

Company Registration No. 11023606 (England and Wales)

**GLOBALGRANGE 1 LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 MARCH 2019**



# GLOBALGRANGE 1 LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr H S Matharu Mr R S Matharu Mr T S Matharu
<b>Secretary</b>	Mr H S Matharu
<b>Company number</b>	11023606
<b>Registered office</b>	58 Rochester Row Westminster London SW1P 1JU United Kingdom
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants 25 Farringdon Street London EC4A 4AB United Kingdom

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# GLOBALGRANGE 1 LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2019

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The directors present their annual report and financial statements for the year ended 31 March 2019.

#### Principal activities

The principal activity of the company for the period under review was that of an intermediate holding company.

#### Going concern

The company has net liabilities of £224 and cash at bank and in hand of £Nil. The company is an intermediate holding company and therefore is dependent on the continued support of its new ultimate parent company New Grange Holdings 3 Limited (NGH3) (see note 7).

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 7 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.

#### 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

#### Auditor

RSM UK Audit LLP were appointed as auditor to the company, to fill a casual vacancy, in accordance with section 485 of the Companies Act 2006.

#### 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.

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

On behalf of the board



Mr R S Matharu  
Director

Date: 16/10/2020

# **GLOBALGRANGE 1 LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2019**

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The directors are responsible for preparing 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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 1 LIMITED

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## Disclaimer of opinion

We were engaged to audit the financial statements of Globalgrange 1 Limited (the 'company') for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position 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 to formally break up the Globalgrange group and to trade under two separate groups. During the finalisation of the audit process we concluded that there was significant doubt as to whether we have been provided with all the audit evidence we require to form an opinion. As a result of this we have been unable to obtain sufficient appropriate audit evidence concerning multiple elements of the financial statements and have been unable to determine whether any adjustments might have been found to be necessary. 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 matter - prior period financial statements not audited

The company was exempt from audit in the period ended 31 March 2018 and consequently the corresponding figures are unaudited.

## 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 1 LIMITED (CONTINUED)**

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## **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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

## **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 2, 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.

RSM UK Audit LLP

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  
16 October 2020

# GLOBALGRANGE 1 LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2019

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	Year ended 31 March 2019 £	Unaudited Period ended 31 March 2018 £
Administrative expenses	(224)	-
	<hr/>	<hr/>
<b>Loss before taxation</b>	(224)	-
Tax on loss	-	-
	<hr/>	<hr/>
<b>Loss for the financial year</b>	(224)	-
	<hr/> <hr/>	<hr/> <hr/>

**GLOBALGRANGE 1 LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2019**

	Notes	2019 £	£	Unaudited 2018 £	£
<b>Current assets</b>					
Debtors	4	10,000,023		-	
Creditors: amounts falling due within one year	5	(10,000,247)		-	
<b>Net current liabilities</b>			(224)		-
<b>Capital and reserves</b>					
Called up share capital	6		-		-
Profit and loss reserves			(224)		-
<b>Total equity</b>			(224)		-

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 16/10/2020 and are signed on its behalf by:

  
 .....  
 Mr R S Matharu  
 Director

# GLOBALGRANGE 1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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### 1 Accounting policies

#### Company information

Globalgrange 1 Limited 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.

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

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

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

#### Going concern

The company has net liabilities of £224 and cash at bank and in hand of £Nil. The company is an intermediate holding company and therefore is dependent on the continued support of its new ultimate parent company New Grange Holdings 3 Limited (NGH3) (see note 7).

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 2019, the Group headed by NGH3 had £41,944,000 cash at bank and in hand and amounts owed to related parties of £25,820,000 falling due within one year. Since the year end the Group has continued to finalise a group re-organisation.

The current COVID-19 outbreak in the UK is already having a severe impact on the Group and its operations with much of the capacity mothballed and consolidated within one hotel. The Group has taken advantage of the UK Government Coronavirus Job Retention Scheme, VAT Deferral and Business Rates Relief. Given the unpredictable nature of the COVID-19 outbreak, and how rapidly the responses to the outbreak are changing, the directors of NGH3 are unable to predict the full extent of the future impact.

The Group has a number of options available to generate cash flows to meet the Group'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.

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 to meet the Group's related party debts as they fall due 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 financial support to the Company so it has adequate resources to continue in operational existence for a period of at least twelve 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.

# GLOBALGRANGE 1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

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### 1 Accounting policies (Continued)

#### **Reporting period**

The company was incorporated on 20 October 2017 and during the 5 month period ended 31 March 2018 the company was dormant. On 11 May 2018, the company acquired the share capital of its subsidiary companies and became a holding company. Subsequently, on 14 March 2019, the company disposed of its investments in subsidiaries (see note 3).

#### **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.

#### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand and 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.

#### **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 amounts owed to 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.

#### **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**

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.

# GLOBALGRANGE 1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 2 Employees

There were no employees other than the directors employed by the company during the year (2018: none).

The remuneration costs of the directors were borne by a related party in relation to their work for this company, although it is not practicable determine the amounts which are attributable to this company.

### 3 Fixed asset investments

	2019 £	2018 £
Investments	-	-
<b>Movements in fixed asset investments</b>		<b>Shares in group undertakings £</b>
<b>Cost or valuation</b>		
-At 1 April 2018		-
Additions		6
Disposals		(6)
At 31 March 2019		-
<b>Carrying amount</b>		
At 31 March 2019		-
At 31 March 2018		-

On 11 May 2018, the company acquired the share capital of Grange City Hotel Limited, Grange Tower Bridge Limited, Grange Holborn Limited and Grange St. Pauls Limited. On 14 March 2019, the company disposed of the entire share capital of these entities, for consideration totalling £10,000,000. The consideration is left outstanding on the intercompany accounts.

### 4 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Other debtors	10,000,023	-

### 5 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	135	-
Amounts owed to group undertakings	9,222,153	-
Other creditors	777,959	-
	10,000,247	-

# GLOBALGRANGE 1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 6 Called up share capital

	2019	2018
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
1 Ordinary share of 1p	-	-

### 7 Events after the reporting date

On 30 June 2019, the company was acquired by New Grange Holdings 3 Limited. The immediate parent company subsequently changed from Globalgrange Hotels Limited to New Grange Holdings 3 Limited. The new ultimate parent company is New Grange Holdings 3 Limited.

In March 2020, the World Health Organization formally recognised COVID-19, the novel strain of coronavirus, as a pandemic. There remains significant uncertainty as to the extent and duration of the global economic impact. The effects are likely to be limited to the ability of the company's ultimate parent undertaking to provide financial support, as detailed in note 1 on page 7.

However, the directors are constantly monitoring the situation and will take all necessary steps to minimise the impact on the business.

### 8 Related party transactions

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

	2019	2018
	£	£
<b>Amounts due from related parties</b>		
Entities under common control	9,999,888	-

The Company has taken advantage of the exemptions provided by section 33 of FRS102 '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.

### 9 Parent company

At the balance sheet date, Globalgrange Hotels Limited, a company incorporated in the United Kingdom, was the immediate parent undertaking. New Grange Holdings 2 Limited, the ultimate parent undertaking, was the parent of the smallest and largest group for which consolidated accounts including Globalgrange 1 Limited are prepared. The consolidated accounts of New Grange Holdings 2 Limited are available from its registered office 58 Rochester Row, Westminster, London, SW1P 1JU, United Kingdom.

Subsequent to the year end, there has been a change in control (see note 7).