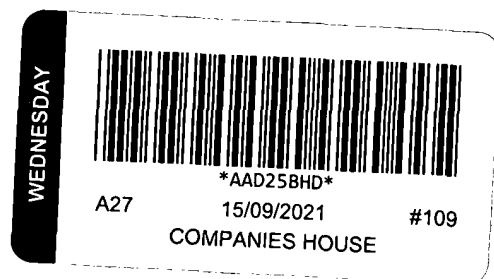


Company Registration No. 10250740 (England and Wales)

GCG INTERMEDIATE LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020



GCG INTERMEDIATE LTD

COMPANY INFORMATION

Directors

Mr S Mistry
Mr D J B Sandoz
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 Leman 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 YEAR ENDED 31 AUGUST 2020

The directors present the strategic report for the year ended 31 August 2020 (2019: 8 month 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.

Brexit

The UK left the EU on the 31st of January 2020 and the subsequent transition, which ran to the 31st of December 2020 has also now past. The impact on the company has been carefully considered and managed by a Brexit task force under the governance and leadership of the UK&I Regional Leadership Committee. The extensive preparation which the company was able to do in advance of the end of the transition has meant that the operational and financial impact to the business to date has been limited. The directors remain vigilant for any future disruption which could arise upon future return to pre Covid-19 levels of operational activity.

Business review

This was a difficult year as we managed our way through the Covid-19 Pandemic, despite this revenues grew. At no point during the year did we ever have any uncovered care and our levels of transmission between carers and clients was almost zero. Our carers provided exceptional care and our head office staff showed huge resilience in managing the daily challenges faced. The Good Care Group did access the Coronavirus Job Retention Scheme offered by the UK Government. The pandemic has had more of an impact on revenues in the 2021 financial year than 2020, there has been sufficient cash and profit for the future and are still able to pay all suppliers and labour costs.

Future developments & risk management

Covid-19

2021 has been about continuing to work through the Covid-19 pandemic ensuring the safety and wellbeing of our clients and employees whilst complying with the guidelines. Impacts continue to be closely monitored and actions are being taken to protect cash and profit for the future. At this stage the Company is expected to be able to pay all suppliers and labour costs.

Workforce

Recruitment of Professional Carers has been extremely difficult following the pandemic and Brexit. We are seeing workforce losses to other sectors and a recruitment shortage in the UK. We monitor the situation closely and actions are being taken to protect cash and profit for the future.

On behalf of the board



.....
Mrs J M Renton

Director
.....

Dated: 10th September 2021

GCG INTERMEDIATE LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The directors present their annual report and financial statements for the year ended 31 August 2020 (2019: 8 month period ended 31 August 2019).

Results and dividends

The results for the year are set out on page 6.

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 year and up to the date of signature of the financial statements were as follows:

Mr S Mistry	
Mr D J B Sandoz	
Mr L P J Amaudo	(Resigned 1 November 2019)
Mr N J B Morel	(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

In accordance with section 485 of the Companies Act 2006, a resolution proposing that KPMG LLP be re-appointed will be put to a General Meeting.

Statement of disclosure to auditor

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

On behalf of the board



.....
Mrs J M Renton

Director

Date: 10th September 2021
.....

GCG INTERMEDIATE LTD

STATEMENT OF DIRECTORS RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, DIRECTORS REPORT AND THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

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 Profit and loss account and other comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant 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 2020 and of result for the year 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;

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, 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.

Gareth Roberts (Senior Statutory Auditor)
for and on behalf of KPMG LLP



Chartered Accountants
Statutory Auditor

1 St. Peter's Square
Manchester
M2 3AE

10 September 2021

GCG INTERMEDIATE LTD

PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Year ended 31 August 2020 £	8 Months ended 31 August 2019 £
Interest payable	4	-	(252,768)
Profit/(loss) before taxation		-	(252,768)
Tax on profit/(loss)	5	-	(86,405)
Profit/(loss) and total comprehensive income for the financial year		-	(339,173)

All amounts above relate to continuing operations. The notes on pages 9 - 16 form part of these financial statements.

GCG INTERMEDIATE LTD

BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	As at 31 August 2020 £	As at 31 August 2019 £
Fixed assets			
Investments	6	10,488,905	10,488,905
Current assets			
Debtors	8	1	1
Creditors: amounts falling due within one year	9	(13,222,088)	(9,084,082)
Net current liabilities		(13,222,087)	(9,084,081)
Total assets less current liabilities		(2,733,182)	1,404,824
Creditors: amounts falling due after more than one year	9	-	(4,138,006)
Net liabilities		(2,733,182)	(2,733,182)
Capital and reserves			
Called up share capital	10	1	1
Profit and loss reserves		(2,733,183)	(2,733,183)
Shareholders' funds		(2,733,182)	(2,733,182)

The financial statements were approved by the board of directors and authorised for issue on 10th September 2021 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 YEAR ENDED 31 AUGUST 2020

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2019	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)
Period ended 31 August 2020:			
Profit and total comprehensive income for the period	-	-	-
Balance at 31 August 2020	1	(2,733,183)	(2,733,182)

GCG INTERMEDIATE LTD

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

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

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ["Adopted IFRSs"], but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

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

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

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 12.

GCG INTERMEDIATE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 to the impact of UK-wide Covid-19 lockdowns due to the high proportion of trade with high net worth individuals, which we have been able to continue to serve with appropriate personal protective equipment in place. From review of market insight and knowledge of our business, the directors believe that the business is well placed to generate future trade and cash.

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 include a further 2 lockdown periods of 1 month each 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 an overdraft facility with the parent company Sodexo SA if necessary. In a worst-case scenario the company could draw upon funding that has been indicated by a letter of support received from Sodexo SA, the French domiciled parent company, which currently has a strong credit rating of Baa1 from Moody's Investors Service. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe it will not do so.

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 and therefore have prepared the financial statements on a going concern basis.

1.3 Fixed asset 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 at bank and in hand

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 balance sheet 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 YEAR ENDED 31 AUGUST 2020

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 recognised 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 recognised through other comprehensive income are directly transferred to retained earnings when equity instrument is derecognised or its fair value substantially decreased. Dividends are recognised 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 YEAR ENDED 31 AUGUST 2020

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 YEAR ENDED 31 AUGUST 2020

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 profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax 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 profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2 Critical accounting estimates and judgements

The preparation of financial statements requires the management to make estimates and judgements which affect the amounts reported for assets, liabilities and contingent liabilities as of the date of preparation of the financial statements, and for revenues and expenses for the period.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The estimates and judgements that have the most material impact on the financial performance and position of the Company are as follows:

(i) Provisions for bad debts

Provision is made for aged debts. These provisions require management's best estimate of the likelihood of recovery of each debt.

(ii) Impairment of non-current assets

Determining the carrying value of investments in subsidiaries, where indicators of impairment are observed, requires estimation of the value in use of the investment. The value in use calculations require an estimation of future cash flows expected to be generated by subsidiaries and of suitable discount rates in order to determine the present value of those cash flows.

GCG INTERMEDIATE LTD

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

3 Employees

There were no persons employed by the company during the year. No directors were employed or remunerated by the company.

	2020 Number	2019 Number
Total	-	-

4 Interest payable and similar expenses

	2020 £	2019 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	-	55,411
Interest payable to group undertakings	-	97,190
Interest on other loans	-	74,512
Release of capitalised loan arrangement fees	-	25,655
	-	252,768

5 Taxation

	2020 £	2019 £
Deferred tax		
Adjustment in respect of prior periods	-	86,405

The charge for the year can be reconciled to the loss per the profit and loss account as follows:

	2020 £	2019 £
Loss before taxation	-	(252,768)
Expected tax charge/(credit) based on a corporation tax rate of 19.00% (2019: 19.00%)	-	(48,026)
Group relief	-	48,026
Deferred tax	-	86,405
Taxation charge for the period	-	86,405

There are no unrecognised deferred tax assets.

GCG INTERMEDIATE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

6 Investments

	Current 2020 £	2019 £	Non-current 2020 £	2019 £
Investments in subsidiaries	-	-	10,488,905	10,488,905

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

The directors have considered the carrying amounts of financial assets in the financial statements for impairments. No impairment has been necessary.

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 31 August 2019 & 31 August 2020	10,488,905
Carrying amount	
At 31 August 2019 & 31 August 2020	10,488,905

7 Subsidiaries

Details of the company's subsidiaries at 31 August 2020 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
The Good Care Group at Riverstone Ltd	1	-	100.00

Registered office addresses (all UK unless otherwise indicated):

1 120 Leman 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.

GCG INTERMEDIATE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Debtors

	2020 £	2019 £
Amounts owed by fellow group undertakings	1	1

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

Amounts receivable from group undertakings are repayable on demand and interest free.

9 Creditors

	Due within one year		Due after one year	
	2020 £	2019 £	2020 £	2019 £
Amount owed to parent undertaking	4,138,006	-	-	4,138,006
Amounts owed to fellow group undertakings	8,111,981	8,111,981	-	-
Accrued interest payable	972,101	972,101	-	-
	<u>13,222,088</u>	<u>9,084,082</u>	<u>-</u>	<u>4,138,006</u>

Amounts payable to group undertakings are repayable on demand and interest free.

10 Share capital

	2020 £	2019 £
Ordinary share capital		
<i>Issued and fully paid</i>		
1 Ordinary of £1 each	1	1

11 Capital commitments

There were no capital commitments in place as at 31 August 2020.

12 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 to which the entity is consolidated is Sodexo Holdings Ltd, the largest being Sodexo SA Group.