

Company Registration No. 05392479 (England and Wales)

**GRANGE (PRESCOT STREET) LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH 2021**

**PAGES FOR FILING WITH REGISTRAR**



# **GRANGE (PRESCOT STREET) LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2021**

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The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

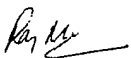
**GRANGE (PRESCOT STREET) LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2021**

	Notes	2021 £	£	2020 £	£
<b>Current assets</b>					
Debtors	3	10,394,967		10,403,342	
Cash at bank and in hand		9,038		9,071	
		<u>10,404,005</u>		<u>10,412,413</u>	
<b>Creditors: amounts falling due within one year</b>	4	<u>(7,478,642)</u>		<u>(7,197,949)</u>	
<b>Net current assets</b>		<u>2,925,363</u>		<u>3,214,464</u>	
<b>Capital and reserves</b>					
Called up share capital			2		2
Profit and loss reserves		<u>2,925,361</u>		<u>3,214,462</u>	
<b>Total equity</b>		<u>2,925,363</u>		<u>3,214,464</u>	

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

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

The financial statements were approved by the board of directors and authorised for issue on 27 October 2022 and are signed on its behalf by:



Mr R S Matharu  
Director

# GRANGE (PRESCOT STREET) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

#### Company information

Grange (Prescot Street) Limited ('the Company') is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 58 Rochester Row, Westminster, London, United Kingdom, SW1P 1JU.

#### Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies' regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in Sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties. The principal accounting policies adopted are set out below.

#### Going concern

The Company has net current assets of £2,925,363 (2020: £3,214,464) including debtors of £9,881,032 (2020: £9,805,913) owed by group undertakings and cash at bank and in hand of £9,038 (2020: £9,071). The Company is dependent on the continued support of its ultimate parent company, New Grange Holdings 3 Limited ("NGH3").

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

At 31 March 2021, the Group headed by NGH3 had net liabilities of £13,994,000 (2020: £11,113,000), net current liabilities of £62,140,000 (2020: £46,818,000), cash at bank and in hand of £11,774,000 (2020: £29,684,000) and amounts owed to related parties of £83,094,000 (2020: £82,800,000) falling due within one year.

The ongoing COVID-19 outbreaks in the UK did impose, and continues to present, a severe impact on the Group and its operations. The seven trading hotels in the Globalgrange 2 Limited group, which are fellow group undertakings, 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 has a number of options available to generate cash flows to meet the Group's and the Company's working capital requirements and repay the Group's related party debts including potential asset disposals, but the ability to generate sufficient additional funds will depend on the economic situation, which is currently uncertain. After the transfer in June 2019 the directors decided in early 2020 to put onto the market the 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 was put on hold.

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

# GRANGE (PRESCOT STREET) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies (Continued)

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 can provide the necessary support to the Company so it has adequate resources to continue in operational existence for a period of at least 12 months from the date these financial statements are approved. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements. The financial statements do not include the adjustments that may be necessary if the Company were unable to continue as a going concern.

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

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

#### **Financial instruments**

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

Financial instruments are recognised when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

#### **Equity instruments**

Equity instruments issued by the Company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

#### **Taxation**

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

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

# GRANGE (PRESCOT STREET) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

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#### 1 Accounting policies (Continued)

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

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

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

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

Deferred tax is recognised on income and expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the Company 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.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

#### 2 Employees

The average monthly number of persons (including directors) employed by the Company during the year was 3 (2020 - 3).

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

#### 3 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Amounts owed by group undertakings	9,881,032	9,805,913
Other debtors	513,935	597,429
	<u>10,394,967</u>	<u>10,403,342</u>

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

# GRANGE (PRESCOT STREET) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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

	2021 £	2020 £
Amounts owed to group undertakings	7,051,756	6,777,784
Corporation tax	399,785	399,785
Other creditors	27,101	20,380
	<u>7,478,642</u>	<u>7,197,949</u>

Amounts owed to group undertakings incur interest at 4% and are repayable on demand.

### 5 Related party transactions

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

	2021 £	2020 £
<b>Amounts due from related parties</b>		
Entities under common control	<u>513,935</u>	<u>513,935</u>

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

### 6 Ultimate controlling party

Sectormatch Limited, a company incorporated in England and Wales, is the immediate parent undertaking. New Grange Holdings 3 Limited, the ultimate parent undertaking, is the parent of the smallest and largest group for which consolidated accounts including Grange (Prescot Street) Limited are prepared. The consolidated accounts of New Grange Holdings 3 Limited are available from its registered office 58 Rochester Row, Westminster, London, SW1P 1JU.

# GRANGE (PRESCOT STREET) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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### 7 Audit report information

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

The audit report was disclaimed, as follows:

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

The audit evidence available to us was limited following the decision taken in 2018 to formally break up the Globalgrange group and the ongoing dispute between the directors. The directors of the 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.

The senior statutory auditor was Euan Banks FCA.

The auditor was RSM UK Audit LLP.