Company Registration No. 08478795 (England and Wales)

GROVE T5 LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

Arora
GROUP

GROVE T5 LIMITED

COMPANY INFORMATION

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

GROVE T5 LIMITED

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GROVE T5 LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

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.

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 company.

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 company's operations on the community and environment; and the desirability of the company maintaining a reputation for high standards of business conduct.

Any likely consequences of decisions taken by the company 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.

<u>Corporate Customers</u>
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.

Hotel Guests and Transient Market
The Arora Group is a customer centric hotel company 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 has 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.

Review of Business

The hotel was shuttered before the March 2020 year end due to the COVID-19 pandemic until September 2020.

Despite COVID-19 having a severe impact on the performance in the year with numerous events being cancelled/postponed plus a significant decrease in flights and therefore passenger numbers, the hotel still managed to achieve revenue of £6,739,981 (2020: £41,626,543). This was whilst keeping an average daily rate of £137.25 (2020: £131.80) which was a good result compared to the daily rates of other nearby hotels.

During a challenging year, the Government initiatives helped the hotel maintain a degree of control on costs however, from July 2020, the hotel team was restructured. The restructuring has enabled the hotel to consolidate some departments and have a leaner management team to increase productivity and efficiency going forward.

Even though there has been improvement in the market after year end and restrictions continuing to be lifted across the UK economy and hospitality industry, COVID-19 has continued to have a significant impact on the hotel market. However, from May 2021, the hotel was chosen by the Government to be one of the quarantine hotels for the travellers who have arrived from red-listed countries.

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:

	2021	2020
	£	£
Turnover	6,739,981	41,626,543
Trading EBITDA	(13,573,501)	(67,453)

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 2021

Principal risks and uncertainties
The main financial risks arising from the company's activities are COVID-19 risk, credit risk, interest rate risk and liquidity risk. These are monitored by the board of directors and only COVID-19 was considered to be significant at the balance sheet date.

The COVID-19 outbreak at the end of the financial year has had a significant impact on the operations of the hotel after year end and across the whole hospitality sector in the UK. It is uncertain to know the future impacts this will have on future trading as the situation is continuously changing.

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.

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 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 company has been included within this report.

Going Concern
The directors assessment on going concern can be found in note 1 of this report.

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

On behalf of the board

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Carlton Brown
Director
14th October 2021
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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present their annual report and financial statements for the year ended 31 March 2021.

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 11.

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

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.

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 1st April 2019 and applies to large company reporting years starting on or after 1st 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 organisation, please visit https://thearoragroup.com/about/policy-position/environmentalsustainability.

	2021	2020
Energy consumption used to calculate emissions: /kWh (optional to provide separate figures for gas, electricity, transport fuel and other energy sources)	5,631,032	18,319,171
Emissions from combustion of gas tCO2e (Scope 1)	88	1,884
Emissions from purchased electricity (Scope 2, location-based)	1,201	2,063
Total gross CO2e based on above	**1,289**	**3,947**
Methodology	GHG Protocol Corporate Standard	GHG Protocol Corporate Standard
Emissions from generation of electricity that is consumed in a transmission and distribution system for which the company does not own or control (Scope 3) / tCO2e	103	175
Total gross Scope 3 emissions / tCO2e	**103**	**175**
Total gross Scope 1, Scope 2 [location] & Scope 3 emissions / tCO2e	**1,393**	**4,122**
Total annual net emissions / tCO2e	**1,393**	**4,122**
Additional intensity ratio: tCO2e net figure / £100,000 revenue	20.66	9.90
Third Party verification	Report independently prepared	Report independently prepared

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 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 statements; 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.

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

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Carlton Brown
Director

Date: 6th October 2021

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

Opinion on the financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its loss 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.

We have audited the financial statements of Grove T5 Limited ("the Company") for the year ended 31 March 2021 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)..

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 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 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.

Other Information
The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements 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 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, 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 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 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.

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 legal and regulatory framework applicable to the Company and the industry in which it operates and considered the significant laws and regulations to be those relating to the industry, financial reporting framework and tax legislation.
- We held discussions with management and the Board to consider any known or suspected instances of non-compliance with laws and regulations or fraud identified by them.
- 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 Company.
- We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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.

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.

DocuSigned by:
Marc Reinecke

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

04 October 2021

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

GROVE T5 LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Turnover		6,739,981	41,626,543
Cost of sales		(772,785)	(2,801,069)
Gross profit		5,967,196	38,825,474
Administrative expenses		(24,074,114)	(40,219,958)
Other operating income	5	3,843,482	664,586
Loss before taxation		(14,263,436)	(729,898)
Tax on loss	7	36,103	171,869
Loss for the financial year		(14,227,333)	(558,029)

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 2021

	2021 £	2020 £
Loss for the year	(14,227,333)	(558,029)
Other comprehensive income	-	-
Total comprehensive income for the year	(14,227,333)	(558,029)

GROVE T5 LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	8		1,463,248		1,666,605
Current assets					
Stocks	9	54,883		119,026	
Debtors	10	16,038,097		19,137,275	
Cash at bank and in hand		605,321		186,049	
		16,698,301		19,442,350	
Creditors: amounts falling due within one year	11	(19,721,762)		(8,441,835)	
Net current (liabilities)/assets			(3,023,461)		11,000,515
Total assets less current liabilities			(1,560,213)		12,667,120
Capital and reserves					
Called up share capital	14		100		100
Profit and loss reserves	15		(1,560,313)		12,667,020
Total equity			(1,560,213)		12,667,120

The financial statements were approved by the board of directors and authorised for issue on 4/10/21 and are signed on its behalf by:

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Carlton Brown
Director

Company Registration No. 08478795

GROVE T5 LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 April 2019	100	13,225,049	13,225,149
Year ended 31 March 2020:			
Loss and total comprehensive income for the year	-	(558,029)	(558,029)
Balance at 31 March 2020	100	12,667,020	12,667,120
Year ended 31 March 2021:			
Loss and total comprehensive income for the year	-	(14,227,333)	(14,227,333)
Balance at 31 March 2021	100	(1,560,313)	(1,560,213)

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 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 Covid-19 outbreak in early 2020 has had a significant impact on the operations of the company, as it has on all UK hotels. Prior to the outbreak, the group's hotels had traded profitably and it is the expectation of the directors that normal operations will be able to resume once the restrictions in relation to Covid-19 are fully lifted. Many of the group's hotels however are highly dependent on a significant increase in airline travel.

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 albeit to a lower level than previously achieved. These forecasts, however, include a level of judgement specifically around occupancy levels and achievable rates and improvements in tourist travel.

The Company has received confirmation from Heathrow T5 Hotel Limited that loans will not be recalled within a period of twelve months from the date of signing these financial statements if this would cause a cash flow issue.

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 Accounting policies **(Continued)**

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.

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 and cash equivalents 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.

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.

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 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.

1 Accounting policies **(Continued)**

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

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

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 income statement 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.

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 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.

1.13 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 the income statement.

1.14 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.

1.15 Creditors

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

1.16 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

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, judgement or estimation involved in their application and their impact on the financial statements.

Going concern

The directors considerations and judgements on going concern are set out in note 1.

3 Operating loss

Operating loss for the year is stated after charging:	2021 £	2020 £
Auditors' remuneration	22,025	22,025
Depreciation of owned tangible fixed assets	689,934	656,756
Hire of plant and machinery	13,168	405,250
Operating lease charges - variable rent	13,000,000	16,916,720

4 Employees

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

	2021 Number	2020 Number
Operations	285	374

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	5,364,451	7,308,878
Social security costs	415,052	702,084
Pension costs	132,043	170,814
	5,911,546	8,181,776

5 Other operating income

	2021 £	2020 £
Other rental income	483,282	664,586
Government grants - Coronavirus Job Retention Scheme	3,360,200	-
	3,843,482	664,586

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

	2021 £	2020 £
Current tax		
Adjustments in respect of prior periods	-	(98,767)
Deferred tax		
Origination and reversal of timing differences	(51,359)	(62,732)
Changes in tax rates	-	(392)
Adjustment in respect of prior periods	15,256	(9,978)
Total deferred tax	(36,103)	(73,102)
Total tax credit	(36,103)	(171,869)

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

	2021 £	2020 £
Loss before taxation	(14,263,436)	(729,898)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(2,710,053)	(138,681)
Tax effect of expenses that are not deductible in determining taxable profit	9,782	1,776
Tax effect of income not taxable in determining taxable profit	(2,016)	(2,016)
Group relief	2,650,928	76,189
Over provided in prior years	-	(98,767)
Deferred tax adjustments in respect of prior years	15,256	(10,370)
Taxation credit for the year	(36,103)	(171,869)

8 Tangible fixed assets

	Plant, machinery and vehicles	Fixtures, fittings, tools and equipment	Total
	£	£	£
Cost			
At 1 April 2020	1,000,683	2,556,381	3,557,064
Additions	72,810	413,767	486,577
At 31 March 2021	1,073,493	2,970,148	4,043,641
Depreciation and impairment			
At 1 April 2020	332,652	1,557,807	1,890,459
Depreciation charged in the year	189,864	500,070	689,934
At 31 March 2021	522,516	2,057,877	2,580,393
Carrying amount			
At 31 March 2021	550,977	912,271	1,463,248
At 31 March 2020	668,031	998,574	1,666,605

9 Stocks

	2021 £	2020 £
Raw materials and consumables	54,883	119,026

Stocks recognised in cost of sales during the period as an expense amounted to £304,864 (2020: £2,153,731).

10 Debtors

Amounts falling due within one year:	2021 £	2020 £
Trade debtors	89,873	1,122,385
Corporation tax recoverable	160,600	222,607
Amounts owed by group undertakings	15,321,758	17,440,281
Other debtors	225,845	95,553
Prepayments and accrued income	127,484	180,015
	15,925,560	19,060,841
Deferred tax asset (note 12)	112,537	76,434
	16,038,097	19,137,275

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

During the year ending 31 March 2022 the deferred tax asset is expected to reverse by £50,000 due to the reversal of capital allowances.

11 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	155,440	1,301,085
Amounts due to group undertakings	12,804,334	3,196,391
Amounts due to related parties	-	940
Other taxation and social security	916,741	1,060,527
Other creditors	1,176,467	2,039,628
Accruals and deferred income	4,668,780	843,264
	19,721,762	8,441,835

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

12 Deferred taxation

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

Balances:	**2021 £**	**2020 £**
Accelerated capital allowances	108,653	69,026
Retirement benefit obligations	3,884	7,408
	112,537	76,434

Movements in the year:	**£**
Asset at 1 April 2020	(76,434)
Credit to the income statement	(36,103)
Asset at 31 March 2021	(112,537)

13 Retirement benefit schemes

Defined contribution schemes	**2021 £**	**2020 £**
Charge to income statement in respect of defined contribution schemes	132,043	170,814

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 £20,440 (2020: £38,988).

14 Share capital

	2021 £	**2020 £**
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	100	100

15 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.

16 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:

	2021	2020
	£	£
Land and buildings		
Within one year	13,000,000	13,000,000
Between two and five years	52,000,000	52,000,000
In over five years	273,000,000	286,000,000
	338,000,000	351,000,000

17 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.

Included within amounts due to related parties was £nil (2020: £940) which was owed to Heathrow T4 Hotel Limited.

The above entity is related by virtue of common directorship being S Arora and C Brown.

18 Ultimate 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, a regulated trust company administered in Jersey.

19 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 2021 the loan amounted to £159,476,432 (2020: £163,056,128).