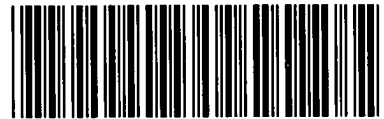


Company Registration No. 10250740 (England and Wales)

GCG INTERMEDIATE LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

THURSDAY



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COMPANIES HOUSE

GCG INTERMEDIATE LTD

COMPANY INFORMATION

Directors	Mr S Mistry	(Appointed 5 April 2019)
	Mr D J B Sandoz	(Appointed 5 April 2019)
	Mrs J M Renton	(Appointed 1 November 2019)
	Mr G B Vestur	(Appointed 14 October 2019)
Secretary	Sodexo Corporate Services (No.2) Limited	
Company number	10250740	
Registered office	120 Leaman Street London E1 8EU	
Auditor	KPMG LLP 1 St. Peter's Square Manchester M2 3AE	

GCG INTERMEDIATE LTD

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GCG INTERMEDIATE LTD

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 AUGUST 2019

The directors present the strategic report for the period ended 31 August 2019.

Brexit

The UK left the EU on 31 January 2020 with an agreed transition period up to 31 December 2020 when principles for a future trading relationship following that date will be agreed. This is welcome as it provides for continued free movement of people and goods and time for business to prepare. The UK/EU negotiations and implications for our business are being overseen by a Brexit taskforce under the governance and leadership of the UK & Ireland Regional Leadership Committee. The key areas of focus for the taskforce are in relation to the welfare and rights of our people, impacts on the labour market, supply chain of goods and services and government procurement rules. There is a risk that the scheduled date for the end of the transition period is delayed beyond 31 December 2020. There is also a risk that the transition period expires without an agreed deal ("No Deal" scenario). We have planned extensively for this previously and are able to scale up our planning and management of this again if required.

Post Balance Sheet events - Coronavirus (COVID-19)

Subsequent to the balance sheet date, the United Kingdom has been affected by the global Coronavirus pandemic. While The Good Care Group is accessing the Coronavirus Job Retention Scheme offered by the UK government, Coronavirus is expected to have an impact on the profit and cash flow for The Good Care Group London Limited for the rest of the financial year 2020, albeit temporary. Impacts are being closely monitored and actions are being taken to protect cash and profit for the future. At this stage we expect to be still able to pay all suppliers and labour costs.

On behalf of the board



.....
Mrs J M Renton
Director

Date: 24 November 2020

GCG INTERMEDIATE LTD

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 AUGUST 2019

The directors present their annual report and financial statements for the period ended 31 August 2019.

Principal activities

The company is a holding company. The principal activity of its trading subsidiaries is the provision of live care to elderly patients throughout England and Scotland.

Results and dividends

The results for the period are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

No preference dividends were paid. The directors do not recommend payment of a final dividend.

Directors

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

B Berkeley	(Resigned 5 April 2019)
S Crowther	(Resigned 5 April 2019)
D Kent	(Resigned 5 April 2019)
F Lowry	(Resigned 5 April 2019)
W Gresty	(Resigned 5 April 2019)
P Rawlinson	(Resigned 5 April 2019)
M Smith	(Resigned 5 April 2019)
Mr S Mistry	(Appointed 5 April 2019)
Mr D J B Sandoz	(Appointed 5 April 2019)
Mr L P J Arnaudo	(Appointed 5 April 2019 and resigned 1 November 2019)
Mr N J B Morel	(Appointed 5 April 2019 and resigned 14 October 2019)
Mrs J M Renton	(Appointed 1 November 2019)
Mr G B Vestur	(Appointed 14 October 2019)

Supplier payment policy

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Trade creditors of the company at the year end were equivalent to nil day's purchases, based on the average daily amount invoiced by suppliers during the year.

Auditor

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

GCG INTERMEDIATE LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

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.

On behalf of the board



.....
Mrs J M Renton
Director

Date: 24 November 2020

GCG INTERMEDIATE LTD

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2019

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

GCG INTERMEDIATE LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GCG INTERMEDIATE LTD

Opinion

We have audited the financial statements of GCG Intermediate Ltd (the 'company') for the period ended 31 August 2019 which comprise the income statement, the statement of financial position, the statement of changes in equity and related notes, including the accounting policies.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2019 and of its loss for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006

GCG INTERMEDIATE LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF GCG INTERMEDIATE LTD

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or 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; or
- we have not received all the information and explanations we require for our audit;
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Andrew Reddington (Senior Statutory Auditor)
for and on behalf of KPMG LLP

24th November 2020.....

Chartered Accountants
Statutory Auditor

1 St. Peter's Square
Manchester
M2 3AE

GCG INTERMEDIATE LTD

INCOME STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2019

		8 Months ended 31 August 2019 £	12 Months ended 31 December 2018 £
	Notes		
Finance costs	3	(252,768)	(982,888)
Loss before taxation		(252,768)	(982,888)
Tax on loss	4	(86,405)	67,354
Loss and total comprehensive income for the financial period		(339,173)	(915,534)

All amounts above relate to continuing operations. The notes on pages 11 - 20 form part of these financial statements.

GCG INTERMEDIATE LTD

STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2019

	Notes	As at 31 August 2019 £	As at 31 December 2018 £
Non-current assets			
Investments	5	10,488,905	10,488,905
Current assets			
Trade and other receivables	7	1	1
Deferred tax asset	11	-	86,405
		1	86,406
Current liabilities			
Borrowings	8	-	(886,667)
Trade and other payables	10	(9,084,082)	(2,908,741)
		(9,084,082)	(3,795,408)
Net current liabilities		(9,084,081)	(3,709,002)
Total assets less current liabilities		1,404,824	6,779,903
Non-current liabilities			
Borrowings	8	-	(2,137,989)
Trade and other payables	10	(4,138,006)	(7,035,923)
		(4,138,006)	(9,173,912)
Net liabilities		(2,733,182)	(2,394,009)
Equity			
Called up share capital	12	1	1
Retained earnings		(2,733,183)	(2,394,010)
Total equity		(2,733,182)	(2,394,009)

GCG INTERMEDIATE LTD

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 AUGUST 2019

The financial statements were approved by the board of directors and authorised for issue on 24 November 2020 and are signed on its behalf by:



.....
Mrs J M Renton
Director

Company Registration No. 10250740

GCG INTERMEDIATE LTD

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 AUGUST 2019

	Share capital £	Retained earnings £	Total £
Balance at 1 January 2018	1	(1,478,476)	(1,478,475)
Period ended 31 December 2018:			
Loss and total comprehensive income for the period	-	(915,534)	(915,534)
Balance at 31 December 2018	1	(2,394,010)	(2,394,009)
Period ended 31 August 2019:			
Loss and total comprehensive income for the period	-	(339,173)	(339,173)
Balance at 31 August 2019	1	(2,733,183)	(2,733,182)

GCG INTERMEDIATE LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2019

1 Accounting policies

Company information

GCG Intermediate Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 120 Leman Street, London, E1 8EU. The company's principal activities and nature of its operations are disclosed in the directors' report.

1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

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, except for the revaluation of . The principal accounting policies adopted are set out below.

The company meets the definition of a qualifying entity under FRS 101, The Financial Reporting Standard applicable in the UK and Republic of Ireland. These financial statements for the period ended 31 August 2019 are the first financial statements of GCG Intermediate Ltd prepared in accordance with FRS 101. The company transitioned from FRS 102 to FRS 101 for all periods presented and the date of transition to FRS 101 was 1 January 2018.

The reported financial position and financial performance for the previous period are not affected by the transition to FRS 101.

GCG INTERMEDIATE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations. Equivalent disclosures are included in the consolidated financial statements of Sodexo S. A in which the entity is consolidated;
- the requirements of paragraph 33 (c) of IFRS 5 Non current Assets Held for Sale and Discontinued Operations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1, (ii) paragraph 73(e) of IAS 16 Property Plant and Equipment (iii) paragraph 118 (e) of IAS 38 Intangibles Assets, (iv) paragraphs 76 and 79(d) of IAS 40 Investment Property and (v) paragraph 50 of IAS 41 Agriculture;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40 ,111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member ; and
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to share based payments, financial instruments, capital management, presentation of a cash flow statement, presentation of comparative information in respect of certain assets, standards not yet effective, impairment of assets, business combinations, discontinued operations and related party transactions.

Where required, equivalent disclosures are given in the group accounts of Sodexo S.A. The group accounts of Sodexo S. A are available to the public and can be obtained as set out in note 13.

GCG INTERMEDIATE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.2 Going concern

The directors continue to adopt the going concern basis in the preparation of the financial statements.

The business has remained resilient during the coronavirus outbreak due to the high proportion of trade with private patients. From review of market insight and knowledge of our business, the directors believe that the business is well placed to generate future profitable trade and cash. We expect the market and The Good Care Group to stand up again during FY21, albeit at different paces for different client groups. In addition, the company continues to see opportunities for organic growth, with some new contracts realised post the balance sheet date.

However, the business is expected to continue to be adversely impacted in FY21. To inform the basis of preparation of these accounts, the directors have considered cash and profit scenarios for forward trade over the next 13 months, based on the facts we have now. These range from a phased stand up, to a significant lock down period of 6 months plus with trade impacted in a similar way to FY20. The forecasts indicate that the company will continue to be resilient to the situation. Routine peaks in cash requirements during the trading cycle, will be funded from the overdraft facility established with the parent company Sodexo SA if necessary. If necessary, which would expect to be for a worst case scenario, the company could draw upon funding that has been assured by a letter of support received from Sodexo SA. Sodexo SA is the French domiciled parent company, which currently has a strong credit rating of A- from Standard and Poor.

Based on these analyses and facts, the directors believe that the Company will be able to continue to meet its liabilities as they fall due for at least the next 12 months.

1.3 Non-current investments

Interests in subsidiaries, associates and jointly controlled entities 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.

1.4 Cash and cash equivalents

Cash and cash equivalents 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 assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

GCG INTERMEDIATE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Financial assets at fair value through profit or loss

When any of the above-mentioned conditions for classification of financial assets is not met, a financial asset is classified as measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are recognized initially at fair value and any transaction costs are recognised in profit or loss when incurred. A gain or loss on a financial asset measured at fair value through profit or loss is recognised in profit or loss, and is included within finance income or finance costs in the statement of income for the reporting period in which it arises.

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

Financial assets at fair value through other comprehensive income

Debt instruments are classified as financial assets measured at fair value through other comprehensive income where the financial assets are held within the company's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument measured at fair value through other comprehensive income is recognised initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to profit or loss when the debt instrument is derecognised.

The company has made an irrevocable election to recognize changes in fair value of investments in equity instruments through other comprehensive income, not through profit or loss. A gain or loss from fair value changes will be shown in other comprehensive income and will not be reclassified subsequently to profit or loss. Equity instruments measured at fair value through other comprehensive income are recognized initially at fair value plus transaction cost directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognized through other comprehensive income are directly transferred to retained earnings when equity instrument is derecognized or its fair value substantially decreased. Dividends are recognized as finance income in profit or loss.

Impairment of financial assets

Financial assets, other than those measured at fair value through profit or 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 of the investment have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

GCG INTERMEDIATE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.6 Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for trading. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of selling or repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

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

1.7 Equity instruments

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

1.8 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are classified as current.

1.9 Taxation

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

GCG INTERMEDIATE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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 is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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

2 Employees

There were no persons employed by the company during the period.

	2019 Number	2018 Number
Total	-	-

3 Finance costs

	2019 £	2018 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	55,411	225,204
Interest payable to group undertakings	97,190	411,617
Interest on other loans	74,512	314,203
Release of capitalised loan arrangement fees	25,655	31,864
	252,768	982,888

GCG INTERMEDIATE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

4 Taxation

	2019 £	2018 £
Deferred tax		
Origination and reversal of temporary differences	-	(67,354)
Adjustment in respect of prior periods	86,405	-
	<u>86,405</u>	<u>(67,354)</u>

The charge for the period can be reconciled to the loss per the income statement as follows:

	2019 £	2018 £
Loss before taxation	<u>(252,768)</u>	<u>(982,888)</u>
Expected tax credit based on a corporation tax rate of 19.00% (2018: 19.00%)	(48,026)	(186,749)
Group relief	48,026	186,749
Deferred tax	86,405	(67,354)
Taxation charge/(credit) for the period	<u>86,405</u>	<u>(67,354)</u>

5 Investments

	Current		Non-current	
	2019 £	2018 £	2019 £	2018 £
Investments in subsidiaries	<u>-</u>	<u>-</u>	<u>10,488,905</u>	<u>10,488,905</u>

The company has not designated any financial assets that are not classified as held for trading as financial assets at fair value through profit or loss.

Fair value of financial assets carried at amortised cost

Except as detailed below the directors believe that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

GCG INTERMEDIATE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

5 Investments (Continued)

Movements in non-current investments

	Shares in group undertakings £
Cost or valuation	
At 1 January 2019 & 31 August 2019	10,488,905
Carrying amount	
At 31 December 2018 & 31 August 2019	10,488,905

6 Subsidiaries

Details of the company's subsidiaries at 31 August 2019 are as follows. All shares held are ordinary shares.

Name of undertaking	Address	% Held	
		Direct	Indirect
Cambridge Aunts Care Ltd	1	-	100.00
Oxford Aunts Ltd	1	-	100.00
The Good Care Company Edinburgh Ltd	1	-	100.00
The Good Care Group East Anglia Ltd	1	-	100.00
The Good Care Group Ltd	1	-	100.00
The Good Care Group London Ltd	1	100.00	-
The Good Care Group Scotland Ltd	1	-	100.00

Registered office addresses (all UK unless otherwise indicated):

1 120 Leaman Street, London, E1 8EU

Since the year end, the following dormant subsidiaries have been dissolved: Cambridge Aunts Care Ltd; The Good Care Company Edinburgh Ltd; The Good Care Group East Anglia Ltd; and The Good Care Group Ltd.

7 Trade and other receivables

	Current		Non-current	
	2019	2018	2019	2018
	£	£	£	£
Amounts owed by fellow group undertakings	1	1	-	-
Deferred tax asset	-	-	-	86,405
	<u>1</u>	<u>1</u>	<u>-</u>	<u>86,405</u>

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

GCG INTERMEDIATE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

8 Borrowings

	2019 £	2018 £
Unsecured borrowings at amortised cost		
Bank loans	-	3,024,656
	<u> </u>	<u> </u>

Analysis of borrowings

Borrowings are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2019 £	2018 £
Current liabilities	-	886,667
Non-current liabilities	-	2,137,989
	<u> </u>	<u> </u>
	-	3,024,656
	<u> </u>	<u> </u>

9 Liabilities

		Current 2019 £	2018 £	Non-current 2019 £	2018 £
	Notes				
Borrowings	8	-	886,667	-	2,137,989
Trade and other payables	10	9,084,082	2,908,741	4,138,006	7,035,923
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
		9,084,082	3,795,408	4,138,006	9,173,912
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

10 Trade and other payables

	Current 2019 £	2018 £	Non-current 2019 £	2018 £
Amount owed to parent undertaking	-	-	4,138,006	4,127,713
Amounts owed to fellow group undertakings	8,111,981	1,996,940	-	-
Accrued interest payable	972,101	911,801	-	2,908,210
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	9,084,082	2,908,741	4,138,006	7,035,923
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

GCG INTERMEDIATE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

11 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	Tax losses £
Deferred tax liability at 1 January 2018	-
Deferred tax movements in prior year	
Credit to profit or loss	86,405
Deferred tax liability at 1 January 2019	-
Deferred tax asset at 1 January 2019	86,405
Deferred tax movements in current year	
Credit to profit or loss	(86,405)
Deferred tax liability at 31 August 2019	-

Deferred tax assets and liabilities are offset in the financial statements only where the company has a legally enforceable right to do so.

	2019 £	2018 £
Deferred tax assets	-	86,405

12 Share capital

	2019 £	2018 £
Ordinary share capital		
<i>Issued and fully paid</i>		
1 Ordinary of £1 each	1	1

13 Controlling party

The parent company of GCG Intermediate Ltd is GCG Holdings Ltd and its registered office is 120 Leman Street, London, E1 8EU. The ultimate controlling party is Sodexo SA and its registered office is 255 quai de la Bataille de Stalingrad, 92130 Issy les Mounlineaux, France.

The smallest group the entity to which the entity is consolidated is Sodexo Holdings Ltd Group, the largest being Sodexo SA Group.