

The Grange (2016) Ltd

Audited Financial Statements

For the period ended 31 March 2020

Company Registration No. 10106614



QEF
Queen Elizabeth's
Foundation for
Disabled People



**achieving
goals for life
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LEGAL AND ADMINISTRATIVE INFORMATION

PERIOD ENDED 31 MARCH 2020

| | |
|---------------------------------|--|
| DIRECTORS | TIMOTHY JASON DAVIES EDWARD JOHN DENNING |
| REGISTERED OFFICE | THE GRANGE THE GREEN BENENDEN, CRANBROOK KENT TN17 4DN |
| BANKERS | HSBC 100 HIGH STREET TUNBRIDGE TN9 1AN |
| INDEPENDENT AUDITORS | MOORE KINGSTON SMITH LLP CHARTERED ACCOUNTANTS DEVONSHIRE HOUSE 60 GOSWELL ROAD, LONDON EC1M 7AD |
| COMPANY SECRETARY | PHILIP KIRK |

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THE GRANGE (2016) LTD
DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 MARCH 2020

The directors present their report and the audited financial statements of the company for the period ended 31 March 2020.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is the provision of accommodation-based services for adults with learning disabilities based in Cranbrook, Kent. These are provided for up to 24 people across two residential services regulated by the Care Quality Commission and one Supported Living accommodation. Maximum occupancy levels were reduced from 25 due to contract requirements within Supported Living settings.

In April 2019, following successful negotiations of fees and hours for 12 Kent funded clients, the company achieved an increase in funding of £106,000 per annum. The benefits of this were seen from August 2019.

In October 2019, Kent County Council commenced a tender process for all residential and supported living contracts. The Company tendered for all existing services. The tender outcome was delayed as a result of COVID-19 but was awarded in June 2020.

During the period, the Company received recognition through national and local awards. Achieving one finalist in the National Learning Disability Awards and 3 finalists for the Kent Care Awards. Furthermore, in October 2019, Care Talk magazine published an article regarding the national award finalist, outlining the positive work The Grange (2016) Ltd undertake for the people they support.

Links have been made with the local MP which has led to representation at the Independent Police Advisory Group as a Learning Disability representative.

Members of the leadership team have taken part in pilot training projects with KCC and Skills for Care and have successfully completed the 'Well-Led' and 'Lead to Succeed' Programmes. In February 2020, The Grange (2016) Ltd became a wholly owned subsidiary organisation of The Queen Elizabeth Foundation for Disabled People (QEF). Before this transaction completed, the directors loan was paid in full after an injection of share capital, increasing the the total share capital from £1 to £1,250,000. The Grange is now financially much stronger.

FUTURE OUTLOOK

It is the intention of the directors that the company will continue to create a profit. In June 2020, the company successfully secured new contracts for all settings following a lengthy tender process, this achieved further increase of £45,000 per annum. The aim is to retain a minimum occupancy of 90% through continued positive working relationships with commissioners in the locality with further exploration of increasing Supported Living occupancy.

PRINCIPAL RISKS AND UNCERTAINTIES

The significant risk in 2019 was legacy contracts which had a significant impact on profitability. These were reviewed and new contracts in place from April 2019. Maintaining and increasing occupancy levels - Local authority preference is Supported Living Accommodation and therefore the referral pool to residential is limited. This is coupled with the need for futures referrals to be independently mobile due to the nature of the properties.

Recruitment and Retention - The sector continues to face challenges in relation to the recruitment and retention of staff. Within the company this is further challenged by services being placed within affluent and rural areas.

The impact of Covid-19 continues to have an effect on the services, although services have remained infection free. The emotional and social well-being of individuals is a top priority to enable people to continue to maintain relationships with friends and family and regain their social independence at a time when it is safe to do so.

THE GRANGE (2016) LTD
DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 MARCH 2020

RESULTS

The operating profit for the period is £100K (2019 loss: -£117K). However, during the period, the remaining goodwill for the company was written off, showing a cost of £175k and resulting in a Loss before taxation of -£75k. The increase in performance is in part due to the renegotiated fees with Kent County Council. There will be no covenanted payment this year (2019: £0).

KEY PERFORMANCE INDICATORS ("KPIs")

From August 2018 to July 2019, the company focussed on a review of the placement fees for clients due to legacy contracts in place. The review was completed in August 2019 with agreement that fees would be backdated to April 2019. The 8 month period ending 31 March 2020 saw the completion of the review and resulted with new higher fee levels in place for the whole period.

Operating Profit – During the 8 month period of August 2019 / March 2020, the company achieved an operating profit of £100,000. This was in contrast to the Year end July 2019 operating loss of £117,000 and as a result of the financial review.

Contracts – 2019/2020 the company worked towards maintaining existing contracts through contract tender with Kent. The outcome of this has been achieved in the 2020/2021 financial operating year.

Quality – The Grange and 17 Wheatfield Drive have maintained their Good rating with the CQC with The Grange holding 1 outstanding domain.

The company held registration for Personal Care which had been active for 3 weeks in February 2019 when the inspection took place. The service was rated as Requires Improvement. The regulated activity was archived in February 2020 as there were no clients requiring this regulated activity.

Occupancy levels – a target of maintaining a minimum occupancy of 90% was achieved throughout the financial year and previous year.

GOING CONCERN

The Directors consider that the Company is a going concern. COVID-19 has had an impact on the Company from a financial perspective as the usage and cost of PPE equipment has increased, however, the government has set aside funds to help care homes cover the additional costs and the Company has benefited from some of these funds. The affects of COVID-19 on the finances of The Grange are not significant and do not greatly impact on the going concern.

DIRECTORS

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

Mr T. J. Davies (appointed 13 February 2020)
Mr E. J. Denning (appointed 13 February 2020)
Mrs S. J. Edwards (resigned 13 February 2020)
Mr A. G. Scott (resigned 13 February 2020)
Mrs G. Sharp (resigned 13 February 2020)

THE GRANGE (2016) LTD
DIRECTORS' REPORT (Contd.)
FOR THE PERIOD ENDED 31 MARCH 2020

AUDITORS

Moore Kingston Smith LLP were appointed as auditors during the year. In accordance with the company's articles, a resolution proposing that Moore Kingston Smith LLP be reappointed as auditors of the company will be put at the next Annual General meeting.

STATEMENT OF DISCLOSURE TO AUDITORS

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

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

On behalf of the board


E J Denning
Director

27/01/2021

THE GRANGE (2016) LTD

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE PERIOD 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 period. 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 and loss of the company 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 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;
- 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.

THE GRANGE (2016) LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GRANGE (2016) LTD FOR THE PERIOD ENDED 31 MARCH 2020

Opinion

We have audited the financial statements of The Grange (2016) LTD for the period ended 31st March 2020 which comprise the Profit and Loss Account, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st March 2020 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE GRANGE (2016) LTD
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GRANGE (2016) LTD
FOR THE PERIOD ENDED 31 MARCH 2020

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

THE GRANGE (2016) LTD

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GRANGE (2016) LTD
FOR THE PERIOD ENDED 31 MARCH 2020**

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Other matters which we are required to address

The corresponding figures in the financial statements of The Grange (2016) Ltd were not audited as the company did not require a statutory audit under the Companies Act 2006 in the prior year.

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 for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and company's members as a body, for our work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Neil Finlayson (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

[Date] 10 March 2021

Devonshire House
60 Goswell Road
London
EC1M 7AD

THE GRANGE (2016) LTD
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE PERIOD ENDED 31 MARCH 2020

| | Note | Period ended 31 March 2020 £000's | Year ended 31 July 2019 £000's |
|--|------|--|---|
| Turnover | | 766 | 1,029 |
| Administrative expenses | | <u>(666)</u> | <u>(1,146)</u> |
| Operating profit/(loss) | | 100 | (117) |
| Write off intangible fixed assets | | <u>(175)</u> | <u>-</u> |
| Profit/(loss) before taxation | | <u>(75)</u> | <u>(117)</u> |
| Taxation | | - | 2 |
| Donations Paid | | - | - |
| Profit/(loss) for the financial period | | <u>(75)</u> | <u>(115)</u> |
| Retained earnings at 1 April 2019 | | (292) | (177) |
| Retained earnings at 31 March 2020 | | <u><u>(367)</u></u> | <u><u>(292)</u></u> |

THE GRANGE (2016) LTD

BALANCE SHEET as at 31 MARCH 2020

| | | | 31 March 2020 | | Unaudited 31 July 2019 |
|--|------|------------|--------------------------|------------|---------------------------------------|
| | Note | £000's | £000's | £000's | £000's |
| Fixed Assets | | | | | |
| Intangible assets | 5 | | - | | 174 |
| Tangible assets | 6 | | 765 | | 775 |
| | | | <u>765</u> | | <u>949</u> |
| Current Assets | | | | | |
| Debtors | 7 | 84 | | 91 | |
| Cash at bank and in hand | | <u>114</u> | | <u>105</u> | |
| | | 198 | | 196 | |
| Creditors: amounts falling due within one year | 8 | (80) | | (1,437) | |
| Net Current Assets/(Liabilities) | | | <u>118</u> | | <u>(1,241)</u> |
| Total assets less current liabilities | | | <u><u>883</u></u> | | <u><u>(292)</u></u> |
| Capital and Reserves | | | | | |
| Called up share capital | 11 | | 1,250 | | - |
| Profit and loss reserves | | | (367) | | (292) |
| Total equity | | | <u><u>883</u></u> | | <u><u>(292)</u></u> |

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

The financial statements were approved by the board of directors and authorised for issue on 27 January 2021 and are signed on its behalf by:



E J Denning
Director

Company Registration No. 02708103

THE GRANGE (2016) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020

1. ACCOUNTING POLICIES

COMPANY INFORMATION

THE GRANGE (2016) LTD is a limited company, limited by shares, domiciled and incorporated in England and Wales. The registered office is The Grange, The Green, Benenden, Cranbrook, Kent, TN17 4DN

The company shortened its reporting period to 31 March 2020 in order to align with group reporting periods. As a result, the comparative amounts presented in the financial statements are not entirely comparable.

(a) ACCOUNTING CONVENTION

These financial statements for the period ended 31 March 2020 have been prepared in accordance with Section 1A of FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 thousand pound.

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

(b) TURNOVER

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the company's activities. The company recognises revenue based upon the period in which the care service was delivered.

(c) 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. All fixed assets, with a value over £1,500 are capitalised.

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 basis:

| | |
|----------------------------------|---------------------------------------|
| Fixtures, fittings and equipment | 1 to 5 years on a straight line basis |
| Motor vehicles | 2% per annum on a straight line basis |
| Land and Buildings | not depreciated |

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, is recognised in the profit and loss account.

THE GRANGE (2016) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020 (cont'd)

ACCOUNTING POLICIES (Cont'd)

(d) GOODWILL

For the prior year, goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill was held in the currency of the acquired entity and revalued at the closing rate at each reporting period date. Goodwill was amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

During the period, The Grange (2016) Ltd was acquired by QEF which has resulted in all goodwill and amortisation been written off.

(e) AMORTISATION

For the prior year, amortisation was provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

| | |
|----------|-------------------------------|
| Goodwill | 2.5 and 5 years straight line |
|----------|-------------------------------|

(f) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand and balances held at call with banks.

(g) FINANCIAL INSTRUMENTS

The company only has financial instruments classified as basic and measured at amortised cost. The company has no financial instruments that are classified as 'other' or financial instruments measured at fair value.

(g) EQUITY INSTRUMENTS

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

(h) TAXATION

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

CURRENT TAX

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

DEFERRED TAX

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

THE GRANGE (2016) LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2020 (cont'd)

ACCOUNTING POLICIES (Cont'd)

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

(i) PROVISIONS

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

(j) 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 period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

(k) RETIREMENT BENEFITS

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay any further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised

(l) LEASES

Rentals payable under operating leases, including any lease incentives received, are charged to expenditure on a straight line basis over the term of the relevant lease.

THE GRANGE (2016) LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2020 (cont'd)

(m) GOING CONCERN

The directors have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the company to continue as a going concern. The directors have made this assessment for a period of at least one year from the date of the approval of these financial statements. In particular the directors have considered the company's forecasts and projections and have taken account of reduced income due to shop closures. The directors recognise that COVID-19 poses unique challenges, but will utilise all government support available. New procedures to maintain social distancing, enhance cleaning have been introduced to minimise risk. After making enquiries, the directors have concluded that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

2. OPERATING PROFIT

| | Period ended 31 March 2020 £000's | Unaudited Year ended 31 March 2019 £000's |
|--|--|--|
| Operating profit for the period is stated after charging: | | |
| Fees payable to the company's auditors for the audit of the company's financial statements | <u>3</u> | <u>0</u> |

3. EMPLOYEES

The average monthly number of persons (including directors) employed by the company during the period was:

| | Period ended 31 March 2020 Number | Unaudited Year ended 31 March 2019 Number |
|-------|--|--|
| Total | <u>41</u> | <u>38</u> |

Remuneration paid to directors during the period amounted to £30,637 (2019 £56,650).

Key management personnel include the Chief Executive, Admin Manager, Admin Assistant, Director and the two Registered Managers. The remuneration for the key management personnel during the period was £98,429 (2019 £147,718).

4. TAXATION

| | Period ended 31 March 2020 £000's | Unaudited Year ended 31 March 2019 £000's |
|--|--|--|
| Current tax | | |
| UK corporation tax on profits for the current period | - | 2 |
| Total tax charge | <u>-</u> | <u>2</u> |

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

| | Period ended 31 March 2020 £000's | Unaudited Year ended 31 March 2019 £000's |
|-------------------------------|--|--|
| Profit/(Loss) before taxation | <u>(75)</u> | <u>(117)</u> |

THE GRANGE (2016) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020 (cont'd)

5. INTANGIBLE FIXED ASSETS

| | Goodwill | Total |
|------------------------------------|-----------------|---------------|
| | £000's | £000's |
| Cost | | |
| At 1 August 2019 (unaudited) | 536 | 536 |
| Additions | - | - |
| Disposals | 536 | 536 |
| At 31 March 2020 | <u>-</u> | <u>-</u> |
| Depreciation and impairment | | |
| At 1 August 2019 (unaudited) | 362 | 362 |
| Charge for period | - | - |
| Disposals | 362 | 362 |
| At 31 March 2020 | <u>-</u> | <u>-</u> |
| Carrying amount | | |
| At 31 March 2020 | <u>-</u> | <u>-</u> |
| At 31 July 2019 (unaudited) | <u>174</u> | <u>174</u> |

6. TANGIBLE FIXED ASSETS

| | Land and buildings £000's | Furniture fittings and equipment £000's | Motor Vehicles £000's | Total £000's |
|------------------------------------|--|--|--------------------------------------|-------------------------|
| Cost | | | | |
| At 1 August 2019 (unaudited) | 725 | 46 | 28 | 799 |
| Additions | - | - | - | - |
| Disposals | - | - | - | - |
| At 31 March 2020 | <u>725</u> | <u>46</u> | <u>28</u> | <u>799</u> |
| Depreciation and impairment | | | | |
| At 1 August 2019 (unaudited) | - | 21 | 3 | 24 |
| Charge for period | - | 5 | 5 | 10 |
| Disposals | - | - | - | - |
| At 31 March 2020 | <u>-</u> | <u>26</u> | <u>8</u> | <u>34</u> |
| Carrying amount | | | | |
| At 31 March 2020 | <u>725</u> | <u>20</u> | <u>20</u> | <u>765</u> |
| At 31 July 2019 (unaudited) | <u>725</u> | <u>25</u> | <u>25</u> | <u>775</u> |

7. DEBTORS

| | 31 March 2020 £000's | Unaudited 31 July 2019 £000's |
|--------------------------------------|-------------------------------------|--|
| Trade debtors | 59 | 36 |
| Sundry debtors | 20 | 20 |
| Taxation and social security owed | - | 16 |
| Prepayments and accrued income | 5 | 19 |
| Amounts due from parent organisation | - | - |
| | <u>84</u> | <u>91</u> |

THE GRANGE (2016) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020 (cont'd)

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31 March 2020 £000's | Unaudited 31 July 2019 £000's |
|------------------------------|-------------------------------------|--|
| Trade Creditors | 4 | 43 |
| Other Creditors | 4 | 7 |
| Tax and social security | 12 | 13 |
| Directors Loan | - | 1,323 |
| Accruals and deferred income | 60 | 52 |
| | <u>80</u> | <u>1,438</u> |

The amount due to parent organisation is unsecured, interest free and repayable on demand.

9. PENSION COMMITMENTS

A third party pension provider holds the assets of the defined contribution scheme. The pension charge for the period was £5,918 (2019: £8,345).

10. SHARE CAPITAL

| | 31 March 2020 £000's | Unaudited 31 July 2019 £000's |
|--------------------------------------|-------------------------------------|--|
| Issued and fully paid | | |
| 1,250,000 Ordinary shares of £1 each | <u>1,250</u> | <u>0</u> |

During the period, the company issued 1,249,999 Ordinary shares of £1 each for total consideration of £1,250,000

11. 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:

| | 31 March 2020 £000's | Unaudited 31 July 2019 £000's |
|-------------------------|-------------------------------------|--|
| Under 1 year | - | 150 |
| within 2-5 years | - | - |
| After more than 5 years | - | - |
| | <u>-</u> | <u>150</u> |

12. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") from the requirement to disclose transactions with wholly owned group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

13. ULTIMATE PARENT UNDERTAKING

The company is a wholly owned subsidiary of Queen Elizabeth's Foundation for Disabled People, a company incorporated in England and Wales. The immediate and ultimate controlling party is Queen Elizabeth's Foundation for Disabled People, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. These accounts can be obtained from The Company Secretary, Leatherhead Court, Woodlands Road, Leatherhead, Surrey KT22 0BN.

THE GRANGE (2016) LTD
DETAILED PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 MARCH 2020

| | | 2020 | 2019 |
|---------------------------------|--------|--------|---------|
| | £000's | £000's | £000's |
| Turnover: | | | |
| Sales | | 766 | 1,029 |
| Less: | | | |
| Expenses | | | |
| Salaries | 458 | | 674 |
| Rent | 90 | | 140 |
| Rates, electricity, gas & water | 20 | | 31 |
| Maintenance and cleaning | 20 | | 93 |
| Stationary and telephone | 5 | | 4 |
| Travel and motor expenses | - | | (2) |
| Training and recruitment | 4 | | 11 |
| Catering | 16 | | 27 |
| Advertising | - | | 2 |
| IT | 5 | | 7 |
| Insurance | 8 | | 12 |
| Accountancy fees | 13 | | 11 |
| Legal fees | 5 | | 8 |
| Depreciation | 10 | | 12 |
| Amortisation | - | | 107 |
| Sundries | 3 | | 9 |
| Management charge | - | | - |
| Bank charges | - | | - |
| Bad debt | 9 | | - |
| | | (666) | (1,146) |
| Operating Profit before tax | | 100 | (117) |