

Company Registration No. 08478795 (England and Wales)

**GROVE T5 LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**



**Arora**  
GROUP

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## **GROVE T5 LIMITED**

### **COMPANY INFORMATION**

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<b>Directors</b>	Athos Yiannis Surinder Arora Carlton Brown Sanjeev Roda
<b>Secretary</b>	Athos Yiannis
<b>Company number</b>	08478795
<b>Registered office</b>	World Business Centre 3 Newall Road London Heathrow Airport Hounslow England TW6 2TA
<b>Auditor</b>	BDO LLP 55 Baker Street London W1U 7EU

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# **GROVE T5 LIMITED**

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## GROVE T5 LIMITED

### STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2019

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#### INTRODUCTION

Grove T5 Limited "the company" is part of the Arora Group of companies, 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 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 group can be found on [www.thearoragroup.com](http://www.thearoragroup.com).

#### REVIEW OF BUSINESS

The trading year produced a positive result for turnover growth with turnover increasing by £1,463,195 compared to the previous year. The positive result was due to an increase in all major revenue channels with a significant increase in Meetings and Events which was achieved by the increase in the number of large events being held at the property and an increase in flight delays due to the Arora Group managing the delayed flights of a major airline for the Heathrow area.

The occupancy increase of 5% compared to the prior year flowed through to an increase in food and beverage sales.

This revenue growth has helped to mitigate the impact of cost increases being experienced by the market, including National Living Wage, business rates and inflationary food costs.

However significant increases in utility prices during the year resulted in a loss of conversion to profit before taxation which has resulted in a decrease in profit before taxation of £330,046.

#### KEY PERFORMANCE INDICATORS

The company 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:

	2019	2018
	£	£
Turnover	43,553,933	42,090,738
Trading EBITDA	1,206,427	1,340,126

#### BALANCED SCORECARD

This sets out to measure guest satisfaction, labour turnover, cash management, internal financial controls, Health and Safety, 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.

## **GROVE T5 LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2019**

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#### **MODERN SLAVERY STATEMENT**

Information on our statement and policies around Modern Slavery can be found at <https://thearoragroup.com/about/policy-position/modern-slavery>.

#### **GENERAL DATA PROTECTION REGULATION (GDPR)**

Information on the policies and steps we have taken to ensure that the privacy and security of personal information is respected throughout our organisation can be found at <https://thearoragroup.com/GDPR>.

#### **ENVIRONMENTAL SUSTAINABILITY POLICY STATEMENT**

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

#### **GENDER PAY REPORTING**

Grove T5 Limited's gender pay back reports can be accessed via the Arora Group website on: <http://www.thearoragroup.com/about/policy-position/gender-pay-reporting>.

#### **ARORA GROUP'S HEALTH AND SAFETY STATEMENT OF COMMITMENT**

To see more information on what we do, go to <https://thearoragroup.com/about/policy-position/healthandsafety>.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The main financial risks arising from the company'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 company's policy in respect of credit risk is to require appropriate credit checks on potential customers before sales are made.

The company'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 company'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 company 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 company.

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## **GROVE T5 LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2019**

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#### **POLITICAL AND CHARITABLE DONATIONS**

Arora Charitable Foundation was established in 2010 to create a structure for Arora group's social responsibilities initiatives.

For more information go to <https://aroracharitablefoundation.com/>.

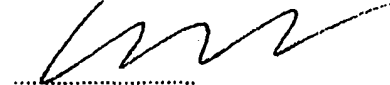
During the year, the company did not make charitable donations or any political contributions.

#### **EMPLOYEE INVOLVEMENT POLICY**

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

This statement was approved by the board of Grove T5 Limited.

On behalf of the board



.....  
Carlton Brown

Director

27.09.19

# **GROVE T5 LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2019**

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The directors present their annual report and financial statements for the year ended 31 March 2019.

#### **Principal activities**

The principal activity of the company continued to be that of a hotelier.

#### **Directors**

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

Athos Yiannis  
Surinder Arora  
Carlton Brown  
Sanjeev Roda

#### **Results and dividends**

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statement; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

#### **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 company's auditor 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 company's auditor is aware of that information.

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**GROVE T5 LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2019**

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**Auditor**

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

On behalf of the board



.....  
Carlton Brown

Director

Date: 27.09.19



# GROVE T5 LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROVE T5 LIMITED

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### Opinion

We have audited the financial statements of Grove T5 Limited ("the Company") for the year ended 31 March 2019 which comprise the income statement, the statement of comprehensive income, the statement of financial position and the statement of changes in equity, and the 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

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

### Other information

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

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

We have nothing to report in this regard.

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## **GROVE T5 LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF GROVE T5 LIMITED**

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#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

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

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

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

#### **Responsibilities of directors**

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

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

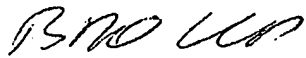
## GROVE T5 LIMITED

### INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF GROVE T5 LIMITED

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#### Use of our report

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



**Marc Reinecke (Senior Statutory Auditor)**  
For and on behalf of BDO LLP, statutory auditor  
London, UK

30/9/2019  
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BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

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**GROVE T5 LIMITED****INCOME STATEMENT****FOR THE YEAR ENDED 31 MARCH 2019**

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	Notes	2019 £	2018 £
Turnover		43,553,933	42,090,738
Cost of sales		(3,028,800)	(2,718,162)
<b>Gross profit</b>		<b>40,525,133</b>	<b>39,372,576</b>
Administrative expenses		(40,350,795)	(38,810,770)
Other operating income	5	512,905	455,483
<b>Profit before taxation</b>		<b>687,243</b>	<b>1,017,289</b>
Tax on profit	7	(247,355)	(187,097)
<b>Profit for the financial year</b>		<b>439,888</b>	<b>830,192</b>

The Income Statement has been prepared on the basis that all operations are continuing operations.

## **GROVE T5 LIMITED**

### **STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2019**

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	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Profit for the year</b>	<b>439,888</b>	<b>830,192</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b><u>439,888</u></b>	<b><u>830,192</u></b>

# GROVE T5 LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	8		1,943,654		1,371,048
<b>Current assets</b>					
Stocks	9	129,152		127,099	
Debtors	10	18,524,672		16,045,196	
Cash at bank and in hand		586,344		1,812,635	
		19,240,168		17,984,930	
<b>Creditors: amounts falling due within one year</b>	11	(7,958,673)		(6,556,667)	
<b>Net current assets</b>			11,281,495		11,428,263
<b>Total assets less current liabilities</b>			13,225,149		12,799,311
<b>Provisions for liabilities</b>	12		-		(14,050)
<b>Net assets</b>			13,225,149		12,785,261
<b>Capital and reserves</b>					
Called up share capital	15		100		100
Profit and loss reserves	16		13,225,049		12,785,161
<b>Total equity</b>			13,225,149		12,785,261

The financial statements were approved by the board of directors and authorised for issue on 27.09.19 and are signed on its behalf by:

  
 .....  
 Carlton Brown  
 Director

Company Registration No. 08478795

## **GROVE T5 LIMITED**

### **STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019**

	<b>Share capital</b>	<b>Profit and loss reserves</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Balance at 1 April 2017</b>	100	11,954,969	11,955,069
<b>Year ended 31 March 2018:</b>			
Profit and total comprehensive income for the year	-	830,192	830,192
<b>Balance at 31 March 2018</b>	100	12,785,161	12,785,261
<b>Year ended 31 March 2019:</b>			
Profit and total comprehensive income for the year	-	439,888	439,888
<b>Balance at 31 March 2019</b>	100	13,225,049	13,225,149

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## GROVE T5 LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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#### 1 Accounting policies

##### Company information

Grove T5 Limited is a private company limited by shares incorporated in England and Wales. The registered office is World Business Centre 3, Newall Road, London Heathrow Airport, Hounslow, England, TW6 2TA.

##### 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 have been prepared under the historical cost convention.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Arora Hotels Limited. These consolidated financial statements are available from its registered office, World Business Centre 3, Newall Road, London Heathrow Airport, Hounslow, TW6 2TA.

##### 1.2 Going concern

The financial statements have been prepared on the going concern basis which the directors consider to be appropriate for the reason set out below:

The company has prepared cash flow projections for a period of 12 months from the date the accounts were signed which show that the company will continue to trade for the foreseeable future. On this basis, the directors consider that it is appropriate to prepare the company's financial statements on a going concern basis.

##### 1.3 Turnover

Turnover is from sales to external customers at invoiced amounts less value added tax on sales. Turnover is recognised when the service is provided. Turnover is recognised on an accruals basis and is measured at the fair value of the consideration received or receivable.



# GROVE T5 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 1 Accounting policies

(Continued)

#### 1.4 Tangible fixed assets

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

Costs of replacing items of fixed assets are capitalised when they are expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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

Plant, machinery and vehicles	7 years
Fixtures, fittings, tools and equipment	2 - 10 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income or losses' in the statement of comprehensive income.

#### 1.5 Stocks

Stocks are stated at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

#### 1.6 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.7 Financial instruments

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

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

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

# GROVE T5 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 1 Accounting policies

(Continued)

#### *Fair value measurement of financial instruments*

The company enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in no-puttable ordinary shares.

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

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of the estimated cash flow discounted at the asset's original effective rate. If a financial asset has a variable rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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 profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# GROVE T5 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 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 profit or loss.

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

#### **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 company 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 company 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 profit or loss 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.

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## GROVE T5 LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

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#### 1 Accounting policies

(Continued)

##### ***Derecognition of financial liabilities***

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

#### 1.8 Taxation

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

##### ***Current tax***

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

##### ***Deferred tax***

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

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

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### 1.9 Employee benefits

A liability is recognised to the extent of an unused holiday pay entitlement which is accrued at the Statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of financial position date.

#### 1.10 Retirement benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions are charged to the profit and loss account as they become payable in accordance with the rule of the scheme. At the year end, no amounts relating to pensions costs were accrued or prepaid.

# GROVE T5 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 1 Accounting policies

(Continued)

#### 1.11 Leases

Rentals payable under operating leases are charged to profit and loss on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the group recognises annual rent expense equal to amounts owed to the lessor.

The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

#### 1.12 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 are included in the income statement for the period.

#### 1.13 Debtors

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

#### 1.14 Creditors

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

#### 1.15 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 added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

### 2 Judgements and key sources of estimation uncertainty

There are no material judgements or estimates in preparation of these financial statements.

### 3 Operating profit

	2019	2018
Operating profit for the year is stated after charging:	£	£
Auditors' remuneration	15,488	15,488
Depreciation of owned tangible fixed assets	519,828	322,837
Hire of plant and machinery	594,184	413,519
Operating lease charges - variable rent	17,626,752	17,018,489

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## GROVE T5 LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

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#### 4 Employees

The average monthly number of persons employed by the company during the year was:

	2019 Number	2018 Number
Operations	366	372

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	6,649,000	6,563,339
Social security costs	687,062	635,187
Pension costs	124,265	66,714
	<u>7,460,327</u>	<u>7,265,240</u>

#### 5 Other operating income

	2019 £	2018 £
Other rental income	<u>512,905</u>	<u>455,483</u>

#### 6 Directors' remuneration

None of the directors of the company were paid emoluments for their services to the company during the year. It is not considered practicable to allocate their remuneration between the companies which they are directors. Their remuneration is disclosed in the financial statements of the parent company, Grove Acquisitions Limited. No directors accrued benefits under defined contributions schemes during the year.

#### 7 Taxation

	2019 £	2018 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	271,195	219,859
Adjustments in respect of prior periods	(6,458)	-
Total current tax	<u>264,737</u>	<u>219,859</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>(17,382)</u>	<u>(32,762)</u>
Total tax charge	<u>247,355</u>	<u>187,097</u>

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# GROVE T5 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

(Continued)

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

	2019 £	2018 £
Profit before taxation	687,243	1,017,289
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	130,576	193,285
Tax effect of expenses that are not deductible in determining taxable profit	99,469	694
Tax effect of income not taxable in determining taxable profit	-	(4,750)
Effect of change in corporation tax rate	4,333	(1,653)
Under/(over) provided in prior years	(6,458)	-
Deferred tax adjustments in respect of prior years	19,435	(479)
Taxation charge for the year	247,355	187,097

### 8 Tangible fixed assets

	Plant, machinery and vehicles and equipment £	Fixtures, fittings, tools and equipment £	Total £
<b>Cost</b>			
At 1 April 2018	557,565	1,527,359	2,084,924
Additions	-	1,092,433	1,092,433
At 31 March 2019	557,565	2,619,792	3,177,357
<b>Depreciation and impairment</b>			
At 1 April 2018	75,378	638,498	713,876
Depreciation charged in the year	105,015	414,812	519,827
At 31 March 2019	180,393	1,053,310	1,233,703
<b>Carrying amount</b>			
At 31 March 2019	377,172	1,566,482	1,943,654
At 31 March 2018	482,187	888,861	1,371,048

## GROVE T5 LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

#### 9 Stocks

	2019 £	2018 £
Raw materials and consumables	129,152	127,099

Stocks recognised in cost of sales during the period as an expense amounted to £2,168,779 (2018: £2,050,753).

#### 10 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	1,466,550	1,576,891
Corporation tax recoverable	8,347	134,267
Amounts owed by group undertakings	16,346,953	14,238,489
Other debtors	533,525	-
Prepayments and accrued income	165,965	95,549
	18,521,340	16,045,196
Deferred tax asset (note 13)	3,332	-
	18,524,672	16,045,196

Amounts owed by group undertakings are repayable on demand at the option of both the lender and borrower.

During the year ending 31 March 2020 the deferred tax asset is expected to reverse by £3,332 due to the reversal of capital allowances.

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

	2019 £	2018 £
Trade creditors	1,388,765	1,067,661
Amounts due to group undertakings	2,439,546	1,430,575
Other taxation and social security	1,170,585	1,133,321
Other creditors	2,558,417	2,069,353
Accruals and deferred income	401,360	855,757
	7,958,673	6,556,667

Amounts owed to group undertakings are repayable on demand at the option of both the lender and borrower.



# GROVE T5 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 12 Provisions for liabilities

	Notes	2019 £	2018 £
Deferred tax liabilities	13	-	14,050

### 13 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2019 £	Liabilities 2018 £	Assets 2019 £	Assets 2018 £
<b>Balances:</b>				
Accelerated capital allowances	-	14,050	3,332	-
<b>Movements in the year:</b>				2019 £
Liability at 1 April 2018				14,050
Credit to profit or loss				(17,382)
(Asset) at 31 March 2019				(3,332)

### 14 Retirement benefit schemes

	2019 £	2018 £
<b>Defined contribution schemes</b>		
Charge to income statement in respect of defined contribution schemes	124,265	66,714

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Defined contribution scheme payment accrual recognised as a liability at the year end was £45,215 (2018: £13,570).

### 15 Share capital

	2019 £	2018 £
<b>Ordinary share capital</b>		
Issued and fully paid		
100 Ordinary Shares of £1 each	100	100

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## GROVE T5 LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

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#### 16 Profit and loss reserves

The company's reserves are as follows:

##### Called up share capital

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

##### Profit and loss account

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

#### 17 Operating lease commitments

##### Lessee

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

	2019 £	2018 £
<b>Land and buildings</b>		
Within one year	13,000,000	13,008,227
Between two and five years	52,000,000	52,003,826
In over five years	299,000,000	312,000,000
	<u>364,000,000</u>	<u>377,012,053</u>

#### 18 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 are part of the group.

#### 19 Controlling party

The immediate parent of the company is Arora T5 Holdings Limited, a company registered in the United Kingdom.

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

The ultimate controlling entity of the company is Apex Financial Services (Trustees) Limited (formerly Link Trustee Services (Jersey) Limited), a regulated trust company administered in Jersey.

#### 20 Contingent liabilities

On the 18th October 2016, a facility was provided to Arora T5 Holdings Limited, the 'Company', and its subsidiaries, Heathrow T5 Hotel Limited and Grove T5 Limited, together, the 'Obligors'. The loan was secured by fixed and floating charges over the assets of the Obligors. As at 31 March 2019 the loan amounted to £166,520,089 (2018: £169,872,060).