Report and Financial Statements

Grove Developments Limited

For the year ended 31 March 2017

Arora
GROUP

Company Number: 07459482

Grove Developments Limited

Report and financial statements for the year ended 31 March 2017

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Directors

Surinder Arora
Carlton Brown
Guy Morris
Athos Yiannis
Sinead Hughes

Secretary and registered office

Athos Yiannis

World Business Centre 2, Newall Road, Hounslow Middlesex TW6 2SF

Company number

07459482 (England and Wales)

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Grove Developments Limited

Strategic report
for the year ended 31 March 2017

The directors present their strategic report for the year ended 31 March 2017.

Introduction

Grove Developments is one of the UK's most innovative construction management specialists which focus on commercial, residential and hospitality projects.

Grove Developments 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 the group can be found on www.thearoragroup.com.

Review of business

The loss for the year before taxation amounted to £545,095 (2016: Profit £8,063,916).

The year ended 31 March 2017 saw several key projects being completed:

Completion of Premier Inn Terminal 4
Sealand road – A multi-storey car park located near Heathrow Cargo area
Completion of Arora Tower apartments at the Greenwich Peninsula

The company is working on several new projects in the current financial year:
Two new hotels directly connected to Heathrow Terminal 4, Crowne Plaza T4 and Holiday Inn Express T4 which are due to open in 2018.
Construction of a new hotel connected to the 'Queens terminal' commonly known as Terminal 2 at London Heathrow.
Major renovation project of Savill Court Hotel and Spa commenced in September 2017.
Rebranding and refurbishment of Hilton London Stansted to Novotel London Stansted which is due to complete by the end of 2017.
Construction of World Business Centre 4, Heathrow's newest stand-alone office building is due to complete by the end of 2017.

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 noted below.

The key performance indicators are turnover, gross profit and gross profit percentage.

	2017	2016
	£	£
Turnover	65,391,402	81,166,557
Gross profit	5,937,349	14,504,251
Gross profit %	9.08%	17.9%

Principal Risks And Uncertainties

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

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

The company's policy in respect on 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.

Going concern

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

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

ARORA GROUP MODERN SLAVERY STATEMENT

This statement has been published in accordance with the Modern Slavery Act 2015. It sets out the steps taken by Arora Holdings Limited and its subsidiaries to prevent modern slavery and human trafficking in its business and supply chains.

Introduction

Slavery and human trafficking are abuses of a person's freedoms and rights. They are however a growing issue across the world, in every region and every economy. We recognise that we have a responsibility to prevent modern slavery and human trafficking both within our business and our supply chain. We are committed to making a positive contribution to society by developing and implementing business practices that allow us to deliver financial success whilst conducting our business strategy and operations in a responsible and ethical manner.

Our business

Arora Group was founded in 1999. Our headquarters are located at London Heathrow and we currently employ around 2,000 people across our main trading businesses: Hotel Operations, Property Management, Construction and Facilities Management, all of which operate within the UK.
At our most recent financial year end in March 2017, we operated 8 hotels, managed various property assets and had worked on 6 construction projects across England, Wales and Scotland during the course of the previous year.

Our policies

We actively encourage working practices which have due regard for the need to reduce the risks of modern slavery and human trafficking both within our businesses and our supply chain. We expect our suppliers to adopt similar working practices. We are committed to the principle that all employees shall be free to choose their employment and shall not be forced to work against their will, and that there shall be no forced, bonded or involuntary prison labour or human trafficking.

For our employees, failure to adopt these working practices and adhere to the above principles may result in disciplinary action.

We also operate a whistle blowing policy, aimed at our employees, which encourages staff to report any wrongdoing, including human rights violations such as modern slavery or human trafficking. Any reports of this nature will be fully investigated and appropriate remedial actions taken. We also ensure that adequate and appropriate protection is provided to whistle-blowers.

In relation to our suppliers, we believe that transparency is vital to a successful business relationship. We are committed to building long-term relationships with suppliers and value open and honest communication with them. In the event of any failure to recognise the need to minimise the risks of modern slavery and human trafficking and to adopt working practices that reflect this, we would expect our suppliers to be committed and engaged in remedying the issue within a time-frame set out in a corrective action plan to be agreed with the supplier. If corrective action is not taken or if the supplier disregards our requests to remedy the issue, we reserve the right to terminate any agreements

Our supply chain
Our supply chain includes over 2,000 suppliers covering food and beverage suppliers for our hotels, raw materials for our construction, as well as goods and services not for resale such as equipment used in our properties, point of sale materials, IT equipment, utilities and waste services, contractors building, repairing or cleaning our hotels, marketing, advertising, recruitment and training.

Our suppliers vary enormously in terms of their size and expertise and many of those will themselves be reliant on their own supply chain, potentially across many countries, in order to be able to supply relevant goods or services to us.

Current and proposed due diligence processes for modern slavery and human trafficking
We are developing a range of due diligence processes to enable us to identify and assess potential risk areas in our business and our supply chain.

By running many of our hotels as operated hotels we have optimum control of the work environment, including labour scheduling and pay rates, thus reducing the risks within our own business. Nevertheless, training will be delivered to appropriate individuals across the business to ensure that they are aware of the potential issues and are able to assess the risks in their area of responsibility.

We expect all major suppliers to have suitable anti-slavery and human trafficking policies and processes in place. Significant suppliers and those in businesses perceived to be most at risk will be asked to confirm and evidence the arrangements they have in place. As set out above, we reserve the right to terminate any agreement should a supplier refuse to co-operate or if a supplier decides that compliance is impossible.

We also propose to update our supplier terms and conditions to require compliance with the Modern Slavery Act and to permit periodic and targeted audits of suppliers in this regard using a risk-based approach.

Our effectiveness in combating slavery and human trafficking
We understand that the risks of modern slavery and human trafficking are growing, and we will continue to develop our approach to mitigating this risk in the year ahead.

This statement was approved by the board of Arora Holdings Limited and its subsidiaries.

The directors present their report and the financial statements for the year ended 31 March 2017.

Approval

This Strategic Report was approved by order of the Board ~~on~~ 28/12/2017

Carlton Brown
Director

The directors present their report and the financial statements for the year ended 31 March 2017.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

- select suitable accounting policies for the company financial statements 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.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of property development.

DIRECTORS

The directors shown below have held office during the year to the date of this report:

S Arora
C Brown
A Yiannis
S Hughes

Other changes in directors holding office are as follows:

Guy Morris – Resigned 30th November 2017

DIVIDENDS

No dividends will be distributed for the year 31 March 2017 (2016: Nil).

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITOR

The auditors BDO LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

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C Brown
Director

Date: 28/12/2017

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

We have audited the financial statements of Grove Developments Limited for the year ended 31 March 2017 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditors

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on 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 2017 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

BDO LLP

Marc Reinecke (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London

Date 28/12/2017

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

Grove Developments Limited

Statement of comprehensive income
for the year ended 31 March 2017

	Note	2017 £	2016 £
Turnover		**65,391,402**	81,166,557
Cost of sales		**(59,454,053)**	(66,662,306)
Gross profit		**5,937,349**	14,504,251
Administrative expenses		**(3,637,315)**	(3,852,858)
Operating profit	4	**2,300,034**	10,651,393
Interest receivable and similar income	5	**17,072**	19,783
Interest payable and similar income	8	**(2,862,201)**	(2,607,260)
(Loss)/profit on ordinary activities before taxation		**(545,095)**	8,063,916
Taxation on loss/profit on ordinary activities	9	**92,004**	(92,285)
(Loss)/profit for the financial year		**(453,091)**	7,971,631

The notes on pages 12 to 23 form part of these financial statements.

Grove Developments Limited

Statement of comprehensive income
for the year ended 31 March 2017 (continued)

	Note	2017 £	2016 £
(Loss) / profit for the financial year		(453,091)	7,971,631
Other comprehensive income for the year		-	-
		(453,091)	7,971,631
Total comprehensive income for year			

The results stated above are all derived from continuing operations.

Total comprehensive income is attributable to the owner of the company.

The notes on pages 12 to 23 form part of these financial statements.

Grove Developments Limited

Statement of financial position
for the year ended 31 March 2017

Company Registration No: 07459482

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	10		**120,198**		21,480
			120,198		21,480
Current assets					
Stock	11	**44,554,512**		704,168	
Debtors	12	**64,241,588**		67,689,153	
Cash at bank and in hand		**143,897**		8,110,329	
		108,939,997		76,503,650	
Creditors: amounts falling due within one year	13	**(76,706,988)**		(43,719,112)	
Net current assets			**32,233,009**		32,784,538
Total assets less current liabilities			**32,353,207**		32,806,018
Provision for liabilities	16		**(280)**		-
Net assets			**32,352,927**		32,806,018
Capital and reserves					
Called up share capital	17		**100**		100
Profit and loss account			**32,352,827**		32,805,918
			32,352,927		32,806,018

The financial statements were approved by the Board of Directors and authorised for issue on 28/12/2017

Carlton Brown
Director

The notes on pages 12 to 23 form part of these financial statements

Grove Developments Limited

Statement of changes in equity
for the year ended 31 March 2017

	Called up share capital £	Retained Earnings £	Total Equity £
At 1 April 2016	**100**	**32,805,918**	**32,806,018**
Comprehensive income for the year			
Loss for the year	-	**(453,091)**	**(453,091)**
Total comprehensive income for the year	-	**(453,091)**	**(453,091)**
Balance at 31 March 2017	**100**	**32,352,827**	**32,352,927**

	Called up share capital £	Retained earnings £	Total Equity £
At 1 April 2015	100	24,834,287	24,834,387
Comprehensive income for the year			
Profit for the year	-	7,971,631	7,971,631
Total comprehensive income for the year	-	7,971,631	7,971,631
Balance at 31 March 2016	100	32,805,918	32,806,018

1 Accounting policies

Grove Developments Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the company's operations and its principal activities are set out in the strategic report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

The following principal accounting policies have been applied:

Cash flow statement

The individual accounts of the company have adopted the following disclosure exemptions:

- the requirement to present a statement of cash flows and related notes.

Turnover and long term contracts

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

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

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

Tangible fixed assets

Tangible fixed assets, other than investment 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

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	-	4 years
Motor vehicles	-	4 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.

Work in progress

Work in progress is measured at the current cost of the projects that are still in progress. Such costs are only recognised as stock where project completion is deemed to be a probable outcome in the view of the Directors.

Any project costs which cannot be assessed as probable are expensed to the income statement.

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.

Cash and cash equivalents

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

Stocks

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

Current and deferred 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.

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 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.

Financial Instruments

The company only enters 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 non-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 of the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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 cost or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

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.

Interest income

Interest income is recognised in the Income Statement using the effective interest method.

Pension costs

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.

Reserves

The company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements and estimates:

- in recognising contract revenue and related costs, contract revenue is recognised using the stage of completion method based on the costs incurred on the projects against budgets.

- work in progress and stocks are only recognised where project completion is deemed to be a probable outcome in the view of the directors

3 Analysis of turnover

Turnover and profit before taxation are attributable to the principal activity and maintenance projects of the company and arise solely in the United Kingdom.

Turnover for the current year is analysed below:

	2017 £	2016 £
Property development	**64,094,719**	80,199,640
Maintenance projects	**1,040,150**	966,617

4 Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Hire of plant and machinery	**3,514**	-
Depreciation of tangible assets	**26,422**	3,976
Auditor's remuneration	**4,000**	6,371

5 Interest receivable and similar income

	2017 £	2016 £
Deposit account interest	**17,072**	19,783

6 Employees

	2017	2016
	£	£
Staff costs (excluding directors) consist of:		
Wages and salaries	**1,620,887**	1,563,446
Social security costs	**196,866**	180,843
Other pensions costs	**54,216**	45,776
	1,871,969	1,790,065

The average number of employees (including directors) during the year was as follows:

	2017	2016
	Number	Number
Operations	**35**	31

7 Directors' remuneration

	2017	2016
	Number	Number
Directors emoluments	**122,965**	124,052
Pension costs	**6,000**	6,000
	128,965	130,052

During the year retirement benefits were accruing to 1 director (2016 -1) in respect of defined contribution pension schemes.

8 Interest payable and similar charges

	2017	2016
	£	£
On bank loans and overdrafts	**2,862,201**	2,607,260

9 Taxation on profit on ordinary activities

	2017 £'000	2016 £'000
UK corporation tax		
Current tax on profits of the year	-	372,903
Tax (over)/under provided in previous year	**(92,284)**	-
Total current tax	**(92,284)**	372,903
Deferred tax		
Origination and reversal of timing differences	**(68)**	268,834
Adjustment in respect of priors years	**348**	-
Taxation on profit on ordinary activities	**(92,004)**	641,737

The tax assessed for the year is lower than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2017 £	2016 £
(Loss)/profit on ordinary activities before tax	**(545,095)**	8,063,916
Profit on ordinary activities at the standard rate of corporation tax in the UK of 20% (2016 - 20 %)	**(109,019)**	1,612,783
Effects of:		
Non deductible expenses	**52**	-
Capital allowance for year in excess of depreciation	-	(58)
Group relief surrendered / (claimed)	**108,887**	(1,520,941)
Tax over provided in previous year	**(92,284)**	-
Deferred tax adjustment for prior years	**348**	1
Difference in tax rate	**12**	-
Total tax (credit)/charge for period	**(92,004)**	92,285

10 Tangible fixed assets

	Plant & Machinery £	Motor vehicles £	Total £
Cost			
At 1 April 2016	-	26,390	26,390
Additions	119,598	5,542	125,140
At 31 March 2017	119,598	31,932	151,530
Depreciation			
At 1 April 2016	-	4,910	4,910
Charge for year	18,670	7,752	26,422
Disposals	-	-	-
At 31 March 2017	18,670	12,662	31,332
Net book value			
At 31 March 2017	100,928	19,270	120,198
At 31 March 2016	-	21,480	21,480

11 Stock

	2017 £	2016 £
Work in progress	44,554,512	704,168

12 Debtors

	2017 £	2016 £
Trade debtors	**5,606**	12,602
Amounts owed by group undertakings	**45,134,232**	29,170,942
Amounts owed by related parties	**89,128**	42,738
Other debtors	**3,534,311**	28,128,095
VAT repayable	**1,655,379**	210,600
Prepayments and accrued income	**181,013**	757,273
Amounts recoverable on contracts	**13,641,919**	9,366,903
	64,241,588	67,689,153

Amounts owed by group undertakings and amounts due to related parties are repayable on demand at the option of both the lender and borrower.

13 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	**3,833,354**	2,814,298
Amounts owed to group undertakings	**25,813,252**	40,910
Amounts owed to related parties	**1,106,298**	1,106,298
Corporation tax	-	92,285
Taxation and social security	**58,661**	102,231
Other creditors	**4,820,719**	-
Accruals and deferred income	**28,299,512**	39,563,090
Bank loans and overdrafts (see note 14)	**12,775,192**	-
	76,706,988	43,719,112

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

14 Loans

Analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year or on demand		
Bank loans	**13,000,000**	-
Finance charge	**(224,808)**	

The bank loan is secured by a cross guarantee with other related entities.

The loan bears interest at a commercial margin plus Libor. The loan was repaid in September 2017.

15 Financial instruments

The company's financial instruments may be analysed as follows:

	2017	2016
	£	£
Financial assets		
Financial assets measured at fair value through profit or loss	143,897	8,110,329
Financial assets that are debt instruments measured at amortised cost	62,586,209	58,111,650
	62,730,106	66,221,979
Financial liabilities		
Financial liabilities measured at amortised cost	(76,648,325)	(15,158,215)
	(76,648,325)	(15,158,215)

Financial assets measured at fair value through profit and loss consists of:

Cash at bank and in hand	143,897	8,110,329

Financial assets that are debt instruments measured at amortised cost consists of:

Trade debtors	5,606	12,602
Amounts owed by group undertakings	45,134,232	29,170,942
Amounts owed by related parties	89,128	42,738
Other debtors	3,534,311	28,128,095
Amounts recoverable on contract	13,641,919	-
Prepayments and accrued income	181,013	757,273
	62,586,209	58,111,650

Financial liabilities measured at amortised cost consist of:

Trade creditors	3,833,354	2,814,298
Amounts owed to group undertakings	25,813,252	40,910
Amounts owed to related party	1,106,298	1,106,298
Other creditors	4,820,717	-
Accruals	28,299,512	11,196,709
Bank loans	12,775,192	-
	76,648,325	15,158,215

16 Deferred taxation

Deferred tax liabilty

	Total 2017 £
Provision brought forward as at 1 April 2016	-
Adjustment in respect of priors years	348
Deferred tax credit during the year	(68)
Provision carried forward as at 31 March 2017	280

The deferred tax provision is made up as follows:	2017 £	2016 £
Accelerated capital allowances	**280**	-
	280	-

17 Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	**100**	100

18 Related party disclosures

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.

At the year end, the company owed £1,106,298 (2016: £1,106,298) to Arora Family Trust No.5 and its subsidiaries.

During the year, the company incurred £Nil.(2016: £41,270) in respect of a building contract with Mr S Arora. No other amounts were outstanding at year end.

At the year end, the company was due £Nil(2016: £1,000) from Arora Family Trust and its subsidiaries.

The above entities are related via Mr S Arora, who is the ultimate beneficiary.

At the year end, the company was also due £1,121.60 (2016: £10,423) from Meridian Hotel Operations Limited. The company was also due £88,894 (2016: £31,315) from Littlebrooks Nursery Limited and £234 (2016:£Nil) was due from HL Limited.

The above entities are related parties by virtue of common directors.

19 Ultimate controlling party

The immediate parent of Grove Developments Limited is AMSL Investments Limited, a company registered in Jersey.

The ultimate parent entity of Grove Developments Limited 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 party of Grove Developments Limited 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 Grove Developments Limited is Link Trustee Services (Jersey) Limited (formerly Capita Trustee Services Limited), a regulated trust company administered in Jersey.