

Company Registration No. 10432852 (England and Wales)

GALLAGHER FINANCE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020



GALLAGHER FINANCE LIMITED

COMPANY INFORMATION

Directors	Sir 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 2020

The directors present their annual report and audited financial statements for the year ended 30 September 2020.

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:

Sir A C Gallagher
Mr G H Gosling

Auditor

In accordance with the company's articles, a resolution proposing that PricewaterhouseCoopers LLP be reappointed as auditor of the company 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.

Going concern

On 11 March 2020 the World Health Organisation declared Covid-19 a global pandemic and recommended containment and mitigation measures. In making their assessment of the companies' ability to continue as a going concern the directors have considered the impact of Covid-19 on the companies' liquidity including compliance with loan covenants, liabilities payable and financing requirements. The directors note that business and key stakeholders have been impacted by Covid-19. While the business continues to work through this, because of the financial strength of the company the directors believe that Covid-19 will not have any long term impact.

The financial statements have been prepared on a going concern basis. In assessing going concern the directors have also taken the funding level of the company into account and deemed it to be adequate.

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

26 January 2021

GALLAGHER FINANCE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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 2020 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 2020; and the statement of comprehensive income and the statement 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 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

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- 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.

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.

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 2020 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.



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

9/2/21

GALLAGHER FINANCE LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2020

		2020 £	2019 £
	Notes		
Turnover		941,230	940,242
Administrative expenses		(64,492)	(73,279)
Profit before taxation		876,738	866,963
Tax on profit	3	(166,580)	(164,723)
Profit for the financial year		710,158	702,240

All results are from continuing operations.

GALLAGHER FINANCE LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2020

	Notes	2020 £	£	2019 £	£
Current assets					
Debtors	4	28,955,855		26,544,877	
Cash at bank and in hand		158,119		375,484	
		<u>29,113,974</u>		<u>26,920,361</u>	
Creditors: amounts falling due within one year	5	<u>(259,685)</u>		<u>(276,230)</u>	
Net current assets		<u>28,854,289</u>		<u>26,644,131</u>	
Capital and reserves					
Called up share capital	6	13,600,000		12,850,000	
Share premium account		13,599,999		12,849,999	
Profit and loss reserves		<u>1,654,290</u>		<u>944,132</u>	
Total equity		<u>28,854,289</u>		<u>26,644,131</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 26 January 2021 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 2020

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 October 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
Year ended 30 September 2020:					
Profit and total comprehensive income for the year		-	-	710,158	710,158
Issue of share capital	6	750,000	750,000	-	1,500,000
Balance at 30 September 2020		13,600,000	13,599,999	1,654,290	28,854,289

GALLAGHER FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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 Going concern

On 11 March 2020 the World Health Organisation declared Covid-19 a global pandemic and recommended containment and mitigation measures. In making their assessment of the companies' ability to continue as a going concern the directors have considered the impact of Covid-19 on the companies' liquidity including compliance with loan covenants, liabilities payable and financing requirements. The directors note that business and key stakeholders have been impacted by Covid-19. While the business continues to work through this, because of the financial strength of the company the directors believe that Covid-19 will not have any long term impact.

The financial statements have been prepared on a going concern basis. In assessing going concern the directors have also taken the funding level of the company into account and deemed it to be adequate.

1.3 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.

1.4 Cash and cash equivalents

Cash and cash equivalents 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.

1.5 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.

GALLAGHER FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

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.

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.

1.6 Equity instruments

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

1.7 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.

GALLAGHER FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

2 Auditor's remuneration

	2020	2019
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	4,200	3,000

3 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current period	166,580	164,723

4 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Amounts due from related parties	16,788,203	-
Other debtors	167,652	184,263
Amounts falling due after more than one year: - - -		
Amounts due from related parties	11,600,000	25,860,614
Other debtors	400,000	500,000
	12,000,000	26,360,614
Total debtors	28,955,855	26,544,877

Please see Related party transactions (note 9) for amounts due from related parties.

5 Creditors: amounts falling due within one year

	2020	2019
	£	£
Corporation tax	166,592	164,657
Other creditors	93,093	111,573
	259,685	276,230

GALLAGHER FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

6 Called up share capital

	2020 £	2019 £
Ordinary share capital		
Issued and fully paid		
13,600,000 (2019: 12,850,000) Ordinary of £1 each	13,600,000	12,850,000
	<u> </u>	<u> </u>

On 20 April 2020, the Company issued 750,000 Ordinary shares of £1 each. These shares were redeemed in full for £2 per share.

7 Controlling party

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

GALLAGHER FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

8 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 2020 amounted to £60,000 (2019: £60,000). This balance has yet to be invoiced by Countywide Developments Limited and is currently accounted for in other creditors. As at 30 September 2020 the balance due to Countywide Developments Limited is £nil (2019: £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 (2019: £3,150) was credited to the Statement of Comprehensive income during the year. Interest receivable during the year amounted to £214,507 (2019: £236,116). Interest is charged at 3% above the Bank of England base rate. As at 30 September 2020, Gallagher Developments Cardington Limited owed the company £6,300,000 (2019: £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 (2019: £17,000) was credited to the Statement of Comprehensive income during the year. Interest receivable during the year amounted to £510,804 (2019: £543,496). Interest is charged at 3% above the Bank of England base rate. As at 30 September 2020, Ashflame Cardington Limited owed the company £15,188,203 (2018: £14,660,614). 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 (2019: £1,333) was credited to the Statement of Comprehensive income during the year. Interest receivable during the year amounted to £54,478 (2019: £60,245). Interest is charged at 3% above the Bank of England base rate. As at 30 September 2020, Bull Ring Trading Estate Limited owed the company £1,600,000 (2019: £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 £1,650 (2019: £886) was credited to the Statement of Comprehensive income during the year. Interest receivable during the year amounted to £87,692 (2019: £53,354). Interest is charged at 2.25% above the Bank of England base rate. This loan is repayable March 2024.

On 20th April 2020 the company provided an additional loan of £2,000,000 to Gallagher Developments Warwick Limited. The total arrangement fee charged was £5,000, of which £446 was credited to the Statement of Comprehensive income during the year. Interest receivable during the year amounted to £27,785. Interest is charged at 2.25% above the Bank of England base rate. This loan is repayable April 2025.

As at 30 September 2019, Gallagher Developments Warwick Limited owed the company £5,300,000 (2019: £3,300,000).