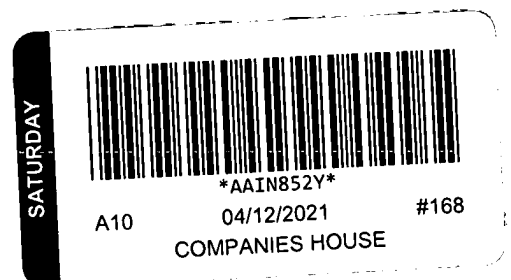


Company Registration No. 01503192 (England and Wales)

GLOBALGRANGE LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2020



GLOBALGRANGE LIMITED

COMPANY INFORMATION

Directors	Mr H S Matharu Mr R S Matharu Mr T S Matharu
Secretary	Mr H S Matharu
Company number	01503192
Registered office	58 Rochester Row Westminster London SW1P 1JU United Kingdom
Auditor	RSM UK Audit LLP Chartered Accountants 25 Farringdon Street London EC4A 4AB United Kingdom
Bankers	Barclays Bank Plc Business Services Level 27 1 Churchill Place Canary Wharf London E14 5HP
Solicitors	Howard Kennedy LLP 1 London Bridge London SE1 9BG

GLOBALGRANGE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present the strategic report for the year ended 31 March 2020.

Fair review of the business

Following a strategic review of the business, the group undertook a major reorganisation in 2018 to add flexibility for the shareholders and establish a more appropriate platform for future trading.

For the year ended 31 March 2019 it retained only the trade of one hotel and continued as part of this strategy to manage the operations and accounting for the previous estate deriving income to cover its costs under agreed Hotel Management Agreements. The group ceased to manage the four main trading assets of Globalgrange Hotels group upon their disposal to an unrelated third party on 14 March 2019 but under a new Trading Services Agreement continued to provide some services and derive fees from the acquirer's nominated operator for a limited handover period until 14 May 2019.

Upon the next stage of the planned reorganisation on 30 June 2019 and changes in ownership and structure within New Gem Holdings Limited (formerly New Grange Holdings 2 Limited) ("NGHL") and its subsidiaries, the existing Hotel Management Agreements with the remaining hotels ceased. The hotels which remained in the ownership of related parties continued to be managed under new separate Trading Services Agreements with the group until 31 December 2019.

The directors continue to consider all options for the future strategy of the remaining properties and assets of the group.

The company's Statement of Financial Position as detailed on page 11 shows a satisfactory position, with shareholders' funds amounting to £10.3 million (2019: £10.4 million). The decrease is due to the loss for the financial year.

The group has seen some higher than usual costs this year, including professional fees as a result of the continuing reorganisation and administrative costs at a high level dealing with the operational, accounting and legal issues arising from it.

Future developments

As part of the directors consideration for the future strategy for the group the following developments took place:

- After continuing losses, exacerbated by the COVID-19 pandemic, it was decided to close the only hotel directly operated by Globalgrange Limited, The Grange Bracknell Hotel, and this duly ceased trading on 11th December 2020. An agreed settlement was reached with the Landlord which was within the provision previously made in the group's financial statements.
- The Grange Lancaster Hotel, owned by Grange Lancaster Limited, closed upon lockdown on 23rd March 2020 and did not re-open. The directors did not consider that this property formed part of any future strategy for the group and it was duly returned to its Landlord with vacant possession on expiry of the lease on 29th September 2021.
- After the transfer in June 2019, the directors decided in early 2020 to put onto the market the other remaining properties within the Globalgrange 2 Limited group. Despite some interest and a number of offers over a period of time, none ultimately approached the valuation that the directors considered reasonable and the process has currently been terminated (see note 13).

The directors are considering the future strategy and their intentions for the group.

Principal risks and uncertainties

Price risk

The group has retained certain assets after the reorganisation described in this report and is reliant upon their ultimate value or income for future operations. It is reliant upon the trading income of its hotels to meet the remaining central overheads of the Group, which are being managed and reduced in line with the reduced number of hotels currently operated, so as to mitigate any risk.

Liquidity risk

See the going concern accounting policy disclosed on page 14.

GLOBALGRANGE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Principal risks and uncertainties (Continued)

Recovery of central overheads following Group reorganisation

Following the group reorganisation, Hotel Management Agreements were in place under which the central overheads of the main operating subsidiary, Globalgrange Limited, were previously recovered by recharging them to related party companies. Since these ceased it derived further income under later Trading Services Agreements with unrelated third parties and a related party company, until these also ceased as noted above. Subsequently, relevant central overheads incurred by Globalgrange Limited are recharged on a commercial basis to the additional Globalgrange 2 operating hotels.

Financial instruments and borrowings

The loan facilities provided to the group were repaid in 2019 by related parties as part of the group restructuring noted above and the group is no longer reliant on any external borrowing facilities to finance its business.

Political and regulatory environment – Brexit implications

Despite the exit from the EU on 31 January 2020, there still remains insufficient information, distorted by the intervening pandemic, about the longer term effects of the post-Brexit trading arrangements between the UK and the EU, particularly in respect of labour and passenger movement, and the impact on business and leisure travel trends, to draw any broad conclusions about the probable impact on the UK hospitality sector. The Directors continue to monitor developments and consider that Brexit is not expected to have a material long term impact on the Group

COVID-19 Pandemic

The current COVID-19 outbreak in the UK had imposed and continues to present a severe impact on the group and its operations.

Seven trading hotels were transferred into the group, which were all open for business however in light of COVID-19 much of the capacity was mothballed and consolidated within one of the hotels. Grange Bracknell also closed only offering rooms for key workers as permitted. The Group took advantage of the Government's Coronavirus Job Retention Scheme by furloughing employees and claiming grants to cover the most significant administrative expense, payroll until it ceased in September. Other Grants were claimed from funds made available to the sector.

The directors have considered the impact of COVID-19 on the going concern status of the group and the company, and have set out in note 1 on page 14 material uncertainties that may cast significant doubt on the group's or the company's ability to continue as a going concern.

The directors implemented new policies and procedures, which are kept under constant review, in order to safeguard the business and the health and safety of its employees, guests and suppliers:

- Hygiene and cleaning procedures in the group's properties were greatly enhanced alongside new protocols for interactions with guests, colleagues and suppliers. Company policies and supplies of materials and services to support this were put in place, including temperature testing kits for staff and guests arriving. These were reviewed in the light of the changing Government regulations as from time to time occurred.
- Operations and capacity were flexed commensurate with varying levels of occupancy both current and anticipated to try to minimise the economic impact. This was and continues to be kept under constant review. Contingency plans to ensure that supplies, security and services for the continued operation of the business arising from any further shut down or supply problems are regularly updated.
- Additional equipment and resources were deployed, and continue to be available, to enable home working for as many employees, whilst still meeting the needs of the business as well the well-being of employees and their families. Regular testing of employees still working was enabled when it became practical.
- We constantly keep our customers and employees updated with the latest advice and information. Requirements of key agencies and corporate customers were implemented promptly to maximise opportunities for both accommodation and conferencing.

The directors will continue to modify these plans in the light of changing advice and regulations as this situation continues.

GLOBALGRANGE LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Key performance indicators

Whilst the group does not place significant value or weight on the KPIs used widely throughout the Hotel Operating and Leisure Industry, it does monitor the group performance against some published data on some KPIs to indicate its relative performance against its competitors. In addition, such data is used in the management of costs and working capital to improve operating profit. The major KPIs which it uses for these purposes are:

- Occupancy rate - rooms occupied by hotel guests, expressed as a percentage of rooms that are available.
- Average room rate - room revenue divided by the number of room nights sold.
- RevPAR - This is the revenue per available room whereby total income received during a period is expressed as a multiple of rooms available to be sold during the same period.

The directors have due regard to these ratios and figures for each and every unit traded by the group and aim to improve them on a continuing basis.

With the further restructuring activities within the group during the prior and current year, and the final quarter disruption, the directors consider that it is not relevant or meaningful to make any further analysis.

On behalf of the board



Mr R S Matharu
Director

Date: 03/12/2021

GLOBALGRANGE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

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

Principal activities

The principal activity of the company continued to be that of the provision of management services to related companies.

Going concern

The company has net assets of £10,276,595 (2019: £10,448,525) including £16,985,341 (2019: £16,212,466) owed by group undertakings and cash at bank and in hand of £21,330,345 (2019: £34,293,417).

NGH3 has provided a letter of support confirming that it will continue to provide financial support to the company so that it can continue to meet its obligations as they fall due for at least twelve months from the signing of these financial statements. The directors have set out in note 1 on page 14 material uncertainties that may cast significant doubt on the ability of the ultimate parent company to provide financial support to the Company to enable it to meet its debts as they fall due.

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid (2019: £1,299,237,500). The directors do not recommend payment of a final dividend.

Directors

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

Mr H S Matharu
Mr R S Matharu
Mr T S Matharu

Employee involvement

Employees of the group are regularly consulted by the management and kept informed of matters affecting them and the overall development of the group.

The group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. The directors endeavour to ensure that as far as possible the training, career development and promotion of disabled persons is the same as for other employees. Should employees become disabled, every effort is made to ensure that their employment continues and appropriate retraining is received.

The group recognises the high standards required to ensure the health, safety and welfare of employees, its customers and the general public. These policies are regularly reviewed with the objective of ensuring that standards are maintained.

Auditor

In accordance with the company's articles, a resolution proposing that RSM UK Audit LLP be reappointed as auditor of the company will be put at a General Meeting.

Energy and carbon reporting

As the company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

GLOBALGRANGE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Mr R S Matharu

Director

Date: 03/12/2021

GLOBALGRANGE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBALGRANGE LIMITED

Disclaimer of opinion

We were engaged to audit the financial statements of Globalgrange Limited (the 'company') for the year ended 31 March 2020 which comprise the Income Statement, Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

We do not express an opinion on the accompanying financial statements of the company. Because of the significance of the matters described in the Basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

Basis for disclaimer of opinion

The audit evidence available to us was limited following the decision taken in 2018 to formally break up the Globalgrange group and the ongoing dispute between the directors. The directors of the company have entered into arbitration to try and resolve the claims and counter claims being made but this has not been resolved at the date of signing these financial statements. As a result of this we have been unable to obtain sufficient appropriate audit evidence concerning multiple elements of the financial statements because we are unable to conclude whether the financial statements disclose or include multiple claims which have been made by directors against other directors which, if established to be correct, could have a material impact on the Financial Statements. The possible effects of this inability to obtain sufficient appropriate audit evidence are deemed to be both material and pervasive to the financial statements.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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.

Disclaimer of opinion on other matters prescribed by the Companies Act 2006

Because of the significance of the matters described in the basis of opinion section of our report, we have been unable to form an opinion, whether based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report has been prepared in accordance with the applicable legal requirements.

Except for the matters referred to above, in our opinion the directors' report has been prepared in accordance with the applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBALGRANGE LIMITED (CONTINUED)

Matters on which we are required to report by exception

Arising from the limitation of our work referred to above:

- we have been unable to determine whether there are material misstatements in the strategic and / or the directors report in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit;
- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. However, because of the matters described in the Basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

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

Use of our report

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

Euan Banks

Euan Banks FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

.....
3rd December 2021

GLOBALGRANGE LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020

			2019		
	Notes	2020 £	Continuing operations £	Discontinued operations £	Total £
Turnover	3	12,450,546	3,001,280	56,664,736	59,666,016
Cost of sales		(13,908,779)	(252,342)	(42,530,744)	(42,783,086)
Gross (loss)/profit		(1,458,233)	2,748,938	14,133,992	16,882,930
Administrative expenses		(5,579,949)	(17,271,886)	(8,322,416)	(25,594,302)
Other operating income		4,593,741	(55,984)	610,748	554,764
Exceptional item	4	-	-	(11,137,408)	(11,137,408)
Impairment losses	14	(277,014)	-	-	-
Operating loss	7	(2,721,455)	(14,578,932)	(4,715,084)	(19,294,016)
Interest receivable and similar income	8	606,757	-	510,754,767	510,754,767
Interest payable, and similar expenses	9	(90,095)	(93)	(1,134,002)	(1,134,095)
Other gains and losses	10	-	-	(9,986)	(9,986)
Profit on disposal of operations	11	-	-	10,949,691	10,949,691
(Loss)/profit before taxation		(2,204,793)	(14,579,025)	515,845,386	501,266,361
Tax on (loss)/profit	12	2,032,863	-	(2,171,938)	(2,171,938)
(Loss)/profit for the financial year		(171,930)	(14,579,025)	513,673,448	499,094,423

The result for the year ended 31 March 2020 derives wholly from continuing operations.

GLOBALGRANGE LIMITED

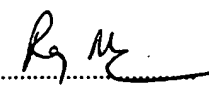
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

	2020 £	2019 £
(Loss)/profit for the year	(171,930)	499,094,423
Other comprehensive income net of taxation		
Revaluation of tangible fixed assets	-	83,347,777
Tax relating to other comprehensive income	-	81,899,000
Other comprehensive income for the year	-	165,246,777
Total comprehensive income for the year	(171,930)	664,341,200

GLOBALGRANGE LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2020**

	Notes	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	15	-		1	
Tangible assets	16	3,450,000		6,442,096	
Investments	17	557		557	
		<u>3,450,557</u>		<u>6,442,654</u>	
Current assets					
Stocks	19	68,405		502,145	
Debtors	20	27,048,198		31,612,761	
Cash at bank and in hand		21,330,345		34,293,417	
		<u>48,446,948</u>		<u>66,408,323</u>	
Creditors: amounts falling due within one year	21	(28,832,955)		(49,246,719)	
Net current assets		<u>19,613,993</u>		<u>17,161,604</u>	
Total assets less current liabilities		<u>23,064,550</u>		<u>23,604,258</u>	
Provisions for liabilities	22	(12,787,955)		(13,155,733)	
Net assets		<u><u>10,276,595</u></u>		<u><u>10,448,525</u></u>	
Capital and reserves					
Called up share capital	25	150,001		150,001	
Share premium account	26	-		-	
Revaluation reserve	26	-		-	
Other reserves	26	-		-	
Profit and loss reserves	26	10,126,594		10,298,524	
Total equity		<u><u>10,276,595</u></u>		<u><u>10,448,525</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 03/12/2021 and are signed on its behalf by:



 Mr R S Matharu
 Director

GLOBALGRANGE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 April 2018		150,000	-	402,090,345	9,699,000	233,405,480	645,344,825
Year ended 31 March 2019:							
Profit for the year		-	-	-	-	499,094,423	499,094,423
Other comprehensive income net of taxation:							
Revaluation of tangible fixed assets		-	-	83,347,777	-	-	83,347,777
Tax relating to items previously recognised in other comprehensive income		-	-	81,849,000	50,000	-	81,899,000
Total comprehensive income for the year		-	-	165,196,777	50,000	499,094,423	664,341,200
Bonus issue of shares	25	1 495,087,121	(485,438,122)	(9,649,000)	-	-	-
Dividends	13	-	-	-	-	(1,299,237,500)	(1,299,237,500)
Reduction of shares	25	- (495,087,121)	-	-	-	495,087,121	-
Transfers on sale of property		-	-	(81,849,000)	(100,000)	81,949,000	-
Balance at 31 March 2019		150,001	-	-	-	10,298,524	10,448,525
Year ended 31 March 2020:							
Loss and total comprehensive income for the year		-	-	-	-	(171,930)	(171,930)
Balance at 31 March 2020		150,001	-	-	-	10,126,594	10,276,595

GLOBALGRANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Company information

Globalgrange Limited (the 'company') is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 58 Rochester Row, Westminster, London, SW1P 1JU, United Kingdom.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

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.

With effect from 1 April 2019, the company has adopted the amendments to FRS 102 published in the Triennial Review 2017. There are no adjustments to the current or comparative period in relation to this adoption.

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, modified to include the revaluation of freehold properties. The principal accounting policies adopted are set out below.

Reduced disclosures

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of New Grange Holdings 3 Limited. These consolidated financial statements are available from its registered office, 58 Rochester Row, London, SW1P 1JU, United Kingdom.

Consolidated accounts

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Globalgrange Limited is a wholly owned subsidiary of New Grange Holdings 3 Limited and the results of Globalgrange Limited are included in the consolidated financial statements of New Grange Holdings 3 Limited which are available from 58 Rochester Row, Westminster, London, SW1P 1JU, United Kingdom.

GLOBALGRANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (Continued)

Going concern

The company has net assets of £10,276,595 (2019: £10,448,525) including £16,985,341 (2019: £16,212,466) owed by group undertakings and cash at bank and in hand of £21,330,345 (2019: £34,293,417).

NGH3 has provided a letter of support confirming that it will continue to provide financial support to the company so that it can continue to meet its obligations as they fall due for at least twelve months from the signing of these financial statements.

At 31 March 2020, the group headed by NGH3 had net liabilities of £11,113,000 (2019: net assets of £17,740,000), net current liabilities of £46,818,000 (2019: £52,703,000), cash at bank and in hand of £29,684,000 (2019: £41,944,000) and amounts owed to related parties of £82,800,000 (2019: £112,966,000) falling due within one year.

The current COVID-19 outbreak in the UK had imposed and continues to present a severe impact on the group and its operations. Seven trading hotels were transferred into the group, which were all open for business however in light of COVID-19 much of the capacity was mothballed and consolidated within one of the hotels. Grange Bracknell also closed only offering rooms for key workers as permitted. The group took advantage of the Government's Coronavirus Job Retention Scheme by furloughing employees and claiming grants to cover the most significant administrative expense, payroll until it ceased in September. Other Grants were claimed from funds made available to the sector.

The group has a number of options available to generate cash flows to meet the group's and the company's working capital requirements and repay the group's related party debts including potential asset disposals, but the ability to generate sufficient additional funds will depend on the economic situation, which is currently uncertain. After the transfer in June 2019, the directors decided in early 2020 to put onto the market the other remaining properties within the NGH3 group. Despite some interest and a number of offers over a period of time, none ultimately approached the valuation that the directors considered reasonable and the process has currently been terminated.

The material uncertainties as to when the group's hotels will return to pre COVID-19 revenues and occupancies and the ability to generate sufficient funds from hotel disposals may cast significant doubt on the group's ability to provide financial support to the company and consequently the company's ability to continue as a going concern. Therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Having considered the material uncertainties described above, the directors have, at the time of approving the financial statements, a reasonable expectation that the group can provide the necessary support to the company so it has adequate resources to continue in operational existence for a period of at least 12 months from the date these financial statements are approved. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements. The financial statements do not include the adjustments that may be necessary if the company were unable to continue as a going concern.

Turnover

Turnover represents the amount derived from the provision of accommodation, conference facilities and meals and sale of property. Income is recognised on the date of occupation for accommodation and meals, and on the date of the even for conference facilities. Turnover excludes value added tax, and relates solely to the United Kingdom.

Income from the provision of management services to related entities is recognised over the periods in which the related costs are incurred.

Rental income

Rental income on assets leased under operating leases is recognised on a straight line basis over the lease term and is presented within other operating income.

GLOBALGRANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (Continued)

Other income

Other income is recognised over the periods in which the related costs are incurred.

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:

Freehold and long leasehold properties	1% to 2% p.a on a straight line basis
Short leasehold properties	over period of lease
Plant and equipment	4% to 20% p.a on a straight line basis
Motor vehicles	25% p.a on a straight line basis

Freehold land is not depreciated.

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 credited or charged to profit or loss.

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

The property fair value can be measured reliably and is held under the revaluation model and is carried at a revalued amount, being the fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and building is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity, such gains and loss are recognised in profit or loss.

The part of the annual depreciation charge on the revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account reserve.

Fixed asset investments

Interests in subsidiaries, are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

GLOBALGRANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (Continued)

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.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost of goods for resale is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

At each reporting date, the Company assesses whether stocks are impaired or if an impairment loss recognised in prior years has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to sell, is recognised as an impairment loss in profit or loss.

Reversals of impairment losses are also recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

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 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 trade and other 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

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.

GLOBALGRANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (Continued)

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 company 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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies, 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.

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

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of 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.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

GLOBALGRANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (Continued)

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries, that will be assessed to or allow for tax in a future period except where the company is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

For non-depreciable assets measured using the revaluation model, deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

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.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

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

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

GLOBALGRANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (Continued)

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Onerous lease provisions

Present obligations arising under onerous contracts are recognised and measured as provisions. The directors use judgement to consider whether the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Other provisions

Other provisions are made based on management's best estimate of the amount required to settle the obligation based on current information available.

3 Turnover and other revenue

	2020	2019
	£	£
Turnover analysed by class of business		
Operation of hotels	2,895,518	10,224,021
Provision of management services	9,555,028	49,441,995
	<u>12,450,546</u>	<u>59,666,016</u>

GLOBALGRANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

3 Turnover and other revenue (Continued)

	2020 £	2019 £
Other revenue		
Grants received	30,197	-

The turnover for the year was derived from the company's principal activities. The whole of the turnover is attributable to the United Kingdom market.

4 Exceptional costs

	2020 £	2019 £
Profit on disposal of operations	-	11,137,408

On 11 May 2018 the company disposed of its trade, assets and liabilities to a related party. As of this date the company did not trade.

5 Employees

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

	2020 Number	2019 Number
Hotel operating and sales	188	1,299
Administration and management	46	122
Total	234	1,421

All employees within the Group are employed directly by Globalgrange Limited. Staff costs have been recharged to the relevant group companies and related parties. Staff costs presented below are gross of recharges.

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	10,299,786	34,758,722
Social security costs	941,894	2,183,610
Pension costs	131,881	331,938
	11,373,561	37,274,270

GLOBALGRANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

6 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	329,992	330,573

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2020 £	2019 £
Remuneration for qualifying services	133,719	135,231

7 Operating loss

	2020 £	2019 £
Operating loss for the year is stated after charging/(crediting):		
Exchange gains	(13,153)	(84,057)
Government grants	(30,197)	-
Fees payable to the company's auditor for the audit of the company's financial statements	5,000	6,000
Depreciation of owned tangible fixed assets	48,172	718,210
Impairment of owned tangible fixed assets	342,959	493,914
(Profit)/loss on disposal of tangible fixed assets	(20,902)	5,142
Amortisation of intangible assets	1	-
Operating lease charges	2,148,969	2,129,035

8 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Interest on bank deposits	120,534	120,464
Interest receivable from group companies	290,095	463,388
Other interest income	196,128	2,655
Total interest revenue	606,757	586,507
Income from fixed asset investments		
Income from shares in group undertakings	-	510,168,260
Total income	606,757	510,754,767

GLOBALGRANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

9 Interest payable and similar expenses

	2020 £	2019 £
Interest on bank overdrafts and loans	441	494,358
Interest payable to group undertakings	22,241	-
Other interest	67,413	639,737
	<u>90,095</u>	<u>1,134,095</u>

10 Other gains and losses

	2020 £	2019 £
Gain/(loss) on disposal of financial assets held at cost	-	(9,986)
	<u>-</u>	<u>(9,986)</u>

11 Discontinued operations

In the prior year, the company disposed of the trade and assets of the majority of hotels under the company's control to a related party. The disposal was effected following a strategic review of the group for the shareholders. A profit on disposal of £10,949,691 was generated.

As these operations were disposed of during 2019, there is no impact on the results for the year ended 31 March 2020.

12 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	-	2,609,700
Adjustments in respect of prior periods	(1,712,256)	(104,000)
Total current tax	<u>(1,712,256)</u>	<u>2,505,700</u>
Deferred tax		
Origination and reversal of timing differences	(358,326)	(333,762)
Changes in tax rates	37,719	-
Total deferred tax	<u>(320,607)</u>	<u>(333,762)</u>
Total tax (credit)/charge	<u>(2,032,863)</u>	<u>2,171,938</u>

GLOBALGRANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

12 Taxation (Continued)

The total tax (credit)/charge for the year included in the income statement can be reconciled to the (loss)/profit before tax multiplied by the standard rate of tax as follows:

	2020 £	2019 £
(Loss)/profit before taxation	(2,204,793)	501,266,361
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(418,911)	95,240,609
Tax effect of expenses that are not deductible in determining taxable profit	2,000,334	5,902,890
Tax effect of income not taxable in determining taxable profit	(2,143,145)	(96,931,969)
Change in unrecognised deferred tax assets	205,797	-
Adjustments in respect of prior years	(1,712,256)	(104,000)
Group relief	-	(44,588)
Permanent capital allowances in excess of depreciation	(1,752)	(3,072,109)
Other deferred tax adjustments	37,070	38,852
Other tax adjustments	-	1,142,253
Taxation (credit)/charge for the year	(2,032,863)	2,171,938

In addition to the amount (credited)/charged to profit or loss, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2020 £	2019 £
Deferred tax arising on:		
Revaluation of land and buildings	-	(81,849,000)
Revaluation of investment property	-	(50,000)
	-	(81,899,000)

13 Dividends

	2020 £	2019 £
Final paid - £Nil (2019: £8,662) per share	-	1,299,237,500

No dividends are payable at the balance sheet date.

GLOBALGRANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

14 Impairments

	Notes	2020 £	2019 £
Property, plant and equipment - leasehold property	16	277,014	-
		<u>277,014</u>	<u>-</u>
<i>Included within administrative expenses:</i>			
Property, plant and equipment - plant and equipment	16	65,945	493,914
		<u>342,959</u>	<u>493,914</u>

The directors, in assessing the carrying value of property, plant and equipment for impairment, have taken account of market factors including the impact of COVID-19 on the hospitality industry and have also considered the informal opinion of their real estate property advisors. Due to the market uncertainty surrounding COVID-19, a material uncertainty exists in relation to the carrying value of the assets. The directors have formed their own conclusions regarding the recoverable amount of the assets. Accordingly, the directors have concluded that an impairment charge is necessary, and a charge of £277,014 has been recognised on the face of the profit or loss account.

Impairment losses on plant and equipment of £65,945 are recognised within administrative expenses in the profit and loss account.

15 Intangible fixed assets

	Patents and licences £
Cost	
At 1 April 2019 and 31 March 2020	<u>30,101</u>
Amortisation and impairment	
At 1 April 2019	30,100
Amortisation charged for the year	<u>1</u>
At 31 March 2020	<u>30,101</u>
Carrying amount	
At 31 March 2020	<u>-</u>
At 31 March 2019	<u>1</u>

GLOBALGRANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

16 Tangible fixed assets

	Freehold and long leasehold properties £	Short leasehold properties £	Plant and equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2019	6,302,793	36,780	5,285,102	278,715	11,903,390
Additions	-	-	73,283	-	73,283
Disposals	(2,632,590)	-	-	(208,458)	(2,841,048)
At 31 March 2020	3,670,203	36,780	5,358,385	70,257	9,135,625
Depreciation and impairment					
At 1 April 2019	3,418	36,780	5,184,039	237,057	5,461,294
Depreciation charged in the year	-	-	48,172	-	48,172
Impairment losses	277,014	-	65,945	-	342,959
Eliminated in respect of disposals	-	-	-	(166,800)	(166,800)
At 31 March 2020	280,432	36,780	5,298,156	70,257	5,685,625
Carrying amount					
At 31 March 2020	3,389,771	-	60,229	-	3,450,000
At 31 March 2019	6,299,375	-	101,063	41,658	6,442,096

More information on impairment movements in the year is given in note 14.

17 Fixed asset investments

	Notes	2020 £	2019 £
Investments in subsidiaries	18	507	507
Unlisted investments		50	50
		557	557
Movements in fixed asset investments			
	Shares in group undertakings £	Other investments other than loans £	Total £
Cost or valuation			
At 1 April 2019 & 31 March 2020	507	50	557
Carrying amount			
At 31 March 2020	507	50	557
At 31 March 2019	507	50	557

GLOBALGRANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

18 Subsidiaries

Details of the company's subsidiaries at 31 March 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
4 Howley Place Limited	58 Rochester Row, London SW1P 1JU	Non-trading	Ordinary	100.00	-
Boxmill Developments (Great Smith Street) Limited	As above	Non-trading	Ordinary	-	100.00
Grange (Prescot Street) Limited	As above	Non-trading	Ordinary	-	100.00
Grange Bracknell Limited	As above	Non-trading	Ordinary	100.00	-
Grange Contracts Limited	As above	Non-trading	Ordinary	100.00	-
Grange Hotels Limited	As above	Non-trading	Ordinary	100.00	-
Sectormatch Limited	As above	Non-trading	Ordinary	100.00	-
The City Hotel Management Limited	As above	Non-trading	Ordinary	100.00	-
The Holborn Hotel Limited	As above	Non-trading	Ordinary	100.00	-

19 Stocks

	2020 £	2019 £
Finished goods and goods for resale	68,405	502,145

20 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	769,118	1,664,271
Corporation tax recoverable	1,210,928	2,555,690
Amounts owed by group undertakings	16,985,341	16,212,466
Amounts owed by undertakings in which the company has a participating interest	1,337,399	1,337,399
Other debtors	4,503,644	3,816,805
Prepayments and accrued income	2,241,768	6,026,130
	<u>27,048,198</u>	<u>31,612,761</u>

GLOBALGRANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

21 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	368,976	1,402,822
Amounts owed to group undertakings	23,601,477	19,265,237
Taxation and social security	109,233	450,023
Other creditors	3,291,327	23,799,406
Accruals and deferred income	1,461,942	4,329,231
	<u>28,832,955</u>	<u>49,246,719</u>

22 Provisions for liabilities

	Notes	2020 £	2019 £
Onerous lease provision		12,500,000	12,835,126
Other provisions		287,955	-
		<u>12,787,955</u>	<u>12,835,126</u>
Deferred tax liabilities	23	-	320,607
		<u>12,787,955</u>	<u>13,155,733</u>

Movements on provisions apart from deferred tax liabilities:

	Onerous lease provision £	Other provisions £	Total £
At 1 April 2019	12,835,126	-	12,835,126
Additional provisions in the year	-	287,955	287,955
Utilisation of provision	(335,126)	-	(335,126)
At 31 March 2020	<u>12,500,000</u>	<u>287,955</u>	<u>12,787,955</u>

23 Deferred taxation

The major deferred tax liabilities and assets recognised by the company are:

	Liabilities 2020 £	Liabilities 2019 £
Balances:		
Accelerated capital allowances	-	320,607
	<u>-</u>	<u>320,607</u>

GLOBALGRANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

23 Deferred taxation (Continued)

	2020 £
Movements in the year:	
Liability at 1 April 2019	320,607
Credit to profit or loss	(320,607)
Liability at 31 March 2020	-

24 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	131,881	331,938

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

25 Share capital

	2020 Number	2019 Number	2020 £	2019 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	150,001	150,001	150,001	150,001

The company has one class of ordinary shares which have attached to them full voting, dividend and capital distribution (including on winding up) rights. They do not confer any rights of redemption.

During the prior year, the company capitalised the amount standing to the credit of the revaluation and other reserves (£495,087,121) through a bonus issue at a premium of 1 ordinary share of £1 which would be credited as fully paid (the "Capitalisation"). Following the Capitalisation becoming effective, the company subsequently reduced the amount standing to the credit of the share premium account by way of a reduction of capital, and the amount of share premium was credited to retained earnings.

26 Reserves

Share premium

Consideration received for shares issued above their nominal value, net of transaction costs.

Revaluation reserve

The cumulative revaluation gains and losses in respect of land and buildings, except revaluation gains and losses recognised in profit or loss. Excess depreciation charged on revalued buildings over the historical cost depreciation is transferred from the revaluation reserve to the profit and loss reserve annually.

Other reserve

The cumulative revaluation gains and losses in respect of investment properties, except revaluation gains and losses recognised in profit or loss.

GLOBALGRANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

26 Reserves (Continued)

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

27 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	2,159,744	2,124,237
Between one and five years	7,826,976	7,660,948
In over five years	11,167,164	12,655,559
	<u>21,153,884</u>	<u>22,440,744</u>

28 Related party transactions

Transactions with related parties

During the year the company recharged staff costs to entities within the group, New Gem Holding Limited (formerly New Grange Holdings 2 Limited), with all entities being under common control:

	2020 £	2019 £
Wages and salaries	2,360,743	27,088,797
Social security costs	184,953	1,505,322
Pension costs	27,135	231,040
	<u>2,572,831</u>	<u>28,825,159</u>

During the year, staff costs were recharged from GlobalGem Hotels Limited to the company totalling £30,777.

The following amounts, included within other creditors, were outstanding at the reporting end date:

	2020 £	2019 £
Amounts due to related parties		
Entities under common control	<u>3,009,308</u>	<u>23,536,067</u>

GLOBALGRANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

28 Related party transactions (Continued)

The following amounts, included within other debtors, were outstanding at the reporting end date:

	2020	2019
Amounts due from related parties	£	£
Entities under common control	1,814,208	1,796,584

In the prior year, on 11 May 2018, the company disposed of the majority of the trade and assets of the hotels under the company's control to related parties under common control. Consideration received from the related parties totalled £718,625,000.

The company has taken advantage of the exemptions provided by section 33 of FRS 102 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

29 Ultimate controlling party

New Grange Holdings 3 Limited, a company incorporated in England and Wales, is the immediate and ultimate parent undertaking.

New Grange Holdings 3 Limited, is the parent of the smallest and largest group for which consolidated accounts including Globalgrange Limited are prepared. The consolidated accounts of New Grange Holdings 3 Limited are available from its registered office at 58 Rochester Row, Westminster, London, SW1P 1JU.