

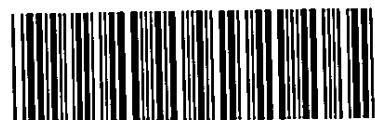
# **Arora Management Services Limited**

Report and Financial Statements

Year Ended

31 March 2008

FRIDAY



\*A1WEL1W3\*

A06

01/08/2008

41

COMPANIES HOUSE



**BDO Stoy Hayward**  
Chartered Accountants

# **Arora Management Services Limited**

**Annual report and financial statements  
for the year ended 31 March 2008**

---

## **Contents**

### **Page:**

1	Report of the directors
3	Report of the independent auditors
5	Profit and loss account
6	Balance sheet
7	Notes forming part of the financial statements

---

## **Directors**

Surinder Arora  
Subash Arora  
Sunita Arora  
Guy Morris

## **Secretary and registered office**

Subash Arora, Arora Management Services Limited, The Grove, Bath Road, Harmondsworth, UB7 0DG

## **Company number**

5636920

## **Auditors**

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

-----

# **Arora Management Services Limited**

## **Report of the directors for the year ended 31 March 2008**

---

The directors present their report together with the audited financial statements for the year ended 31 March 2008

### **Results and dividends**

The profit for the year, after taxation, amounted to £197,821 (2007 - £497,221) The directors do not recommend the payment of a dividend for the year

### **Principal activities and review of the business**

The company's principal activity is that of providing management services to the Arora group companies

### **Political and charitable donations**

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

### **Directors**

The directors of the company during the year were

Surinder Arora  
Subash Arora  
Sunita Arora  
Guy Morris

The interest of Surinder Arora in the parent company is disclosed in the directors' report of the parent company The financial statements are publicly available from the address given in note 14

### **Directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

# **Arora Management Services Limited**

## **Report of the directors for the year ended 31 March 2008 (*Continued*)**

---

### **Auditors**

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

### **On behalf of the Board**

  
Director

Date 28/07/08

# **Arora Management Services Limited**

## **Report of the independent auditors**

---

### **To the shareholders of Arora Management Services Limited**

We have audited the financial statements of Arora Management Services Limited for the year ended 31 March 2008 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

#### *Respective responsibilities of directors and auditors*

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

#### *Basis of audit opinion*

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

# Arora Management Services Limited

## Report of the independent auditors (*Continued*)

---

### *Opinion*

#### In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements



**BDO STOY HAYWARD LLP**

*Chartered Accountants  
and Registered Auditors*  
London

30 July 2008

# Arora Management Services Limited

## Profit and loss account for the year ended 31 March 2008

	Note	2008 £	2007 £
<b>Turnover</b>	2	<b>221,730</b>	665,000
Administrative expenses		(17,133)	45,011
<b>Operating profit</b>	3	<b>204,597</b>	710,011
Interest payable	4	-	(12)
Interest receivable	5	2,179	411
<b>Profit on ordinary activities before taxation</b>		<b>206,776</b>	710,410
Tax on profit on ordinary activities	6	8,955	213,189
<b>Profit for the financial year</b>		<b>197,821</b>	497,221

### Continuing operations

The results stated above are all derived from continuing operations for the above two financial years

### Statement of total recognised gains and losses

The company has no recognised gains or losses other than the profit for the above two financial years

The notes on pages 7 to 10 form part of these financial statements

# Arora Management Services Limited

## Balance sheet at 31 March 2008

	Note	2008 £	2007 £
<b>Current assets</b>			
Debtors	7	3,328,202	735,595
Cash at bank and in hand		122,064	55,592
		<u>3,450,266</u>	<u>791,187</u>
<b>Creditors amounts falling due within one year</b>	8	2,755,124	293,965
		<u>695,142</u>	<u>497,222</u>
<b>Net assets</b>			
<b>Capital and reserves</b>			
Called up share capital	9	100	1
Profit and loss account	10	695,042	497,221
		<u>695,142</u>	<u>497,222</u>
<b>Shareholders' funds</b>	11	695,142	497,222

The financial statements were approved by the Board of Directors and authorised for issue on 28/07/08

  
Director

The notes on pages 7 to 10 form part of these financial statements



# Arora Management Services Limited

## Notes forming part of the financial statements for the year ended 31 March 2008

### 1 Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards

The following principal accounting policies have been applied

#### *Cash flow statement*

The company has chosen to take the exemption from producing a cash flow statement based in accordance with Financial Reporting Standard 1. This is because the company is a wholly owned subsidiary of Arora Holdings Limited and the company is included in the consolidated financial statements

#### *Going concern*

The financial statements have been prepared on a going concern basis

#### *Deferred taxation*

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes

Deferred tax is calculated at the tax rates which are expected to apply in the periods when the timing differences will reverse, and discounted to reflect the time value of money using rates based on the post-tax yields to maturity that could be obtained at the balance sheet date on government bonds with similar maturity dates

### 2 Turnover

Turnover represents the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts

Turnover is attributable to one continuing activity

### 3 Operating profit

	2008 £	2007 £
This is stated after charging		
Auditors remuneration for audit services	-	4,000
	<hr/>	<hr/>
Audit fees for the year ended 31 March 2008 have been borne by another group company		

### 4 Interest payable

	2008 £	2007 £
Bank loans and overdrafts	-	12
	<hr/>	<hr/>

# Arora Management Services Limited

Notes forming part of the financial statements  
for the year ended 31 March 2008 (*Continued*)

## 5 Interest receivable

	2008 £	2007 £
Bank interest	2,179	411

## 6 Taxation on loss from ordinary activities

	2008 £	2007 £
<i>Analysis of charge in period</i>		
Current tax		
UK corporation tax on profits for the year	62,033	213,189
Prior year adjustments	(53,078)	-
	<u>8,955</u>	<u>213,189</u>
Tax on profit on ordinary activities		

### *Factors affecting tax charge for period*

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows

	2008 £	2007 £
Profit on ordinary activities before tax	206,776	710,410
Profit on ordinary activities at the standard rate of corporation tax in the UK of 30% (2007 – 30%)	62,033	213,123
Effects of		
Expenses not deductible for tax purposes	-	66
Adjustments to tax in respect of prior periods	(53,078)	-
	<u>8,955</u>	<u>213,189</u>
Current tax charge for year		

# Arora Management Services Limited

Notes forming part of the financial statements  
for the year ended 31 March 2008 (Continued)

## 7 Debtors

	2008 £	2007 £
Trade debtors	5,750	58,750
Amounts owed by group undertakings and undertakings in which the company has a participating interest	659,530	623,234
Other debtors	2,659,919	52,297
Prepayments and accrued income	3,003	1,314
	<u>3,328,202</u>	<u>735,595</u>

## 8 Creditors amounts falling due within one year

	2008 £	2007 £
Trade creditors	462,770	41,893
Amounts owed to group undertakings and undertakings in which the company has a participating interest	1,981,755	107,033
Other taxes and social security costs	-	106,156
Other creditors	310,599	34,883
Accruals and deferred income	-	4,000
	<u>2,755,124</u>	<u>293,965</u>

## 9 Share capital

	2008 Number	Authorised 2007 Number	2008 £	2007 £
Ordinary shares of £1 each	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
	Allotted, called up and fully paid			
	2008 Number	2007 Number	2008 £	2007 £
Ordinary shares of £1 each	100	1	100	1
	<u>100</u>	<u>1</u>	<u>100</u>	<u>1</u>

# Arora Management Services Limited

Notes forming part of the financial statements  
for the year ended 31 March 2008 (*Continued*)

## 10 Profit and loss account

	2008 £	2007 £
At 1 April	497,221	-
Profit for the financial year	197,821	497,221
	<hr/>	<hr/>
At 31 March 2008	695,042	497,221
	<hr/>	<hr/>

## 11 Reconciliation of movement in shareholders' funds

	2008 £	2007 £
At 1 April	497,222	-
Profit for the financial year	197,821	497,221
Shares issued	99	1
	<hr/>	<hr/>
At 31 March	695,142	497,222
	<hr/>	<hr/>

## 12 Contingent liabilities

A bank loan facility is provided by a consortium of banks to Arora Hotels Limited. It is secured by fixed and floating charges over the assets of the company and is also secured by charges over the assets of its parent company and fellow subsidiaries and by intra-group guarantees provided by some group companies. As at 31 March 2008 the bank loan, amounted to £22,421,875.

A bank loan facility is provided by a consortium of banks to Arora Heathrow T5 Limited. It is secured by fixed and floating charges over the assets of its parent company and fellow subsidiaries and by intra-group guarantees provided by some group companies. As at 31 March 2008 the bank loan, amounted to £68,009,619.

## 13 Related party transactions

At the year end, an amount of £659,530 (2007 - £623,234) was owed by the parent company, Arora Holdings Limited and its subsidiaries. In return the company owed £1,981,755 (2007 - £107,033) to the parent Arora Holdings Limited and its subsidiaries.

## 14 Ultimate parent company and parent undertaking of the larger group of which the company is a member

The immediate and ultimate parent company is Arora Holdings Limited, a company registered in England and Wales.

The ultimate controlling parties of Arora Holdings Limited are Surinder and Sunita Arora, due to their majority shareholding in the company, both of whom are directors of the parent company.

The consolidated accounts of this company are available to the public and can be obtained from The Grove, Bath Road, Harmondsworth, Middlesex, UB7 0DG.