

Company Registration No: 11169041

**NEW GRANGE HOLDINGS 3 LIMITED  
GROUP REPORT AND CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**



**NEW GRANGE HOLDINGS 3 LIMITED**

**COMPANY INFORMATION**

**FOR THE YEAR ENDED 31 MARCH 2021**

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**DIRECTORS**

R S Matharu  
H S Matharu  
T S Matharu

**SECRETARY**

H S Matharu

**COMPANY NUMBER**

11169041

**REGISTERED OFFICE**

58 Rochester Row  
Westminster  
London  
SW1P 1JU

**AUDITOR**

RSM UK Audit LLP  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB

**BANKER**

Barclays Bank plc  
Business Services  
Level 27  
1 Churchill Place  
Canary Wharf  
London  
E14 5HP

**SOLICITOR**

Howard Kennedy LLP  
1 London Bridge  
London  
SE1 9BG

**NEW GRANGE HOLDINGS 3 LIMITED**  
**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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The Directors present their Strategic Report for New Grange Holdings 3 Limited ('the Company') and its subsidiaries ('the Group') for the year ended 31 March 2021.

**Principal activity**

The principal activity of the Company during the year was that of a holding company. The principal activities of the Group during the year were those of trading as hotel operators and the management of head office operations for subsidiaries.

**Review of the business**

Some of the trading properties continued to operate throughout the year, subject to temporary or longer restrictions as a result of the COVID pandemic, with some still yet to re-open as a result of the effects of the ongoing reduction in business demand. The properties were managed to maximise the occupancy of those properties that were chosen to fully re-open for operational and cost efficiency, and others only followed when there was sufficient further demand to do so.

COVID restrictions with social distancing requirements particularly impacted capacity and demand for conference and banqueting events in the year in the two main properties with such facilities although outdoor functions, when permitted, were more practical and successful.

Since the year end, the Grange Lancaster Hotel (Grange Lancaster Limited), ceased trading on 29 September 2021 when its existing lease expired and was returned to its Landlord with vacant possession. The Directors did not consider this property formed part of any future strategy for the Group and did not re-open during the year.

After the transfer of the Globalgrange 2 Limited group in June 2019, the Directors decided in early 2020 to put onto the market the remaining properties within the Globalgrange 2 Limited group. Despite some interest and a number of offers over a period of time, none ultimately approached the valuation the Directors considered reasonable, and the process has been put on hold.

The Group's only hotel directly operated by Globalgrange Limited, the Grange Bracknell, began the year with a temporary closure arising from the pandemic, but soon re-opened after a brief period for key workers and then more fully as restrictions eased. However, with continuing losses, exacerbated by these events, it was decided to close the property and this duly ceased trading on 11 December 2020. An agreed settlement was reached with the landlord which was within the provision previously made in the Group's financial statements.

The Directors continue to consider all options for the future strategy and their intentions for the Group.

The Group has continued to see some higher than normal administrative costs this year, including professional fees, as a result of the past and continuing reorganisation activities and the associated costs of that dealing with the operational, accounting and professional advisory issues arising from it.

**Future developments**

As part of the Directors consideration for the future strategy for the Group the following developments took place:

- Since the year end, as part of its stated strategy, the Directors, having received a separate offer for two of the trading properties within the Globalgrange 2 Limited group, are progressing their sale with the potential buyer. Negotiations and due diligence are ongoing at the present time. An attempt during the year to sell the whole portfolio of assets within that group ultimately proved unsuccessful in obtaining what the Directors considered to be a fair value for them.

**NEW GRANGE HOLDINGS 3 LIMITED**  
**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**Future developments (continued)**

- Since the year end and with the post pandemic economy opening up more, the Group along with most others in the hotel and hospitality sector are experiencing a chronic labour shortage with staff ultimately not returning from furlough periods or leaving for other opportunities with subsequent challenges in recruiting replacements. The Group has managed the properties thus far to maximise room capacity available to match most of the demand received but further expansion of capacity to meet higher booking levels might be constrained if this situation persists. The Group is exploring every avenue available to recruit more staff alongside active measures to retain existing staff whenever practical.

**Key performance indicators**

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

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

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

With the restructuring activities within the Group during the prior year, and the very significant disruption to trade in the current year, the Directors consider that it is not relevant or meaningful to make any analysis for the year under review.

**Principal risks and uncertainties**

*Price risk*

The Group has retained certain assets after the re-organisation described in this report and is reliant upon their ultimate value or income for future operations. It is reliant upon the trading income of its hotels to meet the remaining overheads of the Group.

*Recovery of central overheads following group reorganisation*

Relevant central overheads incurred by Globalgrange Limited are recharged on a commercial basis to the additional Globalgrange 2 Limited group operating hotels.

*Liquidity risk*

See the going concern accounting policy disclosed in note 1.5.

*Financial instruments and borrowings*

The Group is not reliant on any external borrowing facilities to finance its business.

*Inflation*

Along with others in the sector since the year end, the Group is experiencing significant inflationary pressures arising from the post-COVID recovery effects on the supply and labour markets alongside the war in Ukraine. These are currently being most keenly felt in food, energy and laundry price increases as well as pay awards to facilitate the retention and recruitment of staff.

The Group is actively managing the supply chain and operational staff efficiencies to help mitigate some of these effects but ultimately some will have to be absorbed. The Directors consider the pricing and demand for its product to be strong enough, based on current market price performance and predictions, to be able to increase revenue to sufficient levels to ultimately still yield satisfactory results.

**NEW GRANGE HOLDINGS 3 LIMITED**  
**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**Principal risks and uncertainties (continued)**

*Labour supply*

The hotel and hospitality industry, alongside other sectors, is now experiencing challenges in retaining and recruiting staff and is currently experiencing acute staff shortages. The current effect on the Group is noted above.

*Political and regulatory environment – Brexit implications*

Despite the exit from the EU on 31 January 2020, there still remains insufficient information, distorted by the intervening pandemic, about the longer term effects of the post-Brexit trading arrangements between the UK and the EU, particularly in respect of labour and passenger movement, and the longer term impact on business and leisure travel trends, to draw any broad conclusions about current or future impact on the UK hospitality sector.

The Directors continue to monitor developments and consider that Brexit is not expected to have a material long term impact on the Group's business demand but can attribute some of the current challenging labour shortages and recruitment issues being experienced to the Brexit process and the post-Brexit immigration and visa regime which has been implemented.

*COVID-19 pandemic*

The Directors continue to monitor the impact of COVID-19 on the going concern status of the Group and the Company, and have set out in note 1.5 on page 18 any continuing material uncertainties that may cast significant doubt on the Group's or the Company's ability to continue as a going concern.

The ongoing COVID-19 outbreaks in the UK did impose, and continue to present, a severe impact on the Group and its operations.

The seven trading hotels in the Globalgrange 2 Limited group remained open for bookings, however in light of COVID-19 reduction in demand much of the capacity was mothballed as the year commenced and occupancy consolidated initially within one of the hotels. Grange Bracknell was also closed at the start of the year only re-opening as permitted offering rooms for key workers. 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 2021. Other grants have been claimed from funds made available to the sector as they became available.

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

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

**NEW GRANGE HOLDINGS 3 LIMITED**  
**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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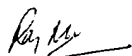
**Principal risks and uncertainties (continued)**

*COVID-19 Pandemic (continued)*

- The garden at the White Hall hotel was improved for guests to distance for food and beverage use during the pandemic and to take advantage of the large outdoor space for attracting business.

The Directors will continue to monitor advice in the light of changing practice and regulation as this situation requires.

By order of the Board:



**R S Matharu**  
Director

27 October 2022

## NEW GRANGE HOLDINGS 3 LIMITED

### DIRECTORS' REPORT

#### FOR THE YEAR ENDED 31 MARCH 2021

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The Directors submit their report and the financial statements of the Group for the year ended 31 March 2021.

#### Directors

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

R S Matharu  
H S Matharu  
T S Matharu

#### Results and dividends

An analysis of the Group's performance and future developments is contained within the Strategic Report, along with the principal risks and uncertainties affecting the Group.

The Group's loss for the year after taxation was £2,881,000 (2020: £28,853,000). The Group did not pay any dividends during the year (2020: £Nil).

#### Going concern

The Directors have reviewed the current financial position of the Group, making reasonable assumptions about the future performance and cash flow. 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 2021. Other grants were claimed from funds made available to the sector. The Directors have considered the impact of COVID-19 on the going concern status of the Group and the Company, and have set out in note 15 on page 18 material uncertainties that may cast significant doubt on the Group's or the Company's ability to continue as a going concern.

#### Auditor

The auditor, RSM UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office and appropriate arrangements are being made for them to be reappointed as auditors in the absence of an Annual General Meeting.

#### Statement as to disclosure of information to auditor

The Directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. The Directors have confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

#### Disclosure of information in the Strategic Report

In accordance with section 414C(1) of the Companies Act 2006, information in relation to the fair review of the business, future developments, financial instruments and risk management policies of the Company, as required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, have been included in the separate Strategic Report.

**NEW GRANGE HOLDINGS 3 LIMITED**  
**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**Statement of Directors' responsibilities**

The Directors are responsible for preparing the Strategic Report, 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 Group and the Company and of the profit or loss of the Group for that period.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board:



**R S Matharu**  
Director

27 October 2022



## **NEW GRANGE HOLDINGS 3 LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW GRANGE HOLDINGS 3 LIMITED**

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#### **Disclaimer of opinion**

We were engaged to audit the financial statements of New Grange Holdings 3 Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and notes to the financial statements, including 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 group and parent company. Because of the significance of the matter described in the Basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

#### **Basis for disclaimer of opinion**

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

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 matter described in the basis for disclaimer of opinion section of our report, we have been unable to form an opinion, whether based on the work undertaken in the course of the audit:

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

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

## NEW GRANGE HOLDINGS 3 LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW GRANGE HOLDINGS 3 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 strategic and/or the directors report in the light of the knowledge and understanding of the group and the parent 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:

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

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 7, 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 group's and the parent 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 group or the parent 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 responsibility is to conduct an audit of the company's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report. However, because of the matter 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.

#### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit. However, because of the matter 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.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

## NEW GRANGE HOLDINGS 3 LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW GRANGE HOLDINGS 3 LIMITED (CONTINUED)

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However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We planned audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and evaluating advice received from external tax advisors.

The group audit engagement team identified the risk of management override of controls and valuation of properties as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures planned included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates applied in the valuation of properties.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

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

*Euan Banks*

Euan Banks (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB

27 October 2022

**NEW GRANGE HOLDINGS 3 LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31 MARCH 2021**

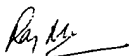
	Notes	2021 £'000	2020 £'000
Turnover	2	1,495	19,695
Cost of sales		(7,138)	(17,091)
<b>Gross (loss)/profit</b>		<b>(5,643)</b>	<b>2,604</b>
Administrative expenses		(3,928)	(9,982)
Other operating income	4	2,997	9,794
Impairment losses		-	(31,723)
<b>Operating loss</b>	<b>5</b>	<b>(6,574)</b>	<b>(29,307)</b>
Interest receivable and similar income	6	39	341
Interest payable and similar expenses	7	(49)	(719)
<b>Loss before taxation</b>		<b>(6,584)</b>	<b>(29,685)</b>
Taxation	8	3,703	832
<b>Loss and total comprehensive loss for the year</b>		<b>(2,881)</b>	<b>(28,853)</b>
Loss and total comprehensive loss for the year attributable to:			
Owners of the parent		(2,881)	(28,853)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	Notes	2021	2020
		£'000	£'000
<b>Fixed assets</b>			
Intangible assets	10	-	-
Tangible assets	11	48,146	48,574
Other investments	12	-	-
		<u>48,146</u>	<u>48,574</u>
<b>Current assets</b>			
Stocks	13	11	83
Debtors due within one year	14	12,590	10,243
Cash at bank and in hand		11,774	29,684
		<u>24,375</u>	<u>40,010</u>
<b>Creditors: amounts falling due within one year</b>	15	(86,515)	(86,828)
<b>Net current liabilities</b>		(62,140)	(46,818)
<b>Total assets less current liabilities</b>		<u>(13,994)</u>	<u>1,756</u>
<b>Provisions for liabilities</b>	16	-	(12,869)
<b>Net liabilities</b>		<u>(13,994)</u>	<u>(11,113)</u>
<b>Capital and reserves</b>			
Called up share capital	18	2	2
Merger reserve	19	148	148
Retained earnings	19	(14,144)	(11,263)
<b>Total equity</b>		<u>(13,994)</u>	<u>(11,113)</u>

The financial statements on pages 11 to 33 were approved by the Board of Directors and authorised for issue on 27 October 2022 and are signed on its behalf by:



**R S Matharu**  
Director

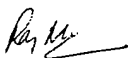
## COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	Notes	2021 £'000	2020 £'000
<b>Fixed assets</b>			
Investments	12	2	2
<b>Creditors: amounts falling due within one year</b>	15	(274)	(208)
<b>Net liabilities</b>		<u>(272)</u>	<u>(206)</u>
<b>Capital and reserves</b>			
Called up share capital	18	2	2
Retained earnings	19	(274)	(208)
<b>Total equity</b>		<u>(272)</u>	<u>(206)</u>

As permitted by section 408 of the Companies Act 2006, no separate profit and loss account of the Company is presented. The Company's loss and total comprehensive loss for the financial year was £66,144 (2020: £208,025).

The financial statements on pages 11 to 33 were approved by the Board of Directors and authorised for issue on 27 October 2022 and are signed on its behalf by:



**R S Matharu**  
Director

**NEW GRANGE HOLDINGS 3 LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	Share capital £'000	Merger reserve £'000	Retained earnings £'000	Total £'000
<b>Balance at 1 April 2019 (unaudited)</b>	2	148	17,590	17,740
Loss for the year	-	-	(28,853)	(28,853)
Total comprehensive loss for the year	-	-	(28,853)	(28,853)
<b>Balance at 31 March 2020</b>	2	148	(11,263)	(11,113)
Loss for the year	-	-	(2,881)	(2,881)
Total comprehensive loss for the year	-	-	(2,881)	(2,881)
<b>Balance at 31 March 2021</b>	2	148	(14,144)	(13,994)

**NEW GRANGE HOLDINGS 3 LIMITED**  
**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	Share capital £'000	Retained earnings £'000	Total £'000
<b>Balance at 1 April 2019</b>	2	-	2
Loss for the year	-	(208)	(208)
Total comprehensive loss for the year	-	(208)	(208)
<b>Balance at 31 March 2020</b>	2	(208)	(206)
Loss for the year	-	(66)	(66)
Total comprehensive loss for the year	-	(66)	(66)
<b>Balance at 31 March 2021</b>	2	(274)	(272)



**NEW GRANGE HOLDINGS 3 LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 £'000	2020 £'000
<b>Operating activities</b>			
Cash used in operations	20	(17,899)	(16,538)
Interest paid		(49)	(719)
Tax received		-	2,108
<b>Net cash used in operating activities</b>		<u>(17,948)</u>	<u>(15,149)</u>
<b>Investing activities</b>			
Purchase of tangible fixed assets		(1)	(144)
Proceeds on disposal of tangible fixed assets		-	2,695
Interest received		39	338
<b>Net cash generated from investing activities</b>		<u>38</u>	<u>2,889</u>
<b>Net decrease in cash and cash equivalents</b>		<u>(17,910)</u>	<u>(12,260)</u>
<b>Cash and cash equivalents at beginning of year</b>		29,684	41,944
<b>Cash and cash equivalents at end of year</b>		<u><u>11,774</u></u>	<u><u>29,684</u></u>

**NEW GRANGE HOLDINGS 3 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**1. Accounting policies**

**Company information**

New Grange Holdings 3 Limited ('the Company') is a private company limited by shares and is registered and incorporated in England and Wales. The address of the Company's registered office and principal place of business is 58 Rochester Row, London SW1P 1JU. The Group consists of New Grange Holdings 3 Limited and all of its subsidiaries.

The Group's principal activities during the year were those of trading as hotel operators and the management of head office operations for related party hotel and development companies.

**1.1 Basis of accounting**

The Company and Group 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, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention, modified to include the revaluation of freehold investment properties.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

**1.2 Reduced disclosure**

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements:

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

**1.3 Company statement of comprehensive income**

As permitted by section 408 of the Companies Act 2006, no separate profit and loss account of the Company is presented as it prepares Group accounts and the Company's individual statement of financial position shows the Company's profit and loss for the financial year.

**1.4 Basis of consolidation**

The consolidated financial statements incorporate those of New Grange Holdings 3 Limited and all of its subsidiaries (that is entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

## **NEW GRANGE HOLDINGS 3 LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2021**

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##### **1.5 Going concern**

The current COVID-19 outbreak in the UK had imposed and continues to present a severe impact on the Group and its operations. The seven trading hotels in the Globalgrange 2 Limited group remained open for bookings, however in light of COVID-19 reduction in demand much of the capacity was mothballed as the year commenced and occupancy consolidated initially within one of the hotels. Grange Bracknell was also closed at the start of the year only re-opening as permitted offering rooms for key workers. 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 2021. Other grants have been claimed from funds made available to the sector as they became available.

At 31 March 2021, the Group had £11,774,000 (2020: £29,684,000) cash at bank and in hand and amounts owed to related parties of £83,094,000 (2020: £82,800,000) falling due within one year (see note 15).

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 of the Globalgrange 2 Limited group in June 2019, the Directors decided in early 2020 to put onto the market the other remaining properties within the Globalgrange 2 Limited group. Despite some interest and a number of offers over a period of time, none ultimately approached the valuation that the Directors considered reasonable and the process has been put on hold.

Whilst the Group has net liabilities, this is primarily caused by the amounts due to related parties of £83.1m (2020: £82.8m) (note 15). If the properties in the Group's control were to be sold for below the value they were transferred in at, the corresponding amount due to related parties would be partially waived to offset the shortfall. If the properties were sold at their carrying amounts as at 31 March 2021, then a waiver of £30.8m will be processed.

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 or the Company's ability to continue as a going concern and, therefore, the Group or the Company may be unable to realise their assets and discharge their liabilities in the normal course of business.

Having considered the material uncertainties described above, including the potential asset disposals, the Directors have, at the time of approving the financial statements, a reasonable expectation that the Group and the Company 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 Group or the Company were unable to continue as a going concern.

##### **1.6 Functional and presentational currencies**

The financial statements are presented in Sterling which is also the functional currency of the Company and the Group.

Transactions in currencies other than functional currency (foreign currencies) are initially recorded at the rate ruling at the date of the transaction or at the contracted rate. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All differences are taken to profit or loss.

**NEW GRANGE HOLDINGS 3 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**1.7 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.

Income from property sales is recognised on the date of exchange of contracts, providing completion has taken place subsequently. Income from the provision of management services to related entities is recognised over the periods in which the related costs are incurred.

**1.8 Other income**

Interest income is accrued on a time-apportioned basis, by reference to the principal outstanding at the effective interest rate. Rental income on assets leased under operating leases is recognised on a straight line basis over the lease term and is presented within other operating income.

**1.9 Intangible fixed assets**

Intangible assets purchased other than in a business combination are recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost (which for intangible assets acquired in a business combination is the fair value at acquisition date) and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to profit or loss on a straight-line basis over their useful lives, as follows:

Patents	10%-20% p.a straight line
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Amortisation is revised prospectively for any significant change in useful life or residual value.

**1.10 Tangible fixed assets**

Tangible fixed assets, other than investment properties, are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land and investment properties, at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:

Freehold and long leasehold buildings	1%-2% per annum straight line
Short leasehold buildings	over the life of the lease
Fixtures, fittings and equipment	4%-20% per annum straight line
Motor vehicles	25% per annum straight line

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

Land and buildings are accounted for separately even when acquired together.

Properties in the course of construction are carried at cost, less any identified impairment loss. Cost includes professional fees and other directly attributable costs that are necessary to bring the property to its operating condition. Depreciation commences when the properties are ready for their intended use.

**NEW GRANGE HOLDINGS 3 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**1.10 Tangible fixed assets (continued)**

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

The part of the annual depreciation charge on the revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to retained earnings.

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

**1.11 Investment properties**

Investment properties (including properties held under an operating lease) are initially measured at cost and subsequently measured at fair value whilst a reliable measure of fair value is available without undue cost or effort. Changes in fair value are recognised in profit or loss.

The Companies Act 2006 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in FRS 102. The Directors consider that, because investment properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view.

If this departure from the Companies Act 2006 had not been made in order to give a true and fair view, the profit for the financial year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified, because depreciation is only one of many factors reflected in the annual valuation and the amount relating to the depreciation of the property cannot be separately identified.

**1.12 Fixed asset investments**

Interests in subsidiaries 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 activities of the entity so as to obtain benefits from its activities.

**1.13 Impairment of fixed assets**

At each reporting end date, the Group reviews the carrying amounts of its tangible assets, intangible assets and investments 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).

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.

**NEW GRANGE HOLDINGS 3 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**1.13 Impairment of fixed assets (continued)**

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**1.14 Stocks**

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

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

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

**1.15 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 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 year 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 years from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

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

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value (except investment property with a limited useful life held by the Group to consume substantially all of its economic benefits), deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

Current and deferred tax is charged or credited in 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 a net basis or to realise the asset and settle the liability simultaneously.

**NEW GRANGE HOLDINGS 3 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**1.16 Leases**

*The Group as a Lessee – Operating Leases*

Annual rentals are charged to profit or loss on a straight line basis over the lease term. Rent free periods or other incentives received for entering into an operating lease are accounted for as a reduction to the expense and recognised, on a straight-line basis over the lease term.

*The Group as a Lessor – Operating Leases*

Rental income from assets leased under operating leases is recognised on a straight-line basis over the term of the lease. Rent free periods or other incentives given to the lessee are accounted for as a reduction to the rental income and recognised on a straight-line basis over the lease term.

**1.17 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the year in which the employee's services are received.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.18 Retirement benefits**

Contributions are made for the majority of the staff to the workplace pension scheme established under the automatic enrolment legislation. All eligible staff are entitled to join the pension scheme. For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

**1.19 Financial instruments**

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument, and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

***Financial assets***

Basic financial assets, including trade and other debtors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

**NEW GRANGE HOLDINGS 3 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**1.19 Financial instruments (continued)**

***Financial assets (continued)***

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

***Financial liabilities***

Basic financial liabilities, including trade and other creditors, 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 receipts discounted at a market rate of interest.

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

***Equity instruments***

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

**1.20 Provisions**

Provisions are recognised when the Group has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.



**NEW GRANGE HOLDINGS 3 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**1.21 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.

**1.22 Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

*Depreciation and useful economic life*

The depreciation, in respect of tangible fixed assets, is based upon estimates of the useful economic lives of the assets involved. Useful economic life is assessed initially upon acquisition of the asset and therefore reviewed annually taking into account any revisions of future use of those assets. The judgements involved are informed by historical experience in relation to similar assets.

*Valuation of tangible fixed assets*

The Directors obtain professional valuations of freehold land and buildings to inform them of the valuation of the Group's properties. At each year end, in the absence of a professional valuation, the Directors use their experience and professional judgement to assess whether there has been a material change in the carrying value of the land and buildings. There is an element of judgement in this assessment of carrying value.

*Provisioning against trade debtors*

Trade debtors are regularly considered for indicators of impairment, which require the Group to make best estimates for these losses. Such estimates involve considering: the historical experience of bad debts; the effects of present economic conditions; the financial health of customers; and present and expect future levels of interest rates.

**2. Turnover**

The whole of the turnover is attributable to the United Kingdom market.

**Analysis of revenue by class of business**

	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
Operation of hotels	598	13,227
Provision of management services to related entities	897	6,468
	<u>1,495</u>	<u>19,695</u>

**NEW GRANGE HOLDINGS 3 LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2021**

**3. Employees and Directors**

	<b>Group</b>		<b>Company</b>	
The average monthly number of persons (including Directors) employed by the Group and Company during the year was:	<b>2021 No.</b>	<b>2020 No.</b>	<b>2021 No.</b>	<b>2020 No.</b>
Hotel operating and sales	143	188	-	-
Administration and management	32	46	3	3
	<u>175</u>	<u>234</u>	<u>3</u>	<u>3</u>

	<b>Group</b>		<b>Company</b>	
Staff costs for the above persons:	<b>2021 £'000</b>	<b>2020 £'000</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
Wages and salaries	5,989	6,830	-	-
Social security costs	340	570	-	-
Other pension costs	62	97	-	-
	<u>6,391</u>	<u>7,497</u>	<u>-</u>	<u>-</u>

**Directors**

In respect of the Directors of New Grange Holdings 3 Limited	<b>2021 £'000</b>	<b>2020 £'000</b>
Emoluments	<u>314</u>	<u>330</u>
Directors' emoluments disclosed above include the following payments paid to the highest paid Director	<b>2021 £'000</b>	<b>2020 £'000</b>
Remuneration	<u>121</u>	<u>134</u>

3 Directors (2020: 3) have accrued retirement benefits under money purchase pension schemes.

The Directors are considered to be the key management personnel for the Group. Employer's national insurance for key management personnel amounted to £25,342 (2020: 28,980).

**4. Other operating income**

	<b>2021 £'000</b>	<b>2020 £'000</b>
Management charge receivable	-	2,559
Government grant income	2,161	30
Rent receivable	(19)	109
Related party loan waiver	636	5,201
Other income	219	1,895
	<u>2,997</u>	<u>9,794</u>

**NEW GRANGE HOLDINGS 3 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**5. Operating loss**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
The operating loss is stated after charging/(crediting):		
Depreciation of tangible fixed assets	425	788
Impairment of tangible fixed assets (see note 9)	-	31,723
Operating lease rentals	601	2,149
Loss/(profit) on disposal of fixed assets	4	(21)
Gain on foreign exchange transactions	(77)	(13)

Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
- Statutory audit of parent Company and consolidated accounts	40	50
- Audit of subsidiaries	110	101
- Taxation compliance services	93	92
- All other non-audit services	47	46

**6. Interest receivable and similar income**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Bank interest	39	145
Other interest	-	48
Interest receivable from related parties	-	148
	<b>39</b>	<b>341</b>

**7. Interest payable and similar expenses**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Interest payable to related parties	38	718
Other interest payable	11	1
	<b>49</b>	<b>719</b>

**8. Taxation**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Current tax:</b>		
UK corporation tax	-	-
Adjustments in respect of previous years	(3,622)	(510)
<b>Total current tax</b>	<b>(3,622)</b>	<b>(510)</b>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(81)	(1,674)
Changes in tax rates	-	185
Adjustments in respect of previous years	-	1,167
<b>Total deferred tax</b>	<b>(3,703)</b>	<b>(322)</b>
<b>Total tax on profit</b>	<b>(3,703)</b>	<b>(832)</b>

**NEW GRANGE HOLDINGS 3 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**8. Taxation (continued)**

The tax assessed for the year is higher (2020: higher) than the standard rate of corporation tax in the United Kingdom of 19% (2020: 19%). The differences are explained below:

	2021 £'000	2020 £'000
Group loss before tax	(6,584)	(29,685)
Group loss multiplied by the standard rate of corporation tax in the United Kingdom of 19% (2020: 19%)	(1,251)	(5,640)
Effects of:		
Expenses that are not deductible in determining taxable profit	69	7,984
Income not taxable	(60)	(3,130)
Depreciation in excess of capital allowances	41	106
Deferred tax losses not recognised as an asset	1,120	(870)
Group relief surrendered	-	13
Adjustments in respect of previous years – current tax	(3,622)	(510)
Adjustments in respect of previous years – deferred tax	-	1,167
Impact of change in tax rates	-	48
Tax charge	(3,703)	(832)

Changes to the UK corporation tax rates were substantively enacted by the Finance Bill 2021 on 24 May 2021. These included an increase of the corporation tax rate to 25% from 1 April 2023. As this change was not substantively enacted at the balance sheet date, where deferred tax is recognised, it is at a rate of 19% in the current year (2020: 19%).

**9. Impairment**

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:

	2021 £'000	2020 £'000
Land and buildings	-	31,619
Fixtures, fittings and equipment	-	104
	-	31,723
<i>Included within administrative expenses:</i>		
Fixtures, fittings and equipment	-	66
	-	31,789

In assessing the carrying value of property, plant and equipment for impairment, the Directors 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, during the prior year, the Directors concluded that an impairment charge was necessary, and a charge of £31,789,000 was recognised in the profit and loss account.

**NEW GRANGE HOLDINGS 3 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**10. Intangible fixed assets**

<b>Group</b>	<b>Patents and licences £'000</b>	<b>Total £'000</b>
<b>Cost:</b>		
At 1 April 2020 and at 31 March 2021	30	30
<b>Amortisation:</b>		
At 1 April 2020 and at 31 March 2021	30	30
<b>Net book value:</b>		
31 March 2021	-	-
31 March 2020	-	-

**11. Tangible fixed assets**

<b>Group</b>	<b>Land and buildings £'000</b>	<b>Fixtures, fittings and equipment £'000</b>	<b>Motor vehicles £'000</b>	<b>Total £'000</b>
<b>Cost/valuation:</b>				
At 1 April 2020	80,620	6,641	70	87,331
Additions	-	1	-	1
Disposals	-	(1,010)	-	(1,010)
At 31 March 2021	80,620	5,632	70	86,322
<b>Amortisation:</b>				
At 1 April 2020	32,818	5,869	70	38,757
Charge for the year	187	238	-	425
Eliminated on disposal	-	(1,006)	-	(1,006)
At 31 March 2021	33,005	5,101	70	38,176
<b>Net book value:</b>				
31 March 2021	47,615	531	-	48,146
31 March 2020	47,802	772	-	48,574

The historical cost of land and buildings at 31 March 2021 is £38.03 million (2020: £38.03 million).

The investment properties included within 'land and buildings' above are valued by the Directors. The Directors have considered the investment properties and, in their opinion, there is no material difference between the carrying values and the market value at 31 March 2021.

The analysis of net book value of land and buildings is as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2021 £'000</b>	<b>2020 £'000</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
Investment properties – freehold	3,513	3,513	-	-
Land and buildings – leasehold	44,102	44,289	-	-
	<u>47,615</u>	<u>47,802</u>	<u>-</u>	<u>-</u>

**NEW GRANGE HOLDINGS 3 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**12. Fixed asset investments**

**Group**

The Group's unlisted investment in Priestgate Estates Limited has been recognised at its historical cost of £50.

<b>Company</b>	<b>Shares in subsidiary undertakings £'000</b>
<b>Cost:</b>	
At 1 April 2020 and at 31 March 2021	2
<b>Provisions for impairment:</b>	
At 1 April 2020 and at 31 March 2021	-
<b>Carrying amount:</b>	
At 31 March 2021	2
At 31 March 2020	2

The Company holds more than 20% of the share capital of the following companies:

<b>Company</b>	<b>% Ordinary shares held</b>		<b>Activities</b>
	<b>Directly</b>	<b>Indirectly</b>	
Globalgrange Limited	100%	-	Hoteliers
The Holborn Hotel Limited	-	100%	Non-trading
4 Howley Place Limited	-	100%	Non-trading
Grange Contracts Limited	-	100%	Non-trading
Boxmill Development (Great Smith Street) Limited	-	100%	Non-trading
Grange Bracknell Limited	-	100%	Non-trading
Grange Hotels Limited	-	100%	Non-trading
Sectormatch Limited	-	100%	Non-trading
Grange (Prescot Street) Limited	-	100%	Non-trading
The City Hotel Management Limited	-	100%	Non-trading
Globalgrange 1 Limited	100%	-	Holding company
Globalgrange 2 Limited	100%	-	Holding company
Grange Blooms and Whitehall Limited	-	100%	Hoteliers
Grange Beauchamp Limited	-	100%	Hoteliers
Grange Buckingham Limited	-	100%	Hoteliers
Grange Clarendon Limited	-	100%	Hoteliers
Grange Lancaster Limited	-	100%	Non-trading
Grange Portland Limited	-	100%	Hoteliers
Priestgate Estates Limited*	-	50%	Property developers and investors
Priestgate Property Limited**	-	50%	Property developers and investors

All companies, except for Priestgate Estates Limited and Priestgate Property Limited, are incorporated in the United Kingdom and registered at 58 Rochester Row, London SW1P 1JU. Priestgate Estates Limited and Priestgate Property Limited are incorporated in the United Kingdom and registered at 1 Egerton Court, 4 Old Brompton Road, London SW7 3HT.

\*Priestgate Estates Limited has been recognised as an unlisted investment.

\*\*Priestgate Property Limited is a 100% owned subsidiary of Priestgate Estates Limited.

NEW GRANGE HOLDINGS 3 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

13. Stocks

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Goods for resale	11	83	-	-

Cost of stock recognised as an expense is included in cost of sales.

14. Debtors

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
<i>Amounts falling due within one year:</i>				
Trade debtors	807	972	-	-
Amounts owed by participating interests	1,337	1,337	-	-
Amounts owed by related parties	2,998	2,488	-	-
Corporation tax receivable	3,806	184	-	-
Other debtors	1,412	2,576	-	-
Prepayments and accrued income	2,230	2,686	-	-
	12,590	10,243	-	-

Amounts owed by participating interests are repayable on demand and are interest free.

Amounts owed by related parties are repayable on demand and incur interest at 4%.

15. Creditors: Amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade creditors	431	677	37	-
Amounts owed to group undertakings	-	-	105	57
Amounts owed to related parties	83,094	82,800	-	-
Other taxation and social security	234	164	-	-
Other creditors	615	282	-	-
Accruals and deferred income	2,141	2,905	132	151
	86,515	86,828	274	208

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

Amounts owed to related parties are repayable on demand and incur interest at 4%.

16. Provisions for liabilities

	Notes	2021	2020
		£'000	£'000
<b>Group</b>			
Onerous lease provision		-	12,500
Other provisions		-	288
Deferred tax liabilities	18	-	81
		-	12,869

**NEW GRANGE HOLDINGS 3 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**16. Provisions for liabilities (continued)**

Movements on provisions apart from deferred tax liabilities:

	<b>Onerous lease provision £'000</b>	<b>Other provisions £'000</b>	<b>Total £'000</b>
At 1 April 2020	12,500	288	12,788
Utilisation of provisions	(12,500)	(288)	(12,788)
At 31 March 2021	-	-	-

During the year, the Group terminated the lease of a hotel for which the above provisions related and therefore utilised these provisions.

**17. Deferred taxation**

**Group**

The major deferred tax liabilities recognised by the Group are:

	<b>Liabilities 2021 £'000</b>	<b>Liabilities 2020 £'000</b>	<b>Assets 2021 £'000</b>	<b>Assets 2020 £'000</b>
<b>Balances:</b>				
Accelerated capital allowances	-	81	-	-
<b>Movements in the year:</b>				<b>2021 £'000</b>
Liability at 1 April 2020				81
Credit to profit or loss				(81)
Liability at 31 March 2021				-

**18. Share capital and reserves**

	<b>2021 £'000</b>	<b>2020 £'000</b>
<b>Company share capital</b>		
Allotted, issued and fully paid:		
150,000 ordinary shares of £0.01 each	2	2

*Ordinary share rights*

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

**19. Reserves**

Reserves of the Group and Company represent the following:

*Merger reserve*

The merger reserve represents the difference between the cost of the investment in a subsidiary undertaking and the equity of that subsidiary acquired on consolidation.

*Retained earnings*

Cumulative profit and loss net of distributions to owners.



**NEW GRANGE HOLDINGS 3 LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2021**

**20. Reconciliation of loss after tax to net cash generated from operations**

	<b>2021</b>	<b>2020</b>
<b>Group</b>	<b>£'000</b>	<b>£'000</b>
Loss after tax	(2,881)	(28,853)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	425	788
Impairment of tangible fixed assets	-	31,789
Loss/(profit) on disposal of tangible assets	4	(21)
Interest receivable	(39)	(338)
Interest payable	49	719
Taxation	(3,703)	(832)
Operating cash flows before movements in working capital	(6,145)	3,252
Decrease in stock	72	436
Decrease in debtors	1,275	14,049
Decrease in creditors	(313)	(34,228)
Provision movements	(12,788)	(47)
Cash used in operations	(17,899)	(16,538)

**Cash and cash equivalents**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cash and cash equivalents represent:</b>		
Cash at bank and in hand	11,774	29,684

**Analysis of changes in net debt**

	<b>1 April</b>	<b>Cash flows</b>	<b>Non-cash</b>	<b>31 March</b>
<b>Group</b>	<b>2020</b>		<b>movements</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cash at bank and in hand	29,684	(17,910)	-	11,774
Borrowings excluding overdrafts	-	-	-	-
Net funds	29,684	(17,910)	-	11,774

**21. Financial commitments**

The total future minimum lease payments under non-cancellable operating leases are as follows:

<b>Land and buildings</b>	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Payments due:				
Within one year	618	2,754	-	-
Between one and five years	2,472	9,714	-	-
In over five years	21,887	33,427	-	-
	24,977	45,895	-	-

**NEW GRANGE HOLDINGS 3 LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2021**

**22. Retirement benefits**

The Group operates a defined contribution pension scheme for all qualifying employees in the United Kingdom. The assets of the scheme are held separately from those of the Group in an independently administered fund. Contributions payable by the Group charged to profit or loss amounted to:

	2021 £'000	2020 £'000
Contributions payable by the Group for the year	102	97

Contributions totalling £Nil (2020: £Nil) were payable to the fund at the year end.

**23. Related party transactions**

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 the Group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of the Group.

The Group was owed £524,812 (2020: £512,552) from a Director and owed £170,582 (2020: £175,869) to 2 Directors at the year end. No interest was charged on these amounts during the year.

During the year, the Group was charged rent and interest by entities in which the Directors are also Directors/Trustees as follows:

Rent payable	£519,900 (2020: £358,800)
Interest payable	£16,165 (2020: £1,836)
Amount due from related parties	£1,337,399 (2020: £1,361,454)

At the balance sheet date, the Group held the following balances with companies under common control:

Amount due from related parties	£2,998,263 (2020: £2,488,452)
Amount due to related parties	£83,093,948 (2020: £82,800,125)

During the year, the Group recharged staff costs of £112,901 (2020: £3,876,579) to entities under common control.

**24. Ultimate controlling party**

The Company is ultimately owned and controlled by the Directors.