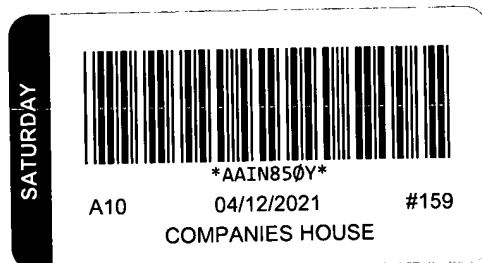


Company Registration No. 11044582 (England and Wales)

GRANGE LANCASTER LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2020**

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GRANGE LANCASTER LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

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.

GRANGE LANCASTER LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2020**

	Notes	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	4		-		-
Tangible assets	5		-	4,938,079	
			-	4,938,079	
Current assets					
Stocks		477		563	
Debtors	6	92,600		83,549	
		93,077		84,112	
Creditors: amounts falling due within one year	7	(552,462)		(5,480,263)	
Net current liabilities			(459,385)		(5,396,151)
Total assets less current liabilities			(459,385)		(458,072)
Provisions for liabilities	8		-		(15,812)
Net liabilities			(459,385)		(473,884)
Capital and reserves					
Called up share capital			2		2
Profit and loss reserves			(459,387)		(473,886)
Total equity			(459,385)		(473,884)

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered 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 03/12/2021 and are signed on its behalf by:



 Mr R S Matharu
 Director

GRANGE LANCASTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Company information

Grange Lancaster 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 £1.

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

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

Going concern

The company has net liabilities of £459,385 (2019: £473,884), net current liabilities of £459,385 (2019: £5,396,151) and cash at bank and in hand of £Nil (2019: £Nil). As a result of the impact of COVID-19 the company is dependent on the continued support of its new ultimate parent company New Grange Holdings 3 Limited ("NGH3").

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

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

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

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

GRANGE LANCASTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (Continued)

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

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

Turnover

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

Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is in the year of acquisition.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Property rights	in the year of acquisition
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Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold properties	1% to 2% on a straight line basis
Plant and machinery	4% to 20% on a straight line basis
Fixtures and fittings	4% to 20% on a straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

GRANGE LANCASTER LIMITED

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

1 Accounting policies (Continued)

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Stocks

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

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.

GRANGE LANCASTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and 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

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

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

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

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

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

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

Government grants

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

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

GRANGE LANCASTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

2 Employees

The company uses a specialist outsourced hotelier staff provider. There were no employees other than the directors employed by the company during the year (2019: none).

The remuneration costs of the directors were borne by another group company in relation to their work for this company. It is not practicable to determine the amounts which are attributable to this company.

3 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised on the face of the profit and loss account:

	Notes	2020 £	2019 £
In respect of:			
Property, plant and equipment	5	4,877,284	-

The directors, in assessing the carrying value of property, plant and equipment for impairment, have taken account of market factors including the impact of COVID-19 on the hospitality industry and have also considered the informal opinion of their real estate property advisors. Due to the market uncertainty surrounding COVID-19, a material uncertainty exists in relation to the carrying value of the assets. The directors have formed their own conclusions regarding the recoverable amount of the assets. Accordingly, the directors have concluded that an impairment charge is necessary, and a charge of £4,877,284 has been recognised in the profit and loss account.

4 Intangible fixed assets

	Goodwill £	Property rights £	Total £
Cost			
At 1 April 2019 and 31 March 2020	1	1	2
Amortisation and impairment			
At 1 April 2019 and 31 March 2020	1	1	2
Carrying amount			
At 31 March 2020	-	-	-
At 31 March 2019	-	-	-

GRANGE LANCASTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

5 Tangible fixed assets

	Leasehold properties £	Plant and machinery £	Fixtures and fittings £	Total £
Cost				
At 1 April 2019	4,837,498	152,570	5,400	4,995,468
Additions	-	3,220	2,700	5,920
At 31 March 2020	4,837,498	155,790	8,100	5,001,388
Depreciation and impairment				
At 1 April 2019	30,265	27,124	-	57,389
Depreciation charged in the year	34,293	32,422	-	66,715
Impairment losses	4,772,940	96,244	8,100	4,877,284
At 31 March 2020	4,837,498	155,790	8,100	5,001,388
Carrying amount				
At 31 March 2020	-	-	-	-
At 31 March 2019	4,807,233	125,446	5,400	4,938,079

6 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	6,523	29,955
Amounts owed by group undertakings	2	2
Other debtors	86,075	53,592
	92,600	83,549

7 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	34,082	24,280
Amounts owed to group undertakings	239,936	5,128,585
Taxation and social security	-	13,310
Other creditors	278,444	314,088
	552,462	5,480,263

Included within amounts owed to group undertakings is a balance of £Nil (2019: £4,987,500) which accrued interest at the Bank of England base rate +2.5% per annum up to 30 June 2019. From 1 July 2019, the balance is interest free and repayable on demand. Due to the change of ownership in the year (see note 16), the comparative period amounts included in amounts owed to group undertakings are now included in other creditors in the current year.

GRANGE LANCASTER LIMITED

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

8 Provisions for liabilities

		2020 £	2019 £
Deferred tax liabilities	9	-	15,812

9 Deferred taxation

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

	Liabilities 2020 £	Liabilities 2019 £
Balances:		
Fixed asset timing differences	-	15,812
Movements in the year:		2020 £
Liability at 1 April 2019		15,812
Credit to profit or loss		(15,812)
Liability at 31 March 2020		-

10 Operating lease commitments

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

	2020 £	2019 £
Within one year	140,250	140,250
Between one and five years	70,125	210,375
	210,375	350,625

11 Related party transactions

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

	2020 £	2019 £
Amounts due to related parties		
Entities under common control	171,213	153,815

GRANGE LANCASTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

11 Related party transactions (Continued)

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

12 Parent company

On 30 June 2019, the company was acquired by New Grange Holdings 3 Limited. The immediate parent company, Globalgrange 2 Limited, a company incorporated in England and Wales, remained unchanged. The new ultimate parent company is New Grange Holdings 3 Limited, which is the parent of the smallest and largest group for which consolidated accounts including Grange Lancaster Limited are prepared. The consolidated accounts of New Grange Holdings Limited 3 are available from its registered office 58 Rochester Row, Westminster, London, SW1P 1JU, United Kingdom.

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

GRANGE LANCASTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

13 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The audit report was disclaimed, as follows:

Basis for disclaimer of opinion

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

The senior statutory auditor was Euan Banks FCA.

The auditor was RSM UK Audit LLP.