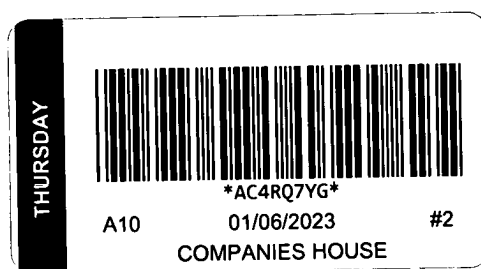


Company Registration No. 08121840 (England and Wales)

ARORA HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022



Arora
GROUP

ARORA HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Surinder Arora Sanjay Arora Carlton Brown Guy Morris Sanjeev Roda
Company number	08121840
Registered office	World Business Centre 3 Newall Road London Heathrow Airport Hounslow England TW6 2TA
Auditor	BDO LLP 55 Baker Street London W1U 7EU

ARORA HOLDINGS LIMITED

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ARORA HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

Introduction

Arora Holdings Limited and its subsidiaries "the group" forms part of the Arora Group, a successful UK-focused private group of companies, which leverages synergies across its specialist property, construction and hotel divisions to its strategic advantage. Since 1999, the Arora Group has built its standing through meticulously managing projects from inception to delivery and beyond. Today, it owns and manages a diverse portfolio of flagship assets across the nation's key business locations, partnering with some of the world's most recognised brands to deliver consistently high service levels and sustainable growth.

The group strategy is to deliver portfolio diversification, growth in asset value and profitability. Our strategy for delivering these objectives are:

- Delivering sound long-term value to our stakeholders.
- Continuing to expand, develop and consolidate a diversified property asset portfolio in targeted UK locations.
- Sustaining our reputation for quality, integrity and social responsibility.

More information about the group can be found on www.thearoragroup.com.

Section 172 statement

Section 172 of the Companies Act 2006 requires directors to describe how they have had regard to various stakeholders associated with the group.

We have set out below information about how our directors have had regard for our employees; business relationships with suppliers and customers; the impact of the group's operations on the community and environment; and the desirability of the group maintaining a reputation for high standards of business conduct.

Any likely consequences of decisions taken by the group in the long term are covered within the Review of Business section in the Strategic Report.

Employee Engagement

We address employee engagement as a holistic process which begins with the recruitment experience and continues throughout the employees' journey with us.

The Talent and Culture Team strive to create positive employee experiences by handling all the touch points of the recruitment process to ensure that the on-boarding truly engages new employees.

Engagement is an ongoing process throughout the year with regular reviews, employee events and several activities such as welcome to work, wellbeing week and family fun day. Employee wellbeing is critical so we have a number of measures in place to support our team, including a confidential wellbeing helpline. At the Arora Group, our employees are like our family so we work hard to ensure they feel valued, appreciated and happy.

Customer Engagement

Our Commercial and Hotel Customer Engagement Team primarily engages with corporate customers and hotel guests.

Corporate Customers

Engagement is predominantly managed by our Commercial Team who assess overall business growth opportunities in line with market conditions, market share gain opportunities and expectations from the Board and wider investment community. They then determine the appropriate mix and source of business required to achieve agreed revenue and profitability expectations which allows them to develop suitable plans to acquire and animate potential business opportunities.

Our Commercial Team engage with our corporate customers on a business to business level in several ways including through our Customer Engagement Team and Planning and Sales Team who help customers navigate their event needs and ensure all the contracted items and services are delivered successfully.

ARORA HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Customer Engagement (continued)

Hotel Guests and Transient Market

The Arora Group is a customer centric hotel group operating franchises through four eminent brand companies and using a total of 10 different brands. We closely monitor our guest feedback and quality matrix.

We are very proud of the achievements the hotels make in customer care and the relentless focus of our teams. We embrace brand initiatives such as 'Heartiest' for the Accor Brands or 'Delighted to Serve' for the Renaissance brand. We also supplement this with our own universal training conducted by external consultants with whom we have developed various courses over the years.

In addition, the hotel bonus structure for all hotel General Managers includes an element that reflects on guest service. The General Managers are also measured on a Balanced Scorecard system with guest care being a significant portion of measuring hotel achievements.

Suppliers Engagement Team

Our Purchasing Team have developed strong and enduring relationships with our suppliers. In order to ensure continued growth of these business relationships, our Supplier Engagement Team conduct regular review meetings. These take place either quarterly, every six months or annually depending on the particulars of each supplier relationship. During these meetings we assess changes in our business demand and where necessary begin the process of negotiating amendments or renewals of our formal contracts. We take counsel from our Operations Team to ensure that the goods and/or services provided are fit for purpose for our day to day business requirements. As such, we may include members of our Operations Team during review meetings where we or our suppliers deem it necessary.

We use a renegotiation calendar to help us monitor contract expiry dates so that we can ensure early engagement with suppliers to review and renew relationships. Our pro-active approach to managing supplier relationships has enabled us to create a long-standing business network which delivers innovative and competitive contracts across our business.

Environmental Sustainability

Climate change and resource scarcity are amongst society's greatest challenges. As a responsible business we are fully committed to minimising our operational impact on the environment when and wherever possible. This is core to ensuring we do business in the right way.

To see ways in which the Arora Group aims to minimise its impact on the environment, visit <https://thearoragroup.com/about/policy-position/environmentalsustainability>.

Maintaining a reputation for high standards of business conduct

To see more information on how the Arora Group maintains a reputation for high standards of business conduct, visit www.thearoragroup.com/about/strategy.

ARORA HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Review of Business - Hotels

Despite the COVID 19 impact on trading throughout the financial year, the hotel division benefitted from fixed term contracted revenue for the majority of the year.

The hotels continued to operate with reduced teams and cluster roles were created to give both commercial and operational benefits. Productivity and efficiencies achieved due to the pandemic were developed and improved to effectively manage costs and profit conversion.

Recruitment has become the biggest priority across all departments. The over reliance on agency staff, particularly in housekeeping has led to higher payroll costs. The impact of these rises has been minimised through leaner management structures and better efficiencies put in place during COVID.

Holiday Inn T5 – Delivered a positive EBITDA for the year despite being shuttered for parts of the year

Renaissance London Heathrow – Trading performance in the year was higher than in FY21 due to fixed term contracts.

Arora Gatwick Crawley – the hotel operated efficiently with good EBITDA conversion.

Novotel London Stansted – Trading performance was higher than in FY21 due to fixed term contracts.

Sofitel Heathrow T5 – following relaxation of COVID 19 restrictions, demand in the transient and MICE segments started to rebound strongly in the latter part of the year.

Hilton London Gatwick – the hotel remained open and operated throughout the year accommodating aircrew, training, and transient guests. Gatwick Airport has seen a significant drop in passenger numbers compared to 2020 which has adversely affected occupancy levels at the hotel.

Buckinghamshire Golf Club – The golf club had an uplift in business, following the lifting of COVID restrictions.

Hilton Garden Inn T2 – This was the first full trading year for the hotel and outperformed the competitive set.

Sofitel London Gatwick – Trading performance in the year was higher than in FY21 due to fixed term contracts.

Intercontinental O2 – The hotel delivered a positive EBITDA mainly due to fixed term contracts, but also due to the re-opening of the O2 Arena.

Fairmont Windsor Park – The hotel officially opened in January 2022 after a challenging construction period due to the complexities of COVID 19, construction material costs and a poor labour market.

Luton Hoo Park – The hotel reopened in April 2021 with good demand for outdoor activities such as golf. Travel restrictions facilitated the rise of the staycation market which the hotel benefited from over the summer months.

Construction

The group was working on the following construction projects during the current financial year:

- Rebuilding the Savill Court hotel and Spa that commenced in September 2017 and which completed in December 2021.
- The major refurbishment of the Hilton London Gatwick South Terminal hotel.

Property

The Arora Property division provides a property management and asset management service. It currently manages a large portfolio of property assets which include operated hotels, a portfolio of externally leased hotels, offices and commercial spaces as well as land holdings across London, major regional airports, home counties and Scotland.

ARORA HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Key Performance Indicators

The group uses a range of performance measures to monitor and manage the business effectively. These are both financial and non-financial and the most significant of these are the key performance indicators.

The key performance indicators are turnover and trading EBITDA. These indicators are set out below:

	2022 £'000	2021 £'000
Turnover	172,966	76,147
Trading EBITDA	46,216	194

Trading EBITDA is widely used as a standard measure of operational performance, debt servicing capability and business value added. It stands for "Earnings before Interest, taxes, depreciation and amortisation" and below is reconciliation to income statement:

	2022 £'000	2021 £'000
Profit/(loss) before tax	33,407	(48,379)
<u>Adjustment:</u>		
Depreciation of owned tangible fixed assets	28,588	29,355
Interest receivable and similar income	(6,513)	(358)
Interest payable and similar expenses	15,775	14,775
Loss/(gain) on disposal of subsidiary	2,988	(9,583)
Fair value gains and losses on investment properties	497	14,384
Profit on disposal of investment properties	(28,526)	-
<u>Trading EBITDA</u>	<u>46,216</u>	<u>194</u>

Balanced Scorecard

This sets out to measure guest satisfaction, labour turnover, cash management, internal financial controls, Health and Safety and Environmental audits and profit achievement as the 7 key indicators of the health of the business. The hotel has performed satisfactorily in all categories despite the economic climate.

Principal risks and uncertainties

The main financial risks arising from the group's activities are credit risk, interest rate risk and liquidity risk. These are monitored by the board of directors and were not considered to be significant at the balance sheet date.

The group's policy in respect of credit risk is to require appropriate credit checks on potential customers before sales are made.

The group's policy in respect of interest rate risk and liquidity risk is to maintain a mixture of medium and short term debt finance and readily accessible bank deposit accounts to ensure the company has sufficient funds for operations. The cash deposits are held in current accounts which earn interest at a floating rate. Debt is maintained at floating interest rates.

In addition, the group's policy is to hedge debt facilities at an appropriate level, in order to manage interest rate fluctuations.

Policy for employment of disabled persons

The group is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Management actively pursues both the employment of disabled persons whenever a suitable vacancy arises and the continued employment and retaining of employees who become disabled whilst employed by the group. Particular attention is given to the training, career development and promotion of disabled employees with a view to encouraging them to play an active role in the development of the group.

ARORA HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Political and charitable donations

During the year, the group made political and charitable contributions of £136,816 (2021: £18,386).

Employment involvement policy

The group is committed to communicating the progress and developments of its business to its employees. This includes 'Way Ahead Meetings', 'Staff Consultative Committee Meetings', the quarterly and annual 'Arora Stars' employee recognition scheme and the group internal newsletter.

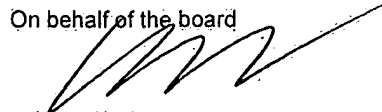
Future developments

Information on likely future developments in the business of the group has been included within this report.

Going concern

The directors assessment on going concern can be found in note 1.4 of this report.

On behalf of the board



.....
Carlton Brown
Director

31 May 2023

ARORA HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors present their annual report and financial statements for the year ended 31 March 2022.

Principal activities

The principal activities of the group in the year under review are hoteliers and hotel management, property acquisition and development, property portfolio asset management and the provision of management services and serviced accommodation.

Information on financial risk management policies, risks, information on post balance sheet events, employee involvement policies and employment of disabled persons is included within the strategic report.

Directors

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

Surinder Arora
Sanjay Arora
Carlton Brown
Athos Yiannis
Guy Morris
Sanjeev Roda

(Resigned 18 February 2022)

Results and dividends

The results for the year are set out on page 13. The directors do not recommend a dividend to be paid in the year under review.

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Auditor

In accordance with the company's articles, a resolution proposing that BDO LLP be reappointed as auditor of the group will be put at a General Meeting.

ARORA HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Streamlined Energy and Carbon Reporting ("SECR")

Requirements for SECR have been introduced under the Companies Act 2006 and are detailed in HM Government's "Environmental Reporting Guidelines" dated March 2019.

SECR came into force on 1 April 2019 and applies to large group reporting years starting on or after 1 April 2019. The below reports on energy use, greenhouse gas emissions and provide a narrative on actions undertaken to reduce such energy use and emissions by the company.

To see more information about the energy efficiency action taken by the group, please visit <https://thearoragroup.com/about/policy-position/environmentalsustainability>.

	2022	2021
Energy Consumption used to calculate emissions: /kWh (optional to provide separate figure for gas, electricity, transport fuel and other energy sources)	55,746,688	38,705,274
Emissions from combustion of gas tCO ₂ e (Scope 1)	4,646	4,254
Emissions from combustion of fuel for transport purposes (Scope 1)	48	28
Emissions from purchased electricity (Scope 2, location-based)	6,408	5,054
Total gross CO₂e based on above	11,101	9,336
Methodology	GHG Protocol Corporate Standard	GHG Protocol Corporate Standard
Emissions from other activities which the company own or control including operation of facilities	0	53
Emissions from heat, steam and cooling purchased for own use (Scope 2)	953	588
Emissions from generation of electricity that is consumed in a transmission and distribution system for which the company does not own or control	678	435
Emissions from transportation of purchased fuels for which the company does not own or control	50	31
Total gross Scope 3 emissions / tCO₂e	728	466
Total gross Scope 1, Scope 2 & Scope 3 emissions / tCO₂e	12,813	10,421
Total annual net emissions / tCO₂e	12,813	10,421
Additional intensity ratio: tCO ₂ e net figure / e.g. £100,000 revenue	7.3	13.5
Third Party verification	Report independently prepared	Report independently prepared

ARORA HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 company, and of the profit or loss of the group 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;
- 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 group and 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 company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

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 auditor of the company is 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 auditor of the company is aware of that information.

On behalf of the board



.....
Carlton Brown
Director

31 May 2023

ARORA HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ARORA HOLDINGS LIMITED

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2022 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Arora Holdings Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 March 2022 which comprise the group income statement, the group statement of comprehensive income, the group statement of financial position, the company statement of financial position, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

ARORA HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ARORA HOLDINGS LIMITED

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.

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.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, 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 and the Directors' report have been prepared in accordance with applicable legal requirements.

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 identified material misstatements in the Strategic report or the Directors' report.

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; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors Responsibilities, 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.

ARORA HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ARORA HOLDINGS LIMITED

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the procedures and controls that the Group has established to address risks identified, or that otherwise prevent, deter and detect fraud. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures were designed to provide reasonable assurance that the financial statements were free of fraud or error.
- Based on the understanding obtained we designed audit procedures to identify non-compliance with the laws and regulations, as noted above. This included enquiries of local and group Management, review of Board minutes, and reviews of relevant correspondence.
- We tested journal entries, focusing on journal entries containing characteristics of audit interest such as manual journals and journals relating to revenue
- We tested and challenged the key estimates and judgements made by management in preparing the financial statements for indications of bias or management override when presenting the results and financial position of the Group.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

ARORA HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ARORA HOLDINGS LIMITED

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed

DocuSigned by:
David Campbell
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David Campbell (Senior Statutory Auditor)
For and on behalf of BDO LLP
Statutory Auditor
London, UK

Date: 31 May 2023
.....

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

ARORA HOLDINGS LIMITED

GROUP INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022

		2022	2021
	Notes	£'000	£'000
Turnover	3	172,966	76,147
Cost of sales		(17,723)	(22,676)
Gross profit		155,243	53,471
Administrative expenses		(143,041)	(104,942)
Other operating income	4	5,426	22,310
Operating profit/(loss)	5	17,628	(29,161)
Interest receivable and similar income	9	6,513	358
Interest payable and similar expenses	10	(15,775)	(14,775)
(Loss)/gain on disposal of subsidiary	11	(2,988)	9,583
Fair value losses on investment properties	14	(497)	(14,384)
Profit on disposal of investment properties		28,526	-
Profit/(loss) before taxation		33,407	(48,379)
Tax on profit/(loss)	12	(4,287)	909
Profit/(loss) for the financial year	27	29,120	(47,470)

Profit/(loss) for the financial year is all attributable to the owners of the parent company.

ARORA HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	£'000	£'000
Profit/(loss) for the year	29,120	(47,470)
Other comprehensive income/(loss)		
Revaluation of tangible fixed assets	40,992	(63,005)
Tax relating to other comprehensive income/(loss)	(22,465)	15,235
Other movements	307	-
Other comprehensive income/(loss) for the year	18,834	(47,770)
Total comprehensive income/(loss) for the year	47,954	(95,240)

Total comprehensive income for the year is all attributable to the owners of the parent company.

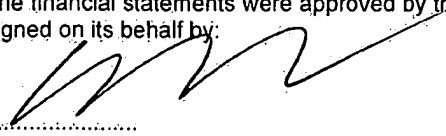
ARORA HOLDINGS LIMITED

GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	13		1,211,977		1,100,046
Investment properties	14		160,393		217,698
Investments	15		1,571		27
			<u>1,373,941</u>		<u>1,317,771</u>
Current assets					
Stocks	18	8,194		3,389	
Debtors	19	26,470		17,823	
Cash at bank and in hand		60,584		21,526	
		<u>95,248</u>		<u>42,738</u>	
Creditors: amounts falling due within one year	20	(460,143)		(598,564)	
Net current liabilities			(364,895)		(555,826)
Total assets less current liabilities			1,009,046		761,945
Creditors: amounts falling due after more than one year	21		(405,519)		(235,836)
Provisions for liabilities					
Provisions	23	(3,796)		-	
Deferred tax liability	24	(78,891)		(53,223)	
			<u>(82,687)</u>		<u>(53,223)</u>
Net assets			<u>520,840</u>		<u>472,886</u>
Capital and reserves					
Called up share capital	26		-		-
Share premium account			18,957		18,957
Revaluation reserve	27		379,907		369,212
Profit and loss reserves	27		121,976		84,717
Total equity			<u>520,840</u>		<u>472,886</u>

The financial statements were approved by the board of directors and authorised for issue on 31 May 2023 and are signed on its behalf by:


 Carlton Brown
 Director

ARORA HOLDINGS LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

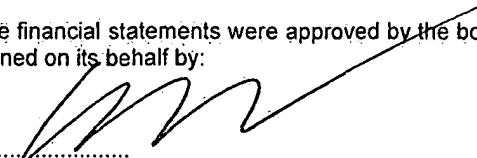
AS AT 31 MARCH 2022

	Notes	2022 £'000	2021 £'000
Fixed assets			
Investments	15	93,332	18,957
Current assets			
Debtors	19	246,858	286,980
Cash at bank and in hand		6,917	152
		<u>253,775</u>	<u>287,132</u>
Creditors: amounts falling due within one year	20	<u>(328,150)</u>	<u>(269,632)</u>
Net current (liabilities)/assets		(74,375)	17,500
Total assets less current liabilities		18,957	36,457
Creditors: amounts falling due after more than one year	21	-	(17,500)
Net assets		<u>18,957</u>	<u>18,957</u>
Capital and reserves			
Called up share capital	26	-	-
Share premium account	27	18,957	18,957
Total equity		<u>18,957</u>	<u>18,957</u>

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's result for the year was £nil (2021: £nil).

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 31 May 2023 and are signed on its behalf by:


.....
Carlton Brown
Director

Company Registration No. 08121840

ARORA HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

Notes	Share capital £'000	Share premium account £'000	Revaluation reserve £'000	Profit and loss reserves £'000	Total £'000
Period ended 31 March 2021:					
Balance at 1 April 2020	-	-	428,426	120,743	549,169
Year ended 31 March 2021:					
Loss for the year	-	-	-	(47,470)	(47,470)
Other comprehensive loss:					
Revaluation of tangible fixed assets	-	-	(63,005)	-	(63,005)
Tax relating to other comprehensive income	-	-	15,235	-	15,235
Total comprehensive loss for the year	-	-	(47,770)	(47,470)	(95,240)
Issue of share capital	-	18,957	-	-	18,957
Transfers	-	-	(11,444)	11,444	-
Balance at 31 March 2021	-	18,957	369,212	84,717	472,886
Year ended 31 March 2022:					
Profit for the year	-	-	-	29,120	29,120
Other comprehensive income:					
Revaluation of tangible fixed assets	-	-	40,992	-	40,992
Tax relating to other comprehensive income	-	-	(22,465)	-	(22,465)
Total comprehensive income for the year	-	-	18,527	29,120	47,647
Transfers	-	-	(7,832)	7,832	-
Other movements	-	-	-	307	307
Balance at 31 March 2022	-	18,957	379,907	121,976	520,840

ARORA HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Share capital £'000	Share premium account £'000	Total £'000
Period ended 31 March 2021:				
Balance at 1 April 2020		-	-	-
Year ended 31 March 2021:				
Profit and total comprehensive income for the year		-	-	-
Issue of share capital		-	18,957	18,957
Balance at 31 March 2021		-	18,957	18,957
Year ended 31 March 2022:				
Profit and total comprehensive income for the year		-	-	-
Balance at 31 March 2022		-	18,957	18,957

ARORA HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £'000	2021 £'000
Cash flows from operating activities			
Profit/(loss) for the financial year		29,120	(47,470)
Adjustments for:			
Depreciation	5	28,588	29,355
Interest payable		15,775	14,775
Interest receivable		(6,513)	(358)
Taxation		4,287	(909)
(Increase)/decrease in stocks		(4,678)	6,878
(Increase)/decrease in debtors		(4,339)	40,927
Increase/(decrease) in creditors		16,151	(53,041)
Fair value losses		497	14,384
(Profit)/loss on disposal of assets		(28,526)	-
Corporation tax refund received		219	4,369
Provision for liabilities		2,075	-
Loss/(gain) on disposal of subsidiary		2,988	(9,583)
Net cash inflow/(outflow) from/(used in) operating activities		55,644	(673)
Investing activities			
Purchase of tangible fixed assets	13	(39,210)	(33,903)
Purchase of investment property	14	(11,046)	(6,791)
Purchase of unlisted investments	15	(1,570)	-
Proceeds from disposal of investment property		120,539	1,928
Interest received		25	3
Dividends received		204	-
(Outflow)/inflow from acquisition/disposal of subsidiaries		(24,642)	10,505
Net cash acquired with subsidiary acquisitions		1,090	1,367
Net cash from/(used in) investing activities		45,390	(26,891)
Financing activities			
New loans received		44,109	37,442
Finance costs		(1,922)	(215)
Repayment of loans		(87,452)	(14,033)
Funding (to) / from related parties		(1,762)	77
Interest paid		(14,949)	(13,791)
Net cash (used in)/generated from financing activities		(61,976)	9,480

ARORA HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £'000	2021 £'000
Cash flows from operating activities			
Net Increase/(decrease) in cash and cash equivalents		39,058	(18,084)
Cash and cash equivalents at beginning of year		21,526	39,610
Cash and cash equivalents at end of year		60,584	21,526

ARORA HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company Information

Arora Holdings Limited ("the company") is a private company limited by shares domiciled and incorporated in England and Wales. The registered office is World Business Centre 3, Newall Road, London Heathrow Airport, Hounslow, England, TW6 2TA.

The group consists of Arora Holdings Limited and all of its subsidiaries.

1.1 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" ("FRS 102") and the requirements of the Companies Act 2006.

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 £'000.

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

The parent company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own income statement in these financial statements.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

1.3 Basis of consolidation

The consolidated financial statements incorporate those of Arora Holdings Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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.

ARORA HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.4 Going concern

The Group is impacted by ongoing economic conditions that include supply chain constraints, price inflation, interest rate rises, increases in the cost of living and wider uncertainties deriving from the impacts of Brexit and hostilities in Europe. The directors continue to monitor all of these matters and take actions, where possible, to mitigate their impacts.

The directors have modelled cash flow forecasts for a period of 15 months from the date of the approval of these accounts which include the ramp up of hotel trade over the coming year. These forecasts, however, include a level of judgement specifically around occupancy levels and achievable rates and improvements in tourist travel, however, the directors are confident the group will be cash generative, hence the financial statements are drawn up on a going concern basis. The directors have also considered the loan refinancing falling due in the forecast period, and are confident this will be successfully re-financed in due course.

The group also received a confirmation of support from group undertaking to confirm that amounts owed to the group undertaking will not be called until the group is in position to settle its obligations.

Therefore, the expectation of the directors is that they will be able to meet liabilities as they fall due over a period of at least 12 months from the date of approval of these financial statements and therefore they have continued to prepare the financial statements on a going concern basis.

1.5 Turnover

Except in the case of long-term contracts and sales of apartments, turnover represents amounts receivable in respect of the provision of hotel accommodation, conference facilities, food and beverage during the year, excluding VAT and trade discounts.

Turnover is measured at fair value of the consideration received or receivable.

Turnover from services is recognised when the service is provided.

Turnover from other contract activities represents fee income receivable in respect of services provided during the year.

Turnover includes sales of apartments to external customers at invoiced amounts less value added tax on sales. Turnover is recognised upon completion of the sale, when the titles of the apartments are transferred to the customer. Invoiced amounts that are received prior to the completion of the sale are deferred to the balance sheet and are released in the period where the sales are completed.

Membership income is recognised on a straight line basis over the term of the membership.

ARORA HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Long term contracts

Long term contracts are assessed on a contract by contract basis and are reflected in the income statement by recording turnover and related costs as contract activity progresses. Turnover from long term contract activities represents the fair value of work carried out during the period by reference to total sales value and the stage of completion of each contract including the movement in work in progress during the year. Where the outcome of each contract can be assessed with reasonable certainty before its conclusion, the attributable profit is recognised in the income statement at the difference between the reported turnover and related costs for that contract. Estimates are included in respect of amounts not invoiced at the balance sheet date.

Amounts recoverable on contracts represent the excess of work done including attributable profit over cumulative payments on account received. Payments on account in excess of work done are included within creditors.

Rental income

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are recognised on a straight line basis over the lease term.

1.6 Tangible fixed assets

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

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

Freehold buildings	50 years
Long term leasehold property	50 years
Short term leasehold property	Over the length of the lease
Plant and equipment	7 years
Fixtures and fittings	2 - 10 years
Computers	3 - 4 years
Motor vehicles	4 years

ARORA HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

The gain or loss arising on the revaluation of tangible fixed assets is recognised in other comprehensive income.

Assets Under Construction

Development of Projects

The group undertakes a variety of fixed asset developments and other developments that are treated according to the project's progression.

Pre-Planning Project costs

Before planning permission is received to commence on a project, all costs are expensed to the income statement.

Work in Progress Project Costs

Costs will only be classified as assets under construction on the balance sheet (or work in progress within Stock when a construction is being done for a party outside of the group) when the directors are satisfied all the following conditions are met:

- Planning permission (or equivalent) has been granted on the project.
- The project is anticipated to generate a profitable return.
- The project is deemed likely to proceed.

If any of these three conditions are not met, any costs incurred will be recognised in the income statement.

Completion

Once completed, assets under construction are transferred to fixed assets and depreciated in line with the group's accounting policy.

Work in progress items within stock are released to cost of sales in the income statement in line with the project's progression.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the income statement.

1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

ARORA HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.9 Impairment of fixed assets

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

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

1.10 Stocks

Stocks are stated at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell, after making a due allowance for obsolete and slow moving stocks. Cost is based on the cost of purchase on a first in, first out basis.

Work in progress

Please refer to 'assets under construction' in section 1.7 of the tangible fixed assets policy.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in the income statement. Reversals of impairment losses are also recognised in the income statement.

1.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of no 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 no significant risk of change in value.

1.12 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 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

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 the income statement, 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.

ARORA HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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 the income statement.

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 the income statement.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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 group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the income statement in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt Instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

ARORA HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.13 Equity Instruments

Equity Instruments issued by the group are recorded at the 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 group.

1.14 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 year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group'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 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 income statement, 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 if, and only if, there is 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.

1.15 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group 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 in which it arises.

ARORA HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.16 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.

1.17 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.18 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to the Income statement on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.19 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.

1.20 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.21 Borrowing costs

All other borrowing costs are recognised in the income statement in the period in which they are incurred.

1.22 Capitalised finance costs

Finance costs relating to the loan facility are charged to the income statement, spread over the term of the loan. The bank loan is disclosed net of unamortised finance cost.

ARORA HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

2 Judgements and key sources of estimation uncertainty

Some of the significant accounting policies require management to make difficult, subjective or complex judgements or estimates. The following is a summary of those policies which management consider critical because of the level of complexity, judgements or estimation involved in their application and their impact on the financial statements.

Property portfolio valuation

The hotel properties are stated at fair value, as accounted for by the directors. The valuation is on the basis of market value ("MV"), which is defined in the RICS Valuation Standards as: "The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

The hotel properties are revalued at each year end at MV by the directors with the surplus being taken to the statement of comprehensive income.

The valuation considers a range of assumptions including future EBITDA which is dependent on occupancy rates and ultimately on the level of passenger numbers travelling through the airport hubs, investment yields, anticipated outgoings and maintenance costs, future development expenditure and appropriate discount rates. As domestic and international travel continues to recover, occupancy rates and consequently expected future EBITDA has the most impact on valuations resulting in significant estimation uncertainty.

Going Concern

The directors' considerations and judgements on going concern are set out in note 1.4.

3 Turnover

	2022	2021
	£'000	£'000
Turnover analysed by class of business		
Hoteliers and restaurants	138,934	24,799
Property construction	5,919	17,285
Lease and serviced accommodation	25,398	32,592
Golf club	2,716	1,471
	<u>172,966</u>	<u>76,147</u>

All turnover in the year and prior year arose in the UK.

ARORA HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

4 Other operating income

	2022 £'000	2021 £'000 as restated
Other rental income	4,190	3,515
Government grants - Coronavirus job retention scheme	1,236	18,795
	<u>5,426</u>	<u>22,310</u>

Other rental income relates to rents receivable from lessee including service charges and business rates as per tenancy contract and income from other sundry activities of the group.

5 Operating profit/(loss)

	2022 £'000	2021 £'000
Operating profit/(loss) for the year is stated after (crediting)/charging:		
Government grants	(1,235)	-
Depreciation of owned tangible fixed assets	28,588	29,355
Operating lease charges	<u>15,796</u>	<u>10,539</u>

Within operating lease charges, £7,700,000 (2021: £7,150,000) related to contractual minimum rental charges. The remainder is related to variable lease charges.

6 Auditor's remuneration

	2022 £'000	2021 £'000
Audit of the financial statements of the company's subsidiaries	<u>453</u>	<u>239</u>

7 Employees

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

Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
<u>1,727</u>	<u>1,612</u>	<u>-</u>	<u>-</u>

ARORA HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

7 Employees

(Continued)

Their aggregate remuneration comprised:

	Group 2022 £'000	2021 £'000	Company 2022 £'000	2021 £'000
Wages and salaries	33,471	33,659	-	-
Social security costs	3,301	2,799	-	-
Pension costs	809	899	-	-
	<u>37,581</u>	<u>37,357</u>	<u>-</u>	<u>-</u>

8 Directors' remuneration

	2022	2021
Remuneration for qualifying services	916	826
Company pension contributions to defined contribution schemes	54	23
	<u>970</u>	<u>849</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2022 £'000	2021 £'000
Remuneration for qualifying services	<u>307</u>	<u>302</u>

9 Interest receivable and similar income

	2022 £'000	2021 £'000
Interest income		
Interest on bank deposits	22	3
Other interest income	3	-
Total interest revenue	<u>25</u>	<u>3</u>
Other income from investments		
Gains on financial instruments measured at fair value through profit or loss	6,488	355
Total income	<u>6,513</u>	<u>358</u>

ARORA HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

10 Interest payable and similar expenses

	2022 £'000	2021 £'000
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	14,744	13,791
Finance costs for financial instruments measured at fair value through profit or loss	959	984
Other interest	72	-
Total finance costs	15,775	14,775

11 (Loss)/gain on disposal of subsidiary

	2022 £'000	2021 £'000
(Loss)/gain on disposal of subsidiary	(2,988)	9,583

12 Taxation

	2022 £'000	2021 £'000
Current tax		
UK corporation tax on profit/(loss) for the current period	1,551	1
Adjustments in respect of prior periods	300	52
Total current tax	1,851	53
Deferred tax		
Origination and reversal of timing differences	881	(816)
Changes in tax rates	1,751	(131)
Adjustment in respect of prior periods	(196)	(15)
Total deferred tax	2,436	(962)
Total tax charge/(credit)	4,287	(909)

ARORA HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

12 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge based on the income statement and the standard rate of tax as follows:

	2022 £'000	2021 £'000
Profit/(loss) before taxation	33,407	(48,379)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	6,347	(9,192)
Tax effect of expenses that are not deductible in determining taxable profit	957	4,266
Tax effect of income not taxable in determining taxable profit	(2,254)	7
Tax effect of utilisation of tax losses not previously recognised	(2,993)	-
Adjustments in respect of prior years	676	-
Effect of change in corporation tax rate	1,681	(92)
Group relief	331	395
Other permanent differences	(1,404)	3,822
Underprovided in prior years	300	52
Deferred tax adjustments in respect of prior years	514	(12)
Pre-trading expenditure unutilised in current year	(117)	10
Elimination of unrealised profits on consolidation	303	-
Fair value movement - Swap	(135)	-
Profit/loss on disposal of fixed asset	-	(165)
Annual deduction on lease premium	(136)	-
Capital allowance super deductions	(137)	-
Deemed capital gain	354	-
Taxation charge/(credit)	4,287	(909)

In addition to the amount charged to the income statement, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2022 £'000	2021 £'000
Deferred tax arising on:		
Revaluation of property	22,465	(15,235)

ARORA HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

13 Tangible fixed assets

Group	Freehold land and building	Long term leasehold property	Short term leasehold property	Assets under construction	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation									
At 1 April 2021	-	915,135	210,083	109,151	5,579	26,337	774	79	1,267,138
Additions	11,777	1,781	-	25,055	426	1,232	6	9	40,286
Disposals	-	-	-	-	-	-	-	(19)	(19)
Revaluation	2,122	55,577	(16,707)	-	-	-	-	-	40,992
Transfer from investment property	9,250	-	-	-	-	-	-	-	9,250
Acquisitions	42,633	-	-	-	18,540	1,055	-	231	62,459
Reclassifications	91,841	-	-	(128,595)	-	36,754	-	-	-
At 31 March 2022	157,623	972,493	193,376	5,611	24,545	65,378	780	300	1,420,106
Depreciation and impairment									
At 1 April 2021	-	122,219	30,117	-	3,548	10,433	696	79	167,092
Depreciation charged in the year	-	17,023	8,178	-	1,209	2,098	73	7	28,588
Eliminated in respect of disposals	-	-	-	-	-	-	-	(16)	(16)
Acquisitions	-	-	-	-	11,728	529	-	208	12,465
At 31 March 2022	-	139,242	38,295	-	16,485	13,060	769	278	208,129
Carrying amount									
At 31 March 2022	157,623	833,251	155,081	5,611	8,060	52,318	11	22	1,211,977
At 31 March 2021	-	792,916	179,966	109,151	2,031	15,904	78	-	1,100,046

The company had no tangible fixed assets at 31 March 2022 or 31 March 2021.

ARORA HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

13 Tangible fixed assets

(Continued)

If the group's freehold land and building, long term leasehold and short term leasehold property had not been revalued it would have been included at the following historical cost:

	2022 £'000	2021 £'000
Group		
Cost	807,082	665,916
Accumulated depreciation	(94,917)	(84,067)
Carrying value	<u>712,165</u>	<u>581,849</u>

The group's properties were revalued on 31 March 2022 by the directors at open market value. Where the deficit related to fixed asset valuation, it was taken to the revaluation reserve. The valuation was made taking into account the director's experience, desktop valuations, market transactions, age, location and condition of the property.

14 Investment property

	Group £'000
Fair value	
At 1 April 2021	217,698
Additions	11,046
Additions through subsidiary acquisition	35,550
Disposals	(94,734)
Transfers to tangible fixed assets at fair value	(9,250)
Net gains through fair value adjustments	83
At 31 March 2022	<u>160,393</u>

Investment properties are held at open market valuation as assessed by the directors at the year end.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	Group 2022 £'000	2021 £'000
Net book value	<u>173,490</u>	<u>232,676</u>

ARORA HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

15 Fixed asset investments

	Notes	Group 2022 £'000	2021 £'000	Company 2022 £'000	2021 £'000
Investments in subsidiaries	16	-	-	93,332	18,957
Fixed asset investments		1,571	27	-	-
		<u>1,571</u>	<u>27</u>	<u>93,332</u>	<u>18,957</u>

Movements in fixed asset investments Group

	Listed Investments £'000	Non-listed Investments £'000	Total £'000
Cost or valuation			
At 1 April 2021	27	-	27
Additions	1,065	505	1,570
Fair value adjustments	(26)	-	(26)
At 31 March 2022	<u>1,066</u>	<u>505</u>	<u>1,571</u>
Carrying amount			
At 31 March 2022	<u>1,066</u>	<u>505</u>	<u>1,571</u>
At 31 March 2021	<u>27</u>	<u>-</u>	<u>27</u>

Movements in fixed asset investments Company

	Shares in subsidiaries £'000
Cost or valuation	
At 1 April 2021	18,957
Additions	74,375
At 31 March 2022	<u>93,332</u>
Carrying amount	
At 31 March 2022	<u>93,332</u>
At 31 March 2021	<u>18,957</u>

16 Subsidiaries

Details of the company's subsidiaries at 31 March 2022 are as follows:

ARORA HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

16 Subsidiaries

(Continued)

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
ADL (London) Limited	England	Property development	Ordinary	-	100.00
AFT2 Property Investments Limited	Jersey	Property investment	Ordinary	-	100.00
AMSL Investments Limited	Jersey	Holding company	Ordinary	-	100.00
Ansko Hotel Limited	Jersey	In liquidation	Ordinary	-	100.00
Arora Developments Limited	England	Dormant	Ordinary	-	100.00
Arora Gatwick Ltd	England	Property investment	Ordinary	-	100.00
Arora Heathrow Holdings Limited	England	Property investment	Ordinary	-	100.00
Arora Heathrow Investments Limited	England	Property investment	Ordinary	-	100.00
Arora Heathrow T5 Limited	England	Property investment	Ordinary	-	100.00
Arora Hotels Limited	England	Holding company	Ordinary	-	100.00
Arora Investments JPUT Limited	England	Dormant	Ordinary	-	100.00
Arora Investments Limited	England	Holding company	Ordinary	-	100.00
Arora Leased Hotels Limited	England	Dormant	Ordinary	-	100.00
Arora Management Services Limited	England	Management services	Ordinary	-	100.00
Arora Gatwick Property Limited	England	Dormant	Ordinary	-	100.00
Arora T5 Holdings Limited	England	Holding company	Ordinary	-	100.00
Excel Hospitality Limited	England	Hotellers	Ordinary	-	100.00
Excel Hotel Management Limited	England	Hotel management	Ordinary	-	100.00
Grove Acquisitions Limited	England	Holding company	Ordinary	100.00	-
Grove Apartments Limited	England	Property investment	Ordinary	-	100.00
Grove Developments Limited	England	Construction	Ordinary	-	100.00
Grove F&B Limited	England	Hotellers	Ordinary	-	100.00
Grove Heathrow Limited	Jersey	Holding company	Ordinary	-	100.00
Grove HR Limited	England	Hotellers	Ordinary	-	100.00
Grove T5 Limited	England	Hotellers	Ordinary	-	100.00
Grove WP Limited	England	Hotellers	Ordinary	-	100.00
Grove WP Property Limited	England	Property investment	Ordinary	-	100.00
Heathrow T2 Hotel Limited	England	Hotellers	Ordinary	-	100.00
Heathrow T5 Hotel Limited	England	Property investment	Ordinary	-	100.00
London Airport Hotels Limited	England	Dormant	Ordinary	-	100.00
London Arena Investments Limited	England	Investment company	Ordinary	-	100.00
Meridian Group Investments S.a.r.l	Luxembourg	Holding company	Ordinary	-	100.00
Meridian Hotel Holdings S.a.r.l	Luxembourg	Property investment	Ordinary	-	100.00
Meridian Hotel Operations Limited	England	Hotellers	Ordinary	-	100.00
Meridian Pier Limited	England	Property investment	Ordinary	-	100.00
Meridian Residential Developments Limited	England	Property development	Ordinary	-	100.00
Millennial Investments Limited	England	Investment company	Ordinary	-	100.00
Buckinghamshire Golf Company Limited	England	Golf club	Ordinary	-	100.00
Buckinghamshire Park Resort (Holdings) Limited	England	Holding company	Ordinary	-	100.00
Meridian Hotel Holdings Limited	England	Holding company	Ordinary	-	100.00
Arora Dublin T2 Limited	England	Hotellers	Ordinary	-	100.00
Arora SLG Limited	England	Hotellers	Ordinary	-	100.00
Greenwich Holdings Limited	Jersey	Holding company	Ordinary	-	100.00
AH2 Limited	Jersey	Property investment	Ordinary	-	100.00
Heathrow West Limited	England	Project management	Ordinary	100.00	-
Arora Waterfront Holdings Limited	England	Holding company	Ordinary	-	100.00
Arora Waterfront Limited	England	Hotellers	Ordinary	-	100.00

ARORA HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

16 Subsidiaries

(Continued)

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Arora Waterfront Developments Limited	England	Property development	Ordinary	-	100.00
Arora Care Group Limited	England	Dormant	Ordinary	-	100.00
APHUT Limited	Jersey	Property investment	Ordinary	-	100.00
AP5 Limited	Isle of Man	Property investment	Ordinary	-	100.00
AGUT Limited	Jersey	Property investment	Ordinary	-	100.00
Luton Hoo Park Limited	England	Hotellers	Ordinary	-	100.00
AH6 Limited*	Jersey	Property investment	Ordinary	-	100.00
Arora UK Finance Limited	England	Financing	Ordinary	100.00	-

* Companies acquired in the year

Ansko Hotel Limited was liquidated after the year end.

The registered office for all the English subsidiaries is: World Business Centre 3, Newall Road, Hounslow, Middlesex, TW6 2TA.

The registered office for the Jersey companies is: 12 Castle Street, St Helier, Jersey, JE2 3RT.

Ansko Hotel Limited: 37 Esplanade, St Helier, Jersey, JE4 8WQ.

AP5 Limited: 54-62 Exchange House Athol Street, Douglas, Isle Of Man, IM1 1JD.

Meridian Group Investments S.a.r.l, Meridian Hotel Holdings S.a.r.l: Avenue de la Gare 42-44, 1610, Luxembourg.

17 Financial instruments

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Carrying amount of financial assets				
Debt instruments measured at amortised cost	74,998	33,861	253,775	286,980
Instruments measured at fair value through profit or loss	6,973	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount of financial liabilities				
Measured at fair value through profit or loss				
- Other financial liabilities	-	580	-	-
Measured at amortised cost	849,809	816,212	327,971	286,964
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

ARORA HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

18 Stocks

	Group 2022 £'000	2021 £'000
Raw materials and consumables	1,015	496
Contract work in progress	7,179	956
Finished stock - Apartments	-	1,937
	<u>8,194</u>	<u>3,389</u>

Contract work in progress represents long term contracts. The amount recognised in cost of sales during the period as an expense was £2,069,702 (2021: £73,901).

Finished stock represents completed apartments. The amount recognised in cost of sales during the period as an expense was £2,187,751 (2021: £7,585,873).

Stock recognised in cost of sales during the period as an expense was £9,463,437 (2021: £1,385,614).

19 Debtors

	Note	Group 2022 £'000	2021 £'000	Company 2022 £'000	2021 £'000
Amounts falling due within one year:		£'000	£'000	£'000	£'000
Trade debtors		6,530	2,915	-	-
Gross amounts owed by contract customers		-	211	-	-
Amounts due from related parties	31	302	57	-	-
Corporation tax recoverable		1,073	1,972	-	-
Amounts owed by group undertakings		293	572	246,858	286,980
Derivative financial instruments		5,907	-	-	-
Other debtors		7,289	8,789	-	-
Prepayments and accrued income		5,076	3,307	-	-
		<u>26,470</u>	<u>17,823</u>	<u>246,858</u>	<u>286,980</u>

At the year end amounts owed by group undertakings and related parties are repayable on demand at the option of both the lender and borrower.

ARORA HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

20 Creditors: amounts falling due within one year

		Group		Company	
	Notes	2022	2021	2022	2021
		£'000	£'000	£'000	£'000
Bank loans	22	80,078	268,017	20,000	-
Trade creditors		12,577	8,511	-	114
Amounts owed to group undertakings		309,579	270,426	307,878	269,314
Amounts owed to related parties	31	1,956	3,504	-	-
Corporation tax payable		1,173	-	-	-
Other taxation and social security		4,593	1,132	179	168
Derivative financial instruments		-	580	-	-
Other creditors		23,668	18,029	-	-
Accruals and deferred income		26,519	28,365	93	36
		<u>460,143</u>	<u>598,564</u>	<u>328,150</u>	<u>269,632</u>

At the year end amounts owed to group undertakings and related parties are repayable on demand at the option of both the lender and borrower.

21 Creditors: amounts falling due after more than one year

		Group		Company	
	Notes	2022	2021	2022	2021
		£'000	£'000	£'000	£'000
Bank loans and overdrafts	22	<u>405,519</u>	<u>235,836</u>	<u>-</u>	<u>17,500</u>

ARORA HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

22 Loans and overdrafts

	Group 2022 £'000	2021 £'000
Bank loans	485,597	503,853
	<u>485,597</u>	<u>503,853</u>
	Group 2022 £'000	2021 £'000
Loan payable within 1 year		
Bank loan	80,479	268,522
Finance charges	(401)	(505)
Loan payable between 1 to 2 years		
Bank loan	72,391	4,923
Finance charges	(559)	(249)
Loan payable between 2 and 5 years		
Bank loan	198,099	92,378
Finance charges	(649)	(420)
Loan payable more than 5 years		
Bank loan	136,663	139,702
Finance charges	(426)	(497)
	<u>136,663</u>	<u>139,702</u>

ARORA HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

22 Loans and overdrafts

(Continued)

The Heathrow T5 Hotel Limited loan amounts to £155,777,137 (2021: £159,476,433) and is secured by fixed and floating charge over its assets and is supported by guarantees provided by certain group companies.

The facility is repayable or must be refinanced on or before 20 October 2031. The interest rate is fixed for the term of the loan based on a commercial margin. The facility requires compliance with a number of financial covenants which are tested annually.

The Grove HR Limited bank loan amounts to £12,219,483 (2021: £12,405,566) and is secured by fixed and floating charges over its assets and is supported by guarantees provided by certain group companies.

The key terms of the loan are a maturity date of 17 August 2021 with interest charged at LIBOR plus a commercial margin. Following the year end, the facility was repaid on 26 May 2022.

The Excel Hospitality Limited bank loan amounts to £40,000,000 (2021: £40,000,000) and is secured by fixed and floating charges over the assets of the company. The key terms of the loan are a maturity date of 31 March 2023 extended to 30 June 2023 with interest charged at SONIA plus a commercial margin.

The loan provided to Heathrow T2 Hotel Limited amounts to £26,331,250 (2021: £27,318,485). The loan is secured by fixed and floating charges over its assets.

The facility is to be repaid on 20 December 2023. The interest rate is based on a margin at a commercial rate. Following the year end, the facility was refinanced for a new 3-year term and the loan facility was increased by £29,943,750 to £56,000,000.

The AH2 Limited bank loan amounts to £111,130,551 (2021: £111,187,176). The loan facility is secured by fixed and floating charges over the assets of the company and is supported by guarantees provided by certain group companies.

The facility was refinanced on 17 August 2021 with a maturity date of 17 August 2024.

The Arora Investments Limited bank loan amounts to £82,172,652 (2021: £100,232,812) and is secured by fixed and floating charges over the assets of the company and its subsidiaries. The key terms of the loan is a maturity of 27 April 2026 with interest charged at a commercial rate.

On 23 November 2020, a COVID support loan was provided to Arora Holdings Limited amounting to £20,000,000 (2021: £17,500,000). The loan is secured by fixed and floating charges over a limited number of assets of the group and is supported by a guarantee provided by fellow group companies.

Following the year end, the full amount of £20,000,000 has been repaid out of additional funding from the T2 Facility.

On 29 March 2022, an existing loan facility amounting to £40m was redesignated to Grove WP Property Limited as an investment loan. The loan is secured by fixed and floating charges over the assets of the company.

The facility is to be repaid or refinanced on or before 13 May 2024. The interest rate is based on SONIA plus a margin at a commercial rate. The loan has been refinanced on 28 November 2022 for a new 3 year term and the facility amount has been increased to £70,000,000.

All the facilities above require compliance with a number of financial covenants which are tested quarterly or annually.

ARORA HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

23 Provisions for liabilities

	Group 2022 £'000	2021 £'000	Company 2022 £'000	2021 £'000
Provisions for liabilities	3,796	-	-	-
Movements on provisions:				
				Provisions for liabilities £'000
Group				
Additional provisions in the year				3,796

24 Deferred taxation

The following are the major deferred tax (assets)/liabilities recognised by the group and movements thereon:

	Liabilities 2022 £'000	Liabilities 2021 £'000
Group		
Accelerated capital allowances	299	(184)
Tax losses	(9,250)	(11,753)
Revaluations on fixed assets	87,248	64,782
Retirement benefit obligations	(87)	(25)
Interest restrictions	(2,986)	-
Fair value movements on investment property	3,667	445
Fair value movement on swaps	-	(42)
	78,891	53,223

The company has no deferred tax assets or liabilities.

	Group £'000	Company £'000
Movements in the year:		
Liability at 1 April 2021	53,223	-
Charge to profit or loss	2,436	-
Charge to other comprehensive income	22,465	-
Deferred tax on acquisitions and disposals	767	-
Liability at 31 March 2022	78,891	-

During the year ending 31 March 2023 the deferred tax liability is expected to decrease by £200,000 due to the reversal of accelerated capital allowances and increase in tax losses.

ARORA HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

25 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£'000	£'000
Charge to profit or loss in respect of defined contribution schemes	809	899

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

Defined contribution scheme payment accrual recognised as a liability at the year end was £399,396 (2021: £159,366).

26 Share capital

Group and company	2022	2021	2022	2021
Issued and fully paid	Number	Number	£'000	£'000
Ordinary Shares of £1 each	101	101	-	-

27 Reserves

Profit and loss reserves

The profit and loss account represents cumulative profit or losses, net dividends paid and other adjustments.

Called up share capital

Called up share capital represents the nominal value and shares issued.

Revaluation reserve

Represents the cumulative unrealised valuation movement on investment properties, which is transferred from profit and loss account, net of any deferred tax.

Share premium

Share premium represents the excess of consideration paid for shares issued over the nominal value of those shares.

ARORA HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

28 Acquisition of a business

On 15th December 2021 the group acquired 100% share capital of Luton Hoo Park Limited, a UK company which owns and operates the Luton Hoo Hotel, Golf and Spa.

	Book Value £'000	Adjustments £'000	Fair Value £'000
Net assets acquired			
Property, plant and equipment	48,204	1,796	50,000
Inventories	127	-	127
Trade and other receivables	237	-	237
Cash and cash equivalents	1,090	-	1,090
Borrowings	(24,375)	-	(24,375)
Trade and other payables	(2,437)	-	(2,437)
Total identifiable net assets	<u>22,846</u>	<u>1,796</u>	<u>24,642</u>
Total consideration			<u>24,642</u>
The consideration was satisfied by:			£'000
Cash			<u>24,642</u>
Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:			£'000
Turnover			2,527
Loss after tax			<u>(2,213)</u>

29 Operating lease commitments

Lessee

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

	Group 2022 £'000	2021 £'000
Within one year	7,756	7,756
Between two and five years	30,856	30,913
In over five years	225,410	233,110
	<u>264,022</u>	<u>271,779</u>

ARORA HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

29 Operating lease commitments

(Continued)

Lessor

At the reporting end date the group had contracted with tenants for the following minimum lease payments:

	Group 2022 £'000	2021 £'000
Within one year	70	222
Between two and five years	70	140
	<u>140</u>	<u>362</u>

30 Events after the reporting date

Grove HR Limited

On 26 May 2022, the loan facility was refinanced for a new 4 year term and is repayable by 27 April 2026.

Heathrow T2 Hotel Limited

On 19th July 2022, the loan facility was refinanced for new 3 year term and the loan facility was increased.

Grove WP Property Limited

On 28th November 2022, the loan facility was refinanced for new 3 year term and the loan facility was increased.

ARORA HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

31 Related party transactions

The company is a wholly-owned subsidiary of the Arora Family Trust No.2 and utilises the exemption contained in Financial Reporting Standards 102 'Related Party Disclosures' not to disclose any transactions with wholly-owned entities that part of the group.

At the year end the group had the following amounts due, net of provision from the following entities and their subsidiaries:

Amounts owed by related parties	2022 £'000	2021 £'000
Group		
Arora Family Trust	50	39
Littlebrook Nursery Limited	56	-
Heathrow T4 LP	3	12
Solight Limited	-	5
AH9 Limited	1	1
Heathrow T4 Hotel Limited	177	-
City Place Gatwick Management Company Limited	5	-
The Heathrow Hotel Limited	4	-
Woodlon Limited	6	-
	<u>302</u>	<u>57</u>

At the year end the group had the following amounts due to the following entities and their subsidiaries:

Amounts owed to related parties	2022 £'000	2021 £'000
Group		
Arora Family Trust	1,600	1,600
Booker Aircraft Leasing Limited	230	230
Arora Pension Fund	126	1,572
Heathrow T4 Hotel Limited	-	23
The Heathrow Hotel Limited	-	4
Partner Property Services Limited	-	74
Manor Management Company Limited	-	1
	<u>1,956</u>	<u>3,504</u>

Other information

All the above entities are related by virtue of a common ultimate beneficiary, Mr S Arora and common directors.

ARORA HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

32 Controlling party

The immediate parent of Arora Holdings Limited is 555 Limited, a company registered in Jersey.

The ultimate parent entity of Arora Holdings Limited is Arora Family Trust No. 2, a trust registered in Jersey, and the parent of the largest group for which accounts are drawn up and of which the company is a member.

The ultimate controlling entity of Arora Holdings Limited is Apex Financial Services (Trustees) Limited, a regulated trust company administered in Jersey.

33 Contingent liabilities

Certain loans, provided to the wider Arora Group, are secured by fixed and floating charges over the assets of certain companies within Arora Holdings Limited and its subsidiaries. As at 31 March 2022, the loans in the wider Arora Group amounted to £58,631,140 (2021: £59,524,000).

34 Analysis of changes in net debt - Group

	1 April 2021	Cash flows	Acquisitions and disposals	Other non-	31 March 2022
	£'000	£'000	£'000	cash changes	£'000
Cash at bank and in hand	21,526	29,960	9,098	-	60,584
Borrowings excluding overdrafts	(503,853)	7,347	11,623	(714)	(485,597)
	<u>(482,327)</u>	<u>37,307</u>	<u>20,721</u>	<u>(714)</u>	<u>(425,013)</u>