Company Registration No. 08123486 (England and Wales)

GROVE HR LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

Arora
GROUP

GROVE HR LIMITED

COMPANY INFORMATION

Directors	Surinder Arora Sanjay Arora Carlton Brown Sanjeev Roda
Company number	08123486
Registered office	World Business Centre 2 Newall Road London Heathrow Airport Hounslow England TW6 2SF
Auditor	Moore Kingston Smith LLP 9 Appold Street London UK EC2A 2AP

GROVE HR LIMITED

CONTENTS

GROVE HR LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

Introduction
Grove HR Limited "the Company" is one of the companies that forms part of the Arora Group, a successful UK-focused private group of companies, which leverages synergies across its specialist property, construction and hotel divisions to its strategic advantage. Since 1999, the Group has built its standing through meticulously managing projects from inception to delivery and beyond. Today, it owns and manages a diverse portfolio of flagship assets across the nation's key business locations, partnering with some of the world's most recognised brands to deliver consistently high service levels and sustainable growth.

The group strategy is to deliver portfolio diversification, growth in asset value and profitability. Our strategy for delivering these objectives are:

- Delivering sound long-term value to our stakeholders.
- Continuing to expand, develop and consolidate a diversified property asset portfolio in targeted UK locations.
- Sustaining our reputation for quality, integrity and social responsibility.

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

Section 172 statement
Section 172 of the Companies Act 2006 requires Directors to describe how they have had regard to various stakeholders associated with the company.

We have set out below information about how our Directors have had regard for our employees; business relationships with suppliers and customers; the impact of the company's operations on the community and environment; and the desirability of the company maintaining a reputation for high standards of business conduct.

Any likely consequences of decisions taken by the company in the long term are covered within the Review of Business section in the Strategic Report.

Employee Engagement
We address employee engagement as a holistic process which begins with the recruitment experience and continues throughout the employees' journey with us.

The Talent and Culture Team strive to create positive employee experiences by handling all the touch points of the recruitment process to ensure that the on-boarding truly engages new employees.

Engagement is an ongoing process throughout the year with regular reviews, employee events and several activities such as welcome to work, wellbeing week and family fun day. Employee wellbeing is critical so we have a number of measures in place to support our team, including a confidential wellbeing helpline. At the Arora Group, our employees are like our family so we work hard to ensure they feel valued, appreciated and happy.

Customer Engagement
Our Commercial and Hotel Customer Engagement Team primarily engages with corporate customers and hotel guests.

<u>Corporate Customers</u>
Engagement is predominantly managed by our Commercial Team who assess overall business growth opportunities in line with market conditions, market share gain opportunities and expectations from the Board and wider investment community. They then determine the appropriate mix and source of business required to achieve agreed revenue and profitability expectations which allows them to develop suitable plans to acquire and animate potential business opportunities.

Our Commercial Team engage with our corporate customers on a business to business level in several ways including through our Customer Engagement Team and Planning and Sales Team who help customers navigate their event needs and ensure all the contracted items and services are delivered successfully.

Customer Engagement (Continued)

Hotel Guests and Transient Market
The Arora Group is a customer centric hotel company operating franchises through four eminent brand companies and using a total of 10 different brands. We closely monitor our guest feedback and quality matrix.

We are very proud of the achievements the hotels make in customer care and the relentless focus of our teams. We embrace brand initiatives such as 'Heartiest' for the Accor Brands or 'Delighted to Serve' for the Renaissance brand. We also supplement this with our own universal training conducted by external consultants with whom we have developed various courses over the years.

In addition, the hotel bonus structure for all hotel General Managers includes an element that reflects on guest service. The General Managers are also measured on a Balanced Scorecard system with guest care being a significant portion of measuring hotel achievements.

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

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

Investors Engagement
The Directors are committed to achieving sustainable returns for the investors and considers continuous engagement with its investors as being critical to achieving strategic objectives in the long term. Such engagement is achieved by organizing regular corporate update meetings with investors and maintaining effective communication channel to ensure investors have appropriate awareness of business and corporate developments.

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

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

Maintaining a reputation for high standards of business conduct
To see more information on how the Arora Group maintains a reputation for high standards of business conduct, visit www.thearoragroup.com/about/strategy.

Review of Business
In the current year, air travel returned close to pre-COVID historic levels, driving a significant increase in hotel occupancy and revenues and the summer season delivered record level of turnover and profits.

Despite higher occupancy, the hotels continued to operate with reduced teams and cluster roles were created to give both commercial and operational benefits. Productivity and efficiencies achieved due to the pandemic were developed and improved to effectively manage costs and profit conversion.

Review of Business (continued)

Recruitment levels remained a key focus across all departments. The over reliance on agency staff, particularly in housekeeping has led to higher payroll costs. The impact of these rises has been minimised through leaner management structures and better efficiencies put in place during COVID.

Renaissance London Heathrow - Trading performance started to improve from May driven by increased air travel activity and FY23 turnover was £22.6m (FY22: £18.6m) whereas EBITDAR was £6.2m (FY22 : £5.2m).

Arora Gatwick Crawley - the hotel delivered a 38% increase in revenues at £17.7m over FY22 and operated efficiently with a good EBITDA conversion.

Holiday Inn T5- Delivered a positive EBITDA for the year despite being closed for parts of the year.

Key Performance Indicators
The company uses a range of performance measures to monitor and manage the business effectively. These are both financial and non-financial and the most significant of these are the key performance indicators.

The key performance indicators are turnover and trading EBITDA. These indicators are set out below:

	2023 £	2022 £
Turnover	40,051,272	32,658,322
Trading EBITDA	8,670,476	9,516,668

Trading EBITDA is widely used as a standard measure of operational performance, debt servicing capability and business value added. It stands for "Earnings before interest, taxes, depreciation and amortisation" and below is reconciliation to Income statement:

	2023 £	2022 £
Profit before tax	(7,616,518)	2,098,148
Adjustment:		
Interest receivable and similar income	-	(1,348)
Interest payable and similar expenses	126,271	371,650
Depreciation of owned tangible fixed assets	1,181,300	4,973,218
Impairment of fixed asset investment	12,254,423	-
Exceptional items	2,725,000	2,075,000
Trading EBITDA	**8,670,476**	**9,516,668**

During the year, the company acquired 100% holding in AH4 Limited, a group company in AFT2 (OHC) group for a consideration of £108,525,506 being the net assets value. At year end, the directors carried out revaluation of investments and as a result, an impairment of £12,254,423 was recognised in the income statement to reflect the decrease in net assets of subsidiary.

Balanced Scorecard
This sets out to measure guest satisfaction, labour turnover, cash management, internal financial controls, Health and Safety and Environmental audits and profit achievement as the 7 key indicators of the health of the business. The hotels have performed satisfactorily in all categories despite the economic climate.

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 none were 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.

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

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

Future Developments
Information on likely future developments in the business of the company has been included within this report.

Going Concern
The directors assessment on going concern can be found in note 1.2 of this report.

On behalf of the board

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Carlton Brown
Director

Date : 31/10/23

GROVE HR LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and financial statements for the year ended 31 March 2023.

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

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

Surinder Arora
Sanjay Arora
Carlton Brown
Sanjeev Roda

Results and dividends
The results for the year are set out on page 12.

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

Qualifying third party indemnity provisions
The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Streamlined Energy and Carbon Reporting ("SECR")
Requirements for SECR have been introduced under the Companies Act 2006 and are detailed in HM Government's "Environmental Reporting Guidelines" dated March 2019.

SECR came into force on 1st April 2019 and applies to large company reporting years starting on or after 1st April 2019. The below reports on energy use, greenhouse gas emissions and provide a narrative on actions undertaken to reduce such energy use and emissions by the company.

To see more information about the energy efficiency action taken by the organisation, please visit https://thearoragroup.com/about/policy-position/environmentalsustainability.

	2023	2022
Energy consumption used to calculate emissions: /kWh (optional to provide separate figures for gas, electricity, transport fuel and other energy sources)	16,347,940	17,842,291
Emissions from combustion of gas tCO2e (Scope 1)	1,720	2,006
Emissions from purchased electricity (Scope 2, location-based)	1,340	1,463
Total gross CO2e based on above	**3,060**	**3,469**
Methodology	GHG Protocol Corporate Standard	GHG Protocol Corporate Standard
Emissions from generation of electricity that is consumed in a transmission and distribution system for which the company does not own or control (Scope 3) / tCO2e	123	129
Total gross Scope 3 emissions / tCO2e	**123**	**129**
Total gross Scope 1, Scope 2 [location] & Scope 3 emissions / tCO2e	**3,183**	**3,598**
Total annual net emissions / tCO2e	**3,183**	**3,598**
Additional intensity ratio: tCO2e net figure / £100,000 revenue	7.94	11.02
Third Party verification	Report independently prepared	Report independently prepared

Statement of directors' responsibilities

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

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

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

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

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Moore Kingston Smith LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

On behalf of the board

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Carlton Brown

Director

Date: 31/10/23

GROVE HR LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GROVE HR LIMITED

Opinion

We have audited the financial statements of Grove HR Limited (the 'company') for the year ended 31 March 2023 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 significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

· give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its loss for the year then ended;

· have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;

· have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

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

Conclusions relating to going concern

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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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 there is 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF GROVE HR LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

· Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Auditor's responsibilities for the audit of the financial statements

· Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.

· Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

· Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

· Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered 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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation
- Enquiry of management including considerations of known or suspected instances of non-compliance with laws and regulations and fraud
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Identifying and testing journal entries, focusing on journal entries containing characteristics of audit interest such as manual journals and journals relating to revenue
- Challenging assumptions and judgements made by management in their significant accounting estimates
- Reviewed any correspondence with relevant regulatory bodies

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations, or through collusion.

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 for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and company's members as a body, for our work, for this report, or for the opinions we have formed.

Alex Crompton (Senior Statutory Auditor)
For and on behalf of Moore Kingston Smith LLP , Statutory Auditor

Date 31 October 2023

6th Floor
9 Appold Street
London
EC2A 2AP

GROVE HR LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Turnover		40,051,270	32,658,322
Cost of sales		(2,850,123)	(2,979,173)
Gross profit		37,201,147	29,679,149
Administrative expenses		(30,829,409)	(25,528,358)
Other operating income	4	1,117,438	392,659
Exceptional item	5	(2,725,000)	(2,075,000)
Operating profit	6	4,764,176	2,468,450
Interest receivable and similar income	8	-	1,348
Interest payable and similar expenses	9	(126,271)	(371,650)
Impairment of fixed asset investments	10	(12,254,423)	-
(Loss)/profit before taxation		(7,616,518)	2,098,148
Tax on (loss)/profit	12	595,973	(241,639)
(Loss)/profit for the financial year		(7,020,545)	1,856,509

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

GROVE HR LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
	£	£
(Loss)/profit for the year	(7,020,545)	1,856,509
Other comprehensive income		
Revaluation of tangible fixed assets	(2,126,580)	(20,459,604)
Tax relating to other comprehensive loss	727,320	4,475,967
Other comprehensive loss for the year	(1,399,260)	(15,983,637)
Total comprehensive loss for the year	(8,419,805)	(14,127,128)

GROVE HR LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	13		18,898,020		20,987,634
Investments	14		96,271,083		-
			115,169,103		20,987,634
Current assets					
Stocks	16	105,325		123,275	
Debtors	17	18,383,792		47,000,887	
Cash at bank and in hand		2,730,272		3,802,113	
		21,219,389		50,926,275	
Creditors: amounts falling due within one year	18	(15,912,705)		(15,338,732)	
Net current assets			5,306,684		35,587,543
Total assets less current liabilities			120,475,787		56,575,177
Provisions for liabilities					
Provisions	20	-		2,075,000	
Deferred tax liability	21	1,117,867		2,428,954	
			(1,117,867)		(4,503,954)
Net assets			119,357,920		52,071,223
Capital and reserves					
Called up share capital	23		101		100
Share premium account			75,706,502		-
Revaluation reserve			5,677,024		7,791,065
Profit and loss reserves	24		37,974,293		44,280,058
Total equity			119,357,920		52,071,223

The financial statements were approved by the board of directors and authorised for issue on 31/10/23 and are signed on its behalf by:

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Carlton Brown

Director

Company Registration No. 08123486

GROVE HR LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Share capital	Share premium account	Revaluation reserve	Profit and loss reserves	Total
		£	£	£	£	£
Balance at 1 April 2021		100	-	25,450,822	50,028,965	75,479,887
Year ended 31 March 2022:						
Profit for the year		-	-	-	1,856,509	1,856,509
Other comprehensive income:						
Revaluation of tangible fixed assets - leasehold property		-	-	(20,459,604)	-	(20,459,604)
Deferred tax on revaluation of leasehold property		-	-	4,475,967	-	4,475,967
Total comprehensive income for the year		-	-	(15,983,637)	1,856,509	(14,127,128)
Dividends	11	-	-	-	(9,281,536)	(9,281,536)
Transfers of difference between depreciation based on historical and revalued amount		-	-	(1,676,120)	1,676,120	-
Balance at 31 March 2022		100	-	7,791,065	44,280,058	52,071,223
Year ended 31 March 2023:						
Loss for the year		-	-	-	(7,020,545)	(7,020,545)
Other comprehensive income:						
Revaluation of tangible fixed assets - leasehold property		-	-	(2,126,580)	-	(2,126,580)
Deferred tax on revaluation of leasehold property		-	-	727,319	-	727,319
Total comprehensive loss for the year		-	-	(1,399,261)	(7,020,545)	(8,419,805)
Issue of share capital	23	1	75,706,502	-	-	75,706,503
Transfer of difference between depreciation based on historical and revalued amount		-	-	(714,780)	714,780	-
Balance at 31 March 2023		101	75,706,502	5,677,024	37,974,293	119,357,920

1 Accounting policies

Company information

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

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 freehold properties and to include investment properties and certain financial instruments 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 9 'Consolidated and separate financial statements' - Requirement to present consolidated financial statements;
- 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 Hotels Limited. These consolidated financial statements are available from its registered office, World Business Centre 2, Newall Road, Hounslow, United Kingdom, TW6 2SF.

1.2 Going concern

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

The company has prepared cash flow projections for a period of 15 months from the date the accounts were signed which show that the company will continue to trade for the foreseeable future. On this basis, the directors consider that it is appropriate to prepare the company's financial statements on a going concern basis.

1.3 Turnover

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

1 Accounting policies **(Continued)**

Other income primarily represents rental income invoiced to tenants, excluding value added tax and derives solely in the United Kingdom.

Rental income is recognised on an accruals basis, whereby any reduction in rent arising from any rent free periods provided to tenants are spread across the length of the lease period.

1.4 Tangible fixed assets

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

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

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

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

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

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

1.5 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

1.6 Stocks

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

1.7 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 Accounting policies **(Continued)**

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.

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.

1 Accounting policies **(Continued)**

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.

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.

1 Accounting policies **(Continued)**

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 made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the income statement in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditures required to settle the obligation taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

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 Accounting policies **(Continued)**

1.13 Leases

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

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

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 Reclassification of prior year amounts

Certain prior year amounts have been reclassified for consistency with the current year presentation.

1.16 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.

1.17 Creditors

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

1.18 Rental Income

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

2 Judgements and key sources of estimation uncertainty

Some of the significant accounting policies require management to make difficult, subjective or complex judgments or estimates. The following is a summary of those policies which management consider critical because of the level of complexity, judgment or estimation involved in their application and their impact on the financial statements.

Property portfolio valuation

The Hotel properties are stated at fair value, as accounted for by the directors. The valuation is on the basis of Market Value ("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 Hotel properties are revalued at each year end at MV by the directors with the surplus being taken to the statement of comprehensive income.

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

3 Employees

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

	2023 Number	2022 Number
Operations	343	297

Their aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	7,252,806	5,425,451
Social security costs	708,765	485,673
Pension costs	138,693	127,046
	8,100,264	6,038,170

4 Other operating income

	2023	2022
	£	£
Other rental income	1,117,438	299,991
Government grants - Coronavirus job retention scheme	-	92,668
	1,117,438	392,659

5 Exceptional items

It relates to a set of operational issues at the hotels that the company has been contesting from prior years. These issues have been settled by the Directors post year end at an amount of £4.8m which is included in accruals (Note 18) through alternate dispute resolution and additional settlement costs have been recognised in current year.

6 Operating profit

	2023	2022
Operating profit for the year is stated after charging:	£	£
Auditors remuneration	55,000	59,398
Depreciation of owned tangible fixed assets	1,181,301	4,973,218
Operating lease charges - variable rent	8,561,268	4,628,391
Exceptional items (note 5)	2,725,000	2,075,000

7 Directors' remuneration

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

8 Interest receivable and similar income

	2023	2022
	£	£
Interest income		
Interest on bank deposits	-	1,348

9 Interest payable and similar expenses

	2023	2022
	£	£
Interest on bank overdrafts and loans	62,524	336,333
Finance costs	63,747	35,317
	126,271	371,650

10 Impairment of fixed asset investments

	2023	2022
	£	£
Impairment of investment in subsidiary	(12,254,423)	-

11 Dividends

	2023	2022
	£	£
Final paid	-	9,281,536

12 Taxation

	2023	2022
	£	£
Current tax		
UK corporation tax on profits/losses for the current period	215,730	227,936
Adjustments in respect of prior periods	(227,936)	-
Total current tax	(12,206)	227,936
Deferred tax		
Origination and reversal of timing differences	(583,767)	(542,662)
Changes in tax rates	-	479,556
Adjustment in respect of prior periods	-	76,809
Total deferred tax	(583,767)	13,703
Total tax (credit)/charge	(595,973)	241,639

12 Taxation **(Continued)**

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

	2023	2022
	£	£
(Loss)/profit before taxation	(7,616,518)	2,098,148
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	(1,447,138)	398,648
Tax effect of expenses that are not deductible in determining taxable profit	2,328,340	394,250
Tax effect of income not taxable in determining taxable profit	-	(20)
Tax effect of utilisation of tax losses not previously recognised	(65,497)	-
Unutilised tax losses carried forward	-	(227,936)
Change in unrecognised deferred tax assets	(599,833)	-
Group relief	(665,798)	(941,736)
Permanent capital allowances in excess of depreciation	79,797	(13,051)
Depreciation on assets not qualifying for tax allowances	-	198,940
Under/(over) provided in prior years	(227,936)	-
Deferred tax adjustments in respect of prior years	-	76,809
Differences in tax rate deferred tax and Corporation tax	2,092	(123,822)
Tax rate change in opening balance	-	479,557
Taxation (credit)/charge for the year	(595,973)	241,639

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

	2023	2022
	£	£
Deferred tax arising on:		
Revaluation of property	(727,320)	(4,475,967)

13 Tangible fixed assets

	Leasehold property	Plant, machinery and vehicles	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
At 1 April 2022	37,560,249	3,276,662	3,117,516	43,954,427
Additions	183,002	592,583	442,682	1,218,267
Revaluation	(2,126,580)	-	-	(2,126,580)
At 31 March 2023	35,616,671	3,869,245	3,560,198	43,046,114
Depreciation and impairment				
At 1 April 2022	17,668,593	2,582,474	2,715,726	22,966,793
Depreciation charged in the year	782,700	134,820	263,781	1,181,301
At 31 March 2023	18,451,293	2,717,294	2,979,507	24,148,094
Carrying amount				
At 31 March 2023	17,165,378	1,151,951	580,691	18,898,020
At 31 March 2022	19,891,656	694,188	401,790	20,987,634

The company's properties were revalued on 31 March 2023 by the directors at open market value and the deficit was taken to the revaluation reserve. Further details of the judgements made are given in note 2.

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

	2023	2022
	£	£
Short leasehold	16,299,858	16,116,856

14 Fixed asset investments

	Notes	2023	2022
		£	£
Investments in subsidiaries	15	96,271,083	-

14 Fixed asset investments **(Continued)**

Movements in fixed asset investments

	Shares in subsidiaries £
Cost or valuation	
At 1 April 2022	-
Additions	108,525,506
At 31 March 2023	108,525,506
Impairment	
At 1 April 2022	-
Impairment losses	12,254,423
At 31 March 2023	12,254,423
Carrying amount	
At 31 March 2023	96,271,083
At 31 March 2022	-

On 26 May 2022, the company acquired 100% of the ordinary shares in AH4 Limited, a subsidiary of AFT2 (OHC) Limited, for a consideration of £108,525,506 being the net asset value. The directors carried out a valuation of the investments at year end and as a result, an impairment loss was recognised in the income statement to reflect the reduction in net assets of subsidiary.

15 Subsidiaries

Details of the company's subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	Indirect
AH4 Limited	Jersey	Leasing Property	Ordinary	100.00	-

The registered office for AH4 Limited is IFC 5, St. Helier, Jersey, JE1 1ST.

16 Stocks

	2023 £	2022 £
Finished goods and goods for resale	105,325	123,275

Stocks recognised in cost of sales during the period as an expense was £2,658,257 (2022: £2,808,934).

17 Debtors

	2023	2022
Amounts falling due within one year:	**£**	**£**
Trade debtors	3,358,142	1,719,860
Corporation tax recoverable	740,095	110,310
Amounts owed by group undertakings	12,983,921	44,785,121
Other debtors	853,401	153,431
Prepayments	448,233	232,165
	18,383,792	47,000,887

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

18 Creditors: amounts falling due within one year

	Notes	2023	2022
		£	**£**
Bank loans	19	-	12,200,588
Trade creditors		927,215	833,021
Amounts owed to group undertakings		6,926,554	578,272
Taxation and social security		1,005,164	363,353
Other creditors		498,322	402,241
Accruals and deferred income		6,555,450	961,257
		15,912,705	15,338,732

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

Accruals include the settlement amount of £4,800,000 relating to hotel operational issues as explained in exceptional items note 5 which was paid in June 2023.

19 Loans and overdrafts

	2023	2022
	£	**£**
Bank loans	-	12,200,588

Analysis of the maturity of loans is given below:

	2023	2022
	£	**£**
Loan payable within 1 year	-	12,200,588

On 26 May 2022, the company repaid the loan facility.

20 Provisions for liabilities

	2023	2022
	£	£
Hotel operating provision	-	2,075,000

Movements on provisions:

	£
At 1 April 2022	2,075,000
Transfer to short term liabilities	(2,075,000)
At 31 March 2023	-

21 Deferred taxation

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

	Liabilities 2023	Liabilities 2022
Balances:	£	£
Accelerated capital allowances	1,508,598	1,501,248
Tax losses	(599,833)	-
Retirement benefit obligations	(7,278)	(15,994)
Fair value movement on fixed assets	216,380	943,700
	1,117,867	2,428,954

Movements in the year:	£
Liability at 1 April 2022	2,428,954
Credit to profit or loss	(583,767)
Credit to other comprehensive income	(727,320)
Liability at 31 March 2023	1,117,867

It is estimated that £245,000 of timing differences will reverse in the next 12 month due to the reversal of accelerated capital allowances. It is not possible to estimate any future reversals.

The Finance Act 2021 was substantially enacted in May 2021 and has increased the corporation tax rate from 19% to 25% with effect from 1 April 2023. The deferred taxation balances have been measured using the rates expected to apply in the reporting periods when the timing differences reverse.

22 Retirement benefit schemes

	2023	2022
Defined contribution schemes	£	£
Charge to income statement in respect of defined contribution schemes	138,693	127,046

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 £29,111 (2022: £63,974).

23 Share capital

	2023	2022
	£	£
Ordinary share capital		
Issued and fully paid		
101 Ordinary shares of £1 each	101	100

On 13 May, 2022 the company issued one ordinary share of £1 nominal value for a total consideration of £75,706,503 resulting in share premium of £75,706,502.

24 Profit and loss reserves

The company's reserves are as follows:

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

Share premium
Share premium represents the excess of consideration received for shares issued over the nominal value of those shares.

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

Revaluation reserve
Represents the cumulative unrealized valuation movement on investment properties, which is transferred from the profit and loss reserves, net of any deferred tax.

25 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.

26 Ultimate controlling party

The immediate parent of Grove HR Limited is Arora Hotels Limited, a company registered in England and Wales.

The ultimate parent entity of Grove HR 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 the company is Apex Financial Services (Trustees) Limited, a regulated trust company administered in Jersey.

27 Contingent Liability

On May 26, 2022, a new loan facility of £60,000,000 was provided to AH4 Limited and guaranteed by Grove HR Limited, together, the 'Obligors'.

The loan is secured by fixed and floating charges over the assets of the Obligors. As at 31 March 2023 the loan amounted to £60,000,000 (2022: £70,850,623).