Registered number: 04324065

THE FOUNDATION GROUP OF COMPANIES LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE PERIOD ENDED 26 MARCH 2022

STATEMENT OF FINANCIAL POSITION
AS AT 26 MARCH 2022

	Note		2022 £000		2021 £000
Fixed assets					
Tangible assets	7		42		28
			42		28
Current assets					
Debtors: amounts falling due within one year	8	1,445		4,964	
Cash at bank and in hand	9	-		8	
		1,445		4,972	
Creditors: amounts falling due within one year	10	(755)		(4,517)	
Net current assets			690		455
Total assets less current liabilities			732		483
Net assets			732		483
Capital and reserves					
Called up share capital	12		146		146
Capital redemption reserve			87		87
Profit and loss account			499		250
			732		483

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

G J Ramsay FCA
Director

Date: 23 December 2022

The notes on pages 3 to 14 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 26 MARCH 2022

STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEK PERIOD ENDED 26 MARCH 2022

	Called up share capital £000	Capital redemption reserve £000	Profit and loss account £000	Total equity £000
At 29 March 2020	146	87	295	528
Comprehensive income for the period				
Loss for the period	-	-	(45)	(45)
Total comprehensive income for the year	-	-	(45)	(45)
At 27 March 2021	146	87	250	483
Comprehensive income for the period				
Profit for the period	-	-	249	249
Total comprehensive income for the period	-	-	249	249
At 26 March 2022	146	87	499	732

The notes on pages 3 to 14 form part of these financial statements.

1. General information

The Foundation Group of Companies Limited is a company limited by shares and incorporated and domiciled in England & Wales in the UK. The principal activity of the company is the provision of support services.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis, which the Directors consider to be appropriate for the following reasons.

The directors have considered the impact of COVID and the various other inflationary costs on the company's results, its financial position and its longer term viability. They have prepared forecasts for the company for the period to March 2025, including a severe but plausible downside scenario, which are based on the trading of the group throughout and after the previous lockdown. Both the base case and the severe but plausible downside scenarios show that the group have adequate cash resources throughout the forecast period. The Directors do not consider that the previous years lockdown measures will have a significant impact on the forecasts already prepared, due to the additional government support that has been announced and the actions that have already been taken by the group following the first lockdown to reduce costs.

In respect of both the base case and the severe but plausible downside case, the covenants attached to the UK banking facilities are expected to be met throughout the forecast period.

The Directors continually evaluate opportunities to obtain, retire, or restructure the company or financing arrangements for strategic reasons to further strengthen the company's financial position.

The Directors have considered the information described herein and have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements. Thus, the company continues to adopt the going concern basis of accounting in preparing the consolidated financial statements.

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.4 Revenue

Generally, revenue represents external sales (excluding taxes) of goods and services, net of discounts. Revenue is recognised to the extent that is it probable that the economic benefits will flow to the company and is measured at the fair value of consideration receivable, excluding discounts, rebates and other sales taxes or duty. Revenue principally consists of drink, food and accommodation sales, which are recognised at the point at which goods or services are provided and machine income, where net takings are recognised as earned.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the profit and loss account in the same period as the related expenditure.

During the year the Company benefited from taking advantage of government support in the forms of the Coronavirus Job Retention Scheme (CJRS) (see note 5).

2. Accounting policies (continued)

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the Company assumed substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease payments.

The Company assess at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

2. Accounting policies (continued)

2.11 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Motor vehicles	- 25% per annum
Fixtures, fittings and equipment	- 10% to 33.33% per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.12 Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash- generating unit is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit').

The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ('CGU') that are expected to benefit from the synergies of the combination.

2. Accounting policies (continued)

For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire entity into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.13 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.15 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2. Accounting policies (continued)

2.17 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) They include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

(b) Where the instrument will or may be settled in the company's own equity instruments, it is either a non- derivative that includes no obligation to deliver a variable number of the company' s own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are recognised to be relevant. Actual results may differ from these estimates.

Tangible assets are assessed for impairment at the end of each reporting period. Reviews of indicators of impairment and impairment assessments of our tangible assets are judgmental and involve estimates in particular in relation to the future cash flows of the sites.

4. Other operating income

	2022 £000	2021 £000
Other income	6	57
JRS Furlough Grant	79	217
	85	274

5. Employees

	2022 £000	2021 £000
Wages and salaries	1,473	1,188
Social security costs	178	132
Cost of defined contribution scheme	19	11
	1,670	1,331

The average monthly number of employees, including the directors, during the period was as follows:

	2022 No.	2021 No.
Management	5	5
Administration	15	15
Operational staff	3	3
	23	23

6. Directors' Remuneration

Directors' emoluments for the period were:

	2022 £000	2021 £000
Remuneration for management services	893	686
Pension	4	10
	897	696

One of the directors was remunerated by Glendola Leisure (Holdings) Limited, a related party due to common ultimate shareholders. The cost is estimated at £6,000 (2021: £6,000).

7. Tangible fixed assets

	Motor vehicles £000	Fixtures, fittings and equipment £000	Total £000
Cost or valuation			
At 27 March 2021	100	102	202
Additions	35	-	35
At 26 March 2022	135	102	237
Depreciation			
At 27 March 2021	79	95	174
Charge for the period on owned assets	15	6	21
At 26 March 2022	94	101	195
Net book value			
At 26 March 2022	41	1	42
At 27 March 2021	21	7	28

8. Debtors

	2022 £000	2021 £000
Amounts owed by group undertakings	694	4,216
Other debtors	29	38
Prepayments and accrued income	89	131
VAT receivable	97	-
Tax recoverable	523	523
Deferred taxation (see Note 15)	13	56
	1,445	4,964

There is no interest charged on the balance owed by group undertakings and it is repayable on demand.

9. Cash and cash equivalents

	2022 £000	2021 £000
Bank and cash balances	-	8

10. Creditors: Amounts falling due within one year

	2022 £000	2021 £000
Bank overdraft	210	-
Trade creditors	275	146
Amounts owed to group undertakings	-	2,919
Corporation tax	78	40
Other taxation and social security	-	1,121
Other creditors	31	39
Accruals and deferred income	161	252
	755	4,517

11. Deferred taxation

	2022 £000	2021 £000
At beginning of year	55	9
Income / (charge) to profit or loss	(42)	46
At end of the period	13	55

The deferred tax asset is made up as follows:

	2022 £000	2021 £000
Fixed assets timing differences	13	13
Tax losses carried forward	-	42
	13	55

12. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
1,222,956 (2021 - 1,222,956) A Ordinary Shares shares of £0.10 each	122,296	122,296
232,944 (2021 - 232,944) B Ordinary Shares shares of £0.10 each	23,294	23,294
	145,590	145,590

Holders of Ordinary A shares have full voting rights. Holders of B shares have restricted voting rights. In all other regards, the shares rank pari passu.

13. Contingent liabilities

As at 26 March 2022, the company and its related parties (together 'the group') had facilities of £32,700,000.

The company is a party to the bank overdraft and bank loans of other group and related party companies. At the balance sheet date these totalled £26,400,000 (20210: £25,900,000).

14. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension charge represents contributions payable by the Company to the fund and amounted to £11,327 (2021: £19,776). Contributions totaling £913 (2021: £764) were payable to the fund at the balance sheet date and are included in creditors.

15. Commitments under operating leases

The Company had no commitments under non-cancellable operating leases at the reporting date. Rental costs in the year were as a result of intercompany recharges

16. Related party transactions

Due to common ultimate controlling parties, the following groups of companies are classified as related; Hotel Management International (Holdings) Limited and its subsidiary undertakings in addition to Glendola Leisure (Holdings) Limited and its subsidiary undertakings.

The company's trading transactions during the period with these related parties were as follows:

	2022 £000	2021 £000
Glendola Leisure (Holdings) Limited	1,391	906
Hotel Management International Limited	1,105	757
	2,496	1,663

17. Controlling party

The immediate and ultimate controlling party is P. Salussolia.

18. Auditors' information

The auditors' report on the financial statements for the period ended 26 March 2022 was unqualified.

The audit report was signed on 23 December 2022 by Karanjit Gill (Senior statutory auditor) on behalf of Xeinadin Audit Limited
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