 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, 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 company will continue in business.

The directors 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 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.

GALLAGHER FINANCE LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBER OF GALLAGHER FINANCE LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Gallagher Finance Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2019 and of its profit 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 balance sheet as at 30 September 2019; and the statement of comprehensive income and the statement of changes in equity for the year the 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 company 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 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 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 company's trade, customers, suppliers and the wider economy.

GALLAGHER FINANCE LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBER OF GALLAGHER FINANCE 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 company and its 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 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 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

GALLAGHER FINANCE LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBER OF GALLAGHER FINANCE LIMITED

Use of our 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 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.

Other matter

The financial statements for the year ended 30 September 2018, forming the corresponding figures of the financial statements for the year ended 30 September 2019, are unaudited.



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

5 February 2020

GALLAGHER FINANCE LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2019

		2019	2018
	Notes	£	Unaudited £
Turnover		940,242	377,979
Administrative expenses		(73,279)	(77,402)
Profit before taxation		866,963	300,577
Tax on profit	3	(164,723)	(58,685)
Profit for the financial year		<u>702,240</u>	<u>241,892</u>

GALLAGHER FINANCE LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2019

		2019		2018	
	Notes	£	£	Unaudited	£
Current assets					
Debtors	4	26,544,877		22,698,686	
Cash at bank and in hand		375,484		2,715,082	
		<u>26,920,361</u>		<u>25,413,768</u>	
Creditors: amounts falling due within one year	5	(276,230)		(171,875)	
Net current assets		<u>26,644,131</u>		<u>25,241,893</u>	
Capital and reserves					
Called up share capital	6	12,850,000		12,500,001	
Share premium account		12,849,999		12,500,000	
Profit and loss reserves		944,132		241,892	
Total equity		<u>26,644,131</u>		<u>25,241,893</u>	

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. 10432852

GALLAGHER FINANCE LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 October 2017		1	-	-	1
Year ended 30 September 2018:					
Profit and total comprehensive income for the year		-	-	241,892	241,892
Issue of share capital	6	12,500,000	12,500,000	-	25,000,000
Balance at 30 September 2018		12,500,001	12,500,000	241,892	25,241,893
Year ended 30 September 2019:					
Profit and total comprehensive income for the year		-	-	702,240	702,240
Issue of share capital	6	349,999	349,999	-	699,998
Balance at 30 September 2019		12,850,000	12,849,999	944,132	26,644,131

GALLAGHER FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

Company information

Gallagher Finance Limited is a private company limited by shares incorporated in England and Wales. The registered office is Gallagher House, Gallagher Way, Gallagher Business Park, Warwick, Warwickshire, CV34 6AF.

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") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Turnover

The company receives interest receivable and arrangement fees from trading as a finance company. Interest receivable is recognised as revenue as it accrues. Arrangement fees are recognised as revenue over the life of the finance provided.

1.3 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.

1.4 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.

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

Financial assets and liabilities are offset, with 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.

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 company after deducting all of its liabilities.

GALLAGHER FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

(Continued)

Basic financial 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.

1.5 Equity instruments

Equity instruments issued by the company 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 company.

1.6 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 company'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 liabilities are generally recognised for all timing differences and deferred tax assets are 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

GALLAGHER FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

2 Auditor's remuneration

	2019	2018
	£	Unaudited £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	3,000	-
	<u> </u>	<u> </u>

3 Taxation

	2019	2018
	£	Unaudited £
Current tax		
UK corporation tax on profits for the current year	164,723	58,685
	<u> </u>	<u> </u>

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

	2019	2018
	£	Unaudited £
Profit before taxation	866,963	300,577
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	164,723	57,110
Tax effect of expenses that are not deductible in determining taxable profit	-	1,575
	<u> </u>	<u> </u>
Taxation charge for the year	164,723	58,685
	<u> </u>	<u> </u>

4 Debtors

	2019	2018
	£	Unaudited £
Amounts falling due within one year:		
Other debtors	184,263	175,993
	<u> </u>	<u> </u>

GALLAGHER FINANCE LIMITED

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

4 Debtors		(Continued)	
	2019	2018	
	£	Unaudited	£
Amounts falling due after more than one year:			
Amount due from related parties	25,860,614	22,022,693	
Other debtors	500,000	500,000	
	<u>26,360,614</u>	<u>22,522,693</u>	
Total debtors	<u>26,544,877</u>	<u>22,698,686</u>	
5 Creditors: amounts falling due within one year			
	2019	2018	
	£	Unaudited	£
Corporation tax	164,657	58,685	
Other creditors	111,573	113,190	
	<u>276,230</u>	<u>171,875</u>	
6 Called up share capital			
	2019	2018	
	£	Unaudited	£
Ordinary share capital			
Issued and fully paid			
12,850,000 (2018: 12,500,001) Ordinary of £1 each	12,850,000	12,500,001	
	<u>12,850,000</u>	<u>12,500,001</u>	
Reconciliation of movements during the year:		Ordinary	
		Number	
At 1 October 2018		12,500,001	
Issue of fully paid shares		349,999	
At 30 September 2019		<u>12,850,000</u>	

On 18 March 2019, the Company issued 349,999 Ordinary shares of £1 each. These shares were redeemed in full for £2 per share.

GALLAGHER FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

7 Related party transactions

The loans to related parties are long term loans on normal commercial terms and are secured by way of a negative pledge on the assets of the borrower.

Countywide Developments Limited

During the year Countywide Developments Limited, a company under the control of Mr A C Gallagher, provided the company administrative services. Services provided to the 30 September 2019 amounted to £60,000 (2018: £50,000). This balance has yet to be invoiced by Countywide Developments Limited and is currently accounted for in other creditors. As at 30 September 2019 the balance due to Countywide Developments Limited is £nil (2018: £nil)

Gallagher Developments Cardington Limited

On 16th April 2018 the company provided a loan of £6,300,000 to Gallagher Developments Cardington Limited, a company under the control of Mr A C Gallagher. The total arrangement fee charged was £15,750, of which £3,150 (2018: £1,441) was credited to the Statement of Comprehensive income during the year. Interest receivable during the year amounted to £236,116 (2018: £105,768). Interest is charged at 3% above the Bank of England base rate. As at 30 September 2019, Gallagher Developments Cardington Limited owed the company £6,300,000 (2018: £6,300,000). This loan is repayable April 2023.

Ashflame Cardington Limited

On 16th April 2018 the company provided a loan of £14,000,000 to Ashflame Cardington Limited, a company under the control of Mr A C Gallagher. The total arrangement fee charged was £51,000, of which £17,000 (2018: £7,778) was credited to the Statement of Comprehensive income during the year. Interest receivable during the year amounted to £543,496 (2018: £233,552). Interest is charged at 3% above the Bank of England base rate. As at 30 September 2019, Ashflame Cardington Limited owed the company £14,660,614 (2018: £14,122,693). This loan is repayable April 2021.

Bull Ring Trading Estate Limited

On 16th April 2018 the company provided a loan of £1,600,000 to Bull Ring Trading Estate Limited, a company under the control of Mr A C Gallagher. The total arrangement fee charged was £4,000, of which £1,333 (2018: £610) was credited to the Statement of Comprehensive income during the year. Interest receivable during the year amounted to £60,245 (2018: £26,583). Interest is charged at 3% above the Bank of England base rate. As at 30 September 2019, Bull Ring Trading Estate Limited owed the company £1,600,000 (2018: £1,600,000). This loan is repayable April 2021.

Gallagher Developments Warwick Limited

On 18th March 2019 the company provided a loan of £3,300,000 to Gallagher Developments Warwick Limited, a company under the control of Mr A C Gallagher. The total arrangement fee charged was £8,250, of which £886 was credited to the Statement of Comprehensive income during the year. Interest receivable during the year amounted to £53,354. Interest is charged at 2.25% above the Bank of England base rate. As at 30 September 2019, Gallagher Developments Warwick Limited owed the company £3,300,000. This loan is repayable March 2024.

8 Controlling party

The ultimate controlling party of the company is Mr A C Gallagher by virtue of his ownership of the entire issued share capital.