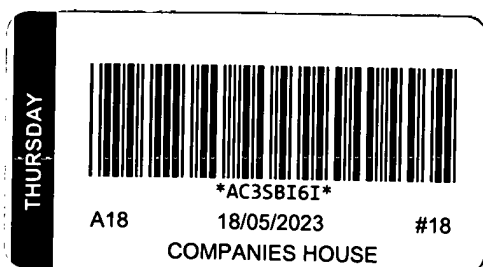


Company Registration No. 07459482 (England and Wales)

GROVE DEVELOPMENTS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022



Arora
GROUP

GROVE DEVELOPMENTS LIMITED

COMPANY INFORMATION

Directors	Surinder Arora Carlton Brown Sinead Hughes Sanjay Arora	(Appointed 26 October 2021)
Company number	07459482	
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 DEVELOPMENTS LIMITED

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GROVE DEVELOPMENTS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

Introduction

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; and
- sustaining our reputation for quality, integrity and social responsibility.

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

Section 172

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

Corporate Customers

Engagement is predominantly managed by our Commercial Team who assess customer requirements. They then determine the appropriate mix and source of business required to achieve the agreed specification and costs.

GROVE DEVELOPMENTS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Suppliers Engagement Team

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

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

Environmental Sustainability

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

To see ways in which the Arora Group aims to minimise its impact on the environment, visit <https://theoragroup.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.theoragroup.com/about/strategy.

Review of Business

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

- Rebuilding of Savill Court hotel and Spa as Fairmont Windsor Park hotel that started in September 2017 and achieved completion in December 2021.
- Refurbishment of St John's Wood care home that started in December 2020 and completed subsequent to year end in November, 2022.
- The major refurbishment of the Hilton London Gatwick South Terminal hotel.

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 operating profit. These indicators are set out below:

	2022 £	2021 £
Turnover	139,193,666	37,172,374
Operating profit	1,554,319	1,089,278

GROVE DEVELOPMENTS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Principal risks and uncertainties

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

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

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

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

Policy for Employment of Disabled Persons

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

Political and Charitable Donations

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

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

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

Employee Involvement Policy

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

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 1.2 of this report.

On behalf of the board



.....
Carlton Brown

Director

17-05-2023

GROVE DEVELOPMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

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

Principal activities

The principal activity of the company continued to be that of property development.

Directors

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

Surinder Arora

Carlton Brown

Athos Yiannis

(Resigned 18 February 2022)

Sinead Hughes

Sanjay Arora

(Appointed 26 October 2021)

Results and dividends

The results for the year are set out on page 10.

Ordinary dividends were paid amounting to £764,816. The directors do not recommend payment of a further 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>.

	2022	2021
Emissions from other activities which the company own or control including operation of facilities (Scope 1)	0.00	53,343.74
Total gross Scope 1, Scope 2 [location] & Scope 3 emissions / tCO ₂ e	0.00	53,343.74
Total annual net emissions / tCO ₂ e	0.00	53,343.74
Third Party verification	Report independently prepared	Report independently prepared

GROVE DEVELOPMENTS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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;
- 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.

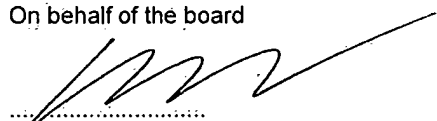
Statement of disclosure to auditor

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



Carlton Brown
Director

Date: 17-05-2023

GROVE DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GROVE DEVELOPMENTS 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 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Grove Developments Limited ("the Company") for the year ended 31 March 2022 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 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, 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.

GROVE DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF GROVE DEVELOPMENTS LIMITED

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 Directors' report, 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.

GROVE DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF GROVE DEVELOPMENTS LIMITED

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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.


GROVE DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF GROVE DEVELOPMENTS LIMITED

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:

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

17 May 2023
Date:

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

GROVE DEVELOPMENTS LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
Turnover	3	139,193,666	37,172,374
Cost of sales		(136,343,017)	(33,118,532)
Gross profit		2,850,649	4,053,842
Administrative expenses		(1,431,377)	(3,532,873)
Other operating income	4	135,047	568,309
Operating profit	5	1,554,319	1,089,278
Interest receivable and similar income	8	8	787
Interest payable and similar expenses	9	(559,527)	(156,161)
Profit before taxation		994,800	933,904
Tax on profit	10	273,785	(48,832)
Profit for the financial year		1,268,585	885,072

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

GROVE DEVELOPMENTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Profit for the year	1,268,585	885,072
Other comprehensive Income	-	-
Total comprehensive (loss)/income for the year	<u>1,268,585</u>	<u>885,072</u>

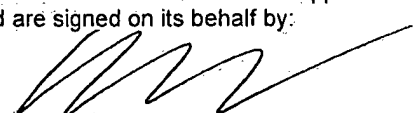
GROVE DEVELOPMENTS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Investment properties	12	3,290,001		3,290,001	
Current assets					
Stocks	13	7,179,070		105,607,941	
Debtors	14	2,951,898		6,735,815	
Cash at bank and in hand		4,585,663		636,136	
		14,716,631		112,979,892	
Creditors: amounts falling due within one year	15	(14,840,035)		(28,114,354)	
Net current (liabilities)/assets		(123,404)		84,865,538	
Total assets less current liabilities		3,166,597		88,155,539	
Creditors: amounts falling due after more than one year	16	-		(37,214,128)	
Provisions for liabilities					
Provisions	18	(1,720,517)		-	
		(1,720,517)		-	
Net assets		1,446,080		50,941,411	
Capital and reserves					
Called up share capital	21	1,000		1,000	
Share premium account	22	-		49,999,100	
Profit and loss reserves		1,445,080		941,311	
Total equity		1,446,080		50,941,411	

The financial statements were approved by the board of directors and authorised for issue on 17-05-2023 and are signed on its behalf by:


 Carlton Brown
 Director

Company Registration No. 07459482

GROVE DEVELOPMENTS LIMITED

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

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 April 2020		100	-	56,239	56,339
Year ended 31 March 2021:					
Profit and total comprehensive income for the year		-	-	885,072	885,072
Issue of share capital		900	49,999,100	-	50,000,000
Balance at 31 March 2021		1,000	49,999,100	941,311	50,941,411
Year ended 31 March 2022:					
Profit and total comprehensive income for the year		-	-	1,268,585	1,268,585
Dividends	11	-	-	(50,763,916)	(50,763,916)
Conversion of share premium to distributable reserves	22	-	(49,999,100)	49,999,100	-
Balance at 31 March 2022		1,000	-	1,445,080	1,446,080

GROVE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company Information

Grove Developments 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 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 modified to include the revaluation of investment properties and certain financial instruments valued at fair value. 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; and
- section 33 'Related Party Disclosures' – Compensation for key management personnel.

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

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

The company also received a confirmation of support from group undertakings to confirm that amounts owed to the group undertakings will not be called until the company is in position to settle its obligations. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

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.

GROVE DEVELOPMENTS LIMITED

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

1 Accounting policies

(Continued)

1.3 Turnover

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

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

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

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:

Computers	4 years
Motor vehicles	4 years

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.

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 Investment properties

Investment property is carried at fair value determined annually by both external and internal valuation and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised on the statement of comprehensive income.

Fixed asset investments are held at cost less provision for diminution in value.

GROVE DEVELOPMENTS LIMITED

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

1 Accounting policies

(Continued)

1.6 Stocks

The company undertakes various developments that are treated according to the project's progression.

Pre-Planning Project costs

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

Work in Progress Project Costs

Costs will only be classified as stock on the balance sheet when the directors are satisfied all the following conditions are met:

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

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

1.7 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.

1.8 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.

GROVE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Impairment of financial assets

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in 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.

GROVE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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.

1.9 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 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

GROVE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.11 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.

1.12 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.

1.13 Leases

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

1.14 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.

1.15 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.

1.16 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.

GROVE DEVELOPMENTS LIMITED

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

2 Judgements and key sources of estimation uncertainty

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

Property portfolio valuation

Investment properties are stated at fair value, as accounted for by the directors. The valuations is on the basis of Market Value ("MV"), which is defined in the RICS Valuation Standards as:

"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

The investment properties are revalued at each year end at MV by the directors with the surplus or deficit being taken to the income statement.

The valuation considers a range of assumptions including future EBITDA which is dependent on future rental income streams, investment yields, anticipated outgoings and maintenance costs, future development expenditure and appropriate discount rates. Future rental income streams and consequently future EBITDA has the most impact on valuations.

It is also important to note that certain estimates require an assessment of factors not within management's control, such as overall market conditions. As a result, actual results of operations and realisation of net assets could defer from the estimates as set out in these financial statements, and the difference could be significant. However, the directors are considered to have access to appropriately qualified personnel to enable a director valuation as at 31 March 2022.

3 Turnover and other revenue

	2022	2021
	£	£
Turnover analysed by class of business		
Property development	135,011,176	34,423,509
Maintenance projects	4,182,490	2,748,865
	<u>139,193,666</u>	<u>37,172,374</u>

4 Other operating income

	2022	2021
	£	£
Other rental income	112,496	45,000
Government grants - Coronavirus job retention scheme	22,551	523,309
	<u>135,047</u>	<u>568,309</u>

The company's other rental income relates to contractual rental income, where the company receives a fixed rate from the lessee from operating the leased properties.

GROVE DEVELOPMENTS LIMITED

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

5 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	40,000	13,423
Depreciation of owned tangible fixed assets	-	538

6 Employees

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

	2022	2021
	Number	Number
Operations	38	62

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	729,044	1,961,471
Social security costs	196,456	248,573
Pension costs	65,818	77,296
	991,318	2,287,340

7 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	160,000	154,511
Company pension contributions to defined contribution schemes	11,438	7,688
	171,438	160,392

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2021:1).

8 Interest receivable and similar income

	2022	2021
	£	£
Interest income		
Interest on bank deposits	8	787

GROVE DEVELOPMENTS LIMITED

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

9 Interest payable and similar expenses

	2022	2021
	£	£
Interest on bank overdrafts and loans	559,527	156,161

10 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	319,776	-
Adjustments in respect of prior periods	-	52,282
Total current tax	319,776	52,282
Deferred tax		
Origination and reversal of timing differences	(593,561)	485
Changes in tax rates	-	(3,935)
Total deferred tax	(593,561)	(3,450)
Total tax (credit)/charge	(273,785)	48,832

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

	2022	2021
	£	£
Profit before taxation	994,800	933,904
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	189,012	177,442
Group relief	-	(177,073)
Under/(over) provided in prior years	-	52,283
Changes in tax rates	-	(3,935)
Difference between corporation tax and deferred tax rates	(143,020)	115
Utilised against b/fwd losses	(319,777)	-
Taxation (credit)/charge for the year	(273,785)	48,832

11 Dividends

	2022	2021
	£	£
Final paid	50,763,916	-

GROVE DEVELOPMENTS LIMITED

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

12 Investment property

	£ Long leasehold
Fair value	
At 1 April 2021 and 31 March 2022	3,290,001

The company's investment properties were revalued on 31 March 2022 by the directors at open market value and no surplus or deficit arose. Further details of the judgements made are given in note 2.

The historical cost of long leasehold property at the year end was £3,290,001 (2021: £3,290,001).

13 Stocks

	2022 £	2021 £
Work in progress	7,179,070	105,607,941

14 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	3,070	885,585
Gross amounts owed by contract customers	-	210,750
Corporation tax recoverable	57,741	57,741
Amounts owed by group undertakings	1,786,681	2,907,788
Amounts due from related parties	66,241	250
Other debtors	217,943	2,567,790
Prepayments and accrued income	210,750	90,000
	2,342,426	6,719,904
Deferred tax asset (note 19)	609,472	15,911
	2,951,898	6,735,815

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

During the year ending 31 March 2023 the deferred tax asset is expected to reverse by £2,500 due to the reversal of accelerated capital allowances.

GROVE DEVELOPMENTS LIMITED

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

15 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	929,728	1,655,662
Amounts owed to group undertakings	359,348	12,747,047
Amounts due to related party	30,386	22,996
Corporation tax	319,776	-
Other taxation and social security	396,165	53,003
Other creditors	4,211,456	5,696,670
Accruals and deferred income	8,593,176	7,938,976
	<u>14,840,035</u>	<u>28,114,354</u>

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

16 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans and overdrafts	17	-	37,214,128

17 Loans and overdrafts

	2022 £	2021 £
Bank loans	-	37,214,128

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Loan payable within 1 year		
Bank loan	-	-
Finance charges (classified to prepayments and accrued income)	-	(90,000)
Loan payable between 1 to 2 years		
Bank loan	-	-
Finance charges	-	(90,000)
Loan payable between 2 and 5 years		
Bank loan	-	37,404,238
Finance charges	-	(100,110)

GROVE DEVELOPMENTS LIMITED

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

17 Loans and overdrafts

(Continued)

On 13 May 2019, a new loan facility was provided to the company. The loan is secured by fixed and floating charges over the assets of the company. On 29 March 2022, the loan facility was repaid.

18 Provisions for liabilities

	2022 £	2021 £
Onerous contract provision	1,720,517	-
Movements on provisions:		
		£
Onerous contract provision		1,720,517

Onerous contract provision relates to additional costs incurred in relation to prior year disposal of Rainbow Care Group by the company.

19 Deferred taxation

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

	2022 £	2021 £
Balances:		
Accelerated capital allowances	11,115	13,555
Retirement benefit obligations	4,722	2,356
Corporate interest restriction	593,635	-
	609,472	15,911
Movements in the year:		£
Asset at 1 April 2021		(15,911)
Credit to income statement		(593,561)
Asset at 31 March 2022		(609,472)

GROVE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

20 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£	£
Charge to the income statement in respect of defined contribution schemes	65,818	77,296

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 £18,888 (2021: £9,424).

21 Share capital

	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

22 Share premium account

During the year, the company converted the full value of share premium amounting to £49,999,100 into Profit & loss reserves to make distribution to parent company.

23 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.

At the year end the company had the following amounts due to/from the following entities and their subsidiaries:

	Amounts owed by related parties		Amounts owed to related parties	
	2022	2021	2022	2021
	£	£	£	£
AH9 Limited	528	-	-	-
Heathrow T4 Hotel Limited	-	-	30,386	22,996
Littlebrook Nursery Limited	55,569	-	-	-
The Heathrow Hotel Limited	4,070	250	-	-
Woodlon Limited	6,074	-	-	-

The above entities are related parties by virtue of common directors or common beneficiary of Mr Arora.

GROVE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

24 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 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.