Company Registration No. 12107460 (England and Wales)

ARORA SLG LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

Arora

GROUP

ARORA SLG LIMITED

COMPANY INFORMATION

Directors	Carlton Brown Athos Yiannis Surinder Arora Sanjay Arora
Company number	12107460
Registered office	World Business Centre 3 Newall Road London Heathrow Airport Middlesex United Kingdom TW6 2TA
Auditor	BDO LLP 55 Baker Street London W1U 7EU

ARORA SLG LIMITED

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STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Introduction
Arora SLG Limited "the Company" is one of the companies that forms part of the Arora Group, a successful UK-focused private group of companies, which leverages synergies across its specialist property, construction and hotel divisions to its strategic advantage. Since 1999, the 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.

Review of business
Following the shuttering of the hotel due to COVID-19 at the beginning of the year, the hotel took the opportunity to complete the refurbishment of all the bedrooms and meeting rooms whilst the hotel was shuttered. The hotel re-opened from December 2020.

From the date of re-opening, revenue was heavily impacted after reopening due to concerns regarding international travel leading to reduced passenger numbers, airlines not returning to Gatwick and restrictions regarding food and beverage. Subsequently, Gatwick Airport has seen a drop in passenger numbers since March 2020 which has adversely affected occupancy levels at the hotel with total revenue £469,427 (2020: £10,529,049).

In response to the downturn in the hospitality trade, the hotel restructured the team. The restructuring has enabled the hotel to consolidate some departments and have a leaner hierarchy to increase productivity and efficiency going forward.

Despite a slight 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's trading performance. From April 2021, the hotel was chosen by the Government to be one of the quarantine hotels for 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	469,427	10,529,049
Trading EBITDA	(8,942,850)	826,501

Balanced Scorecard
This sets out to measure guest satisfaction, labour turnover, cash management, internal financial controls, Health and Safety and Environmental audits and profit achievement as the 6 key indicators of the health of the business. The hotel has performed satisfactorily in all categories despite the economic climate.

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.

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://arorացharitablefoundation.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.

On behalf of the board

....
Carlton Brown
Director
5th October 2021
....

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 during the year was 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:

Carlton Brown
Athos Yiannis
Surinder Arora
Sanjay Arora

Results and dividends
The results for the year are set out on page 8.

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.

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.

ARORA SLG LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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

....
Carlton Brown
Director

Date: 5th October 2021

ARORA SLG LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ARORA SLG 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 Arora SLG 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, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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.

Emphasis of matter – significant estimation uncertainty in relation to hotel valuations
We draw attention to note 2 to the financial statements which explains that as a result of the impact of the Covid-19 on the market, the Directors have advised that less certainty and a higher degree of caution should be attached to their property valuations than would normally be the case. In particular, the Directors have had to exercise judgement in respect of occupancy rates and consequently expected future EBITDA. Our opinion is not modified in respect of this matter.

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.

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

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

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

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

- We obtained an understanding of the 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.

Marc Reinecke

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

Date 05 October 2021

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

ARORA SLG LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Year ended 31 March 2021 £	Period ended 31 March 2020 £
Turnover		469,427	10,529,049
Cost of sales		(90,472)	(569,190)
Gross profit		378,955	9,959,859
Administrative expenses		(13,763,598)	(10,641,214)
Other operating income	4	2,249,953	394,309
Loss before taxation		(11,134,690)	(287,046)
Tax on loss	7	63,501	-
Loss for the financial year		(11,071,189)	(287,046)

The income statement has been prepared on the basis that all operations are continuing operations.

ARORA SLG LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	Year ended 31 March 2021 £	Period ended 31 March 2020 £
Loss for the year	(11,071,189)	(287,046)
Other comprehensive income		
Revaluation of tangible fixed assets	2,183,925	1,092,405
Tax relating to other comprehensive income	(56,598)	(28,383)
Other comprehensive income for the year	2,127,327	1,064,022
Total comprehensive income for the year	(8,943,862)	776,976

ARORA SLG LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

		2021		2020	
	Notes	**£**	**£**	**£**	**£**
Fixed assets					
Tangible assets	**8**		43,087,585		43,087,585
Current assets					
Stocks	**9**	28,579		50,898	
Debtors	**10**	2,863,645		13,715,151	
Cash at bank and in hand		92,818		1,866,476	
		2,985,042		15,632,525	
Creditors: amounts falling due within one year	**11**	(50,307,554)		(54,004,272)	
Net current liabilities			(47,322,512)		(38,371,747)
Total assets less current liabilities			(4,234,927)		4,715,838
Provisions for liabilities	**12**		(3,931,859)		(3,938,762)
Net (liabilities)/assets			(8,166,786)		777,076
Capital and reserves					
Called up share capital	**15**		100		100
Revaluation reserve			3,191,349		1,064,022
Profit and loss reserves	**16**		(11,358,235)		(287,046)
Total equity			(8,166,786)		777,076

The financial statements were approved by the board of directors and authorised for issue on 5/10/21 and are signed on its behalf by:

....

Carlton Brown
Director

Company Registration No. 12107460

ARORA SLG LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Share capital	Revaluation reserve	Profit and loss reserves	Total
		£	£	£	£
Period ended 31 March 2020:					
Loss for the period		-	-	(287,046)	(287,046)
Other comprehensive income:					
Revaluation of tangible fixed assets		-	1,092,405	-	1,092,405
Tax relating to other comprehensive income		-	(28,383)	-	(28,383)
Total comprehensive income for the period		-	1,064,022	(287,046)	776,976
Issue of share capital	15	100	-	-	100
Balance at 31 March 2020		100	1,064,022	(287,046)	777,076
Year ended 31 March 2021:					
Loss for the year		-	-	(11,071,189)	(11,071,189)
Other comprehensive income:					
Revaluation of tangible fixed assets		-	2,183,925	-	2,183,925
Tax relating to other comprehensive income		-	(56,598)	-	(56,598)
Total comprehensive income for the year		-	2,127,327	(11,071,189)	(8,943,862)
Balance at 31 March 2021		100	3,191,349	(11,358,235)	(8,166,786)

1 Accounting policies

Company information

Arora SLG 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, Middlesex, United Kingdom, 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 are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

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 Accounting policies **(Continued)**

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 Arora Hotels 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.

1.3 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 excluding properties 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:

Leasehold property	Over length of lease
Plant and equipment	7 years
Fixtures, fittings and equipment	2 - 10 years

1 Accounting policies **(Continued)**

If the company is entitled to extend the lease term under relevant legislation, and the directors are confident that the extension will be taken, then the likely extension period is taken into account.

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.

Properties are revalued each year end by the directors at open market value with the surplus being taken to the revaluation reserve.

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 is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of no more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with no significant risk of change in value.

1.7 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.

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 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.

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 Equity instruments

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

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.

1.9 Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, 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.

1.10 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 Accounting policies **(Continued)**

1.11 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.

1.12 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.

1.13 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.

1.14 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.

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

The hotel properties are revalued at each year end at market value by the directors with the surplus being taken to the revaluation reserve.

The outbreak of COVID-19, declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, has impacted global financial markets. As such, as at the 31 March 2020 the external valuers were faced with an unprecedented set of circumstances on which to base a judgement. The valuations across all asset classes were therefore reported on the basis of "material valuation uncertainty" as per VPS 3 and VPGA 10 of the RICS Red Book Global.

Consequently, less certainty – and a higher degree of caution – was attached to the valuations provided than would normally be the case. As at the 31 March 2021, the material valuation clause has been lifted within the UK office sector for the purposes of these valuations. The material valuation uncertainty clause has not, however, been lifted in the leisure and hospitality sectors, including hotel properties.

Where a valuation was obtained on or before 31 March 2021 the external valuers have confirmed that the inclusion of the "material valuation uncertainty" declaration does not mean that the valuations for hotels cannot be relied upon. Rather, the phrase is used in order to be clear and transparent with all parties, in a professional manner that – in the current extraordinary circumstances – less certainty, and a higher degree of caution, should be attached to these valuations than would otherwise be the case.

Where the Directors have not commissioned a valuation but have performed the valuation through internal experts the same level of "material valuation uncertainty" applies to these valuations.

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

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	19,198	12,240
Depreciation of owned tangible fixed assets	2,191,842	1,113,901
Operating lease charges - variable	7,150,000	3,670,829

4 Other Operating income

	2021 £	2020 £
Other rental Income	5,104	394,309
Government grants - Coronavirus job retention scheme	2,244,849	-
	2,249,953	394,309

5 Employees

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

	2021 Number	2020 Number
Operations	178	254

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	2,900,584	2,350,466
Social security costs	163,811	205,088
Pension costs	69,686	52,719
	3,134,081	2,608,273

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 contribution schemes during the year.

7 Taxation

	2021	2020
	£	£
Deferred tax		
Origination and reversal of timing differences	(63,501)	-

The actual (credit)/charge 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	(11,134,690)	(287,046)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(2,115,591)	(54,539)
Tax effect of expenses that are not deductible in determining taxable profit	323,962	3,169
Group relief	1,728,128	(159,572)
Fixed asset differences	-	210,942
Taxation credit for the year	(63,501)	-

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

	2021	2020
	£	£
Deferred tax arising on:		
Revaluation of property	56,598	28,383

8 Tangible fixed assets

	Leasehold property	Plant and equipment	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
At 1 April 2020	43,371,186	115,718	714,582	44,201,486
Additions	-	-	7,917	7,917
Revaluation	2,183,925	-	-	2,183,925
At 31 March 2021	45,555,111	115,718	722,499	46,393,328
Depreciation and impairment				
At 1 April 2020	943,021	11,192	159,688	1,113,901
Depreciation charged in the year	1,886,042	22,383	283,417	2,191,842
At 31 March 2021	2,829,063	33,575	443,105	3,305,743
Carrying amount				
At 31 March 2021	42,726,048	82,143	279,394	43,087,585
At 31 March 2020	42,428,165	104,526	554,894	43,087,585

If the company's properties had not been revalued they would have been included at the following historical cost:

	2021	2020
	£	£
Leasehold	42,278,781	42,278,781

The company's properties were revalued on 31 March 2021 by the directors at open market value and the surplus was taken to the revaluation reserve. Further details of the judgements made are given in note 2.

9 Stocks

	2021	2020
	£	£
Finished goods and goods for resale	28,579	50,898

Stocks recognised in cost of sales during the period as an expense was £32,203 (2020: £502,919).

10 Debtors

Amounts falling due within one year:	2021 £	2020 £
Trade debtors	40,785	1,299,218
Corporation tax recoverable	-	453,301
Amounts owed by group undertakings	40,752	5,243
Other debtors	957,686	10,034,112
Prepayments and accrued income	1,824,422	1,923,277
	2,863,645	13,715,151

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

11 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	4,330,264	2,368,653
Amounts due to group undertakings	45,002,390	39,814,009
Other taxation and social security	24,165	475,079
Other creditors	244,739	923,001
Accruals and deferred income	705,996	10,423,530
	50,307,554	54,004,272

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

12 Provisions for liabilities

	Notes	2021 £	2020 £
Deferred tax liabilities	13	3,931,859	3,938,762

13 Deferred taxation

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

	2021	2020
Balances:	**£**	**£**
Accelerated capital allowances	(61,902)	-
Retirement benefit obligations	(1,598)	-
Deferred tax on fixed asset revaluations	3,995,359	3,938,762
	3,931,859	3,938,762

Movements in the year:	**£**
Liability at 1 April 2020	3,938,762
Credit to income statement	(63,501)
Charge to other comprehensive income	56,598
Liability at 31 March 2021	3,931,859

14 Retirement benefit schemes

	2021	2020
Defined contribution schemes	**£**	**£**
Charge to the income statement in respect of defined contribution schemes	69,686	52,719

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 recognised as a liability at the year end was £8,416 (2020: £4,877).

15 Share capital

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

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

Revaluation reserve
Represents the cumulative unrealised valuation movement on the leasehold property, which is transferred from the profit and loss reserves, net of any deferred tax.

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:

	2021	2020
	£	£
Within one year	7,150,000	7,150,000
Between two and five years	21,450,000	21,450,000
In over five years	175,175,000	182,325,000
	203,775,000	210,925,000

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 Ultimate controlling party

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

The ultimate parent entity of Arora SLG Limited is Arora Family Trust No. 2, a 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.