

**Report of the Directors and
Financial Statements for the Year Ended 31 March 2011
for
Arora Management Services Limited**

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Arora Management Services Limited (Registered number: 5636920)

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Arora Management Services Limited

**Company Information
for the Year Ended 31 March 2011**

DIRECTORS:

Surinder Arora
Subash Arora
Guy Morris
Sunita Arora
Carlton Brown

SECRETARY.

Subash Arora

REGISTERED OFFICE:

The Grove
Bath Road
Sipson
Harmondsworth
Middlesex
UB7 ODG

REGISTERED NUMBER.

5636920

AUDITORS:

BDO LLP
Chartered Accountants
and Registered Auditors
55 Baker Street
United Kingdom
London
W1U 7EU

Arora Management Services Limited (Registered number: 5636920)

Report of the Directors for the Year Ended 31 March 2011

The directors present their report with the financial statements of the company for the year ended 31 March 2011

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of providing management services to the Arora entities

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2010 to the date of this report

Surinder Arora
Subash Arora
Guy Morris
Sunita Arora

Other changes in directors holding office are as follows

Carlton Brown - appointed 15 June 2010

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

AUDITORS

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

Arora Management Services Limited (Registered number: 5636920)

Report of the Directors for the Year Ended 31 March 2011

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

ON BEHALF OF THE BOARD:



Carlton Brown - Director

Date 29/09/2011

**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 2011 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Report of the Directors.

BDO LLP

David Campbell (Senior Statutory Auditor)
for and on behalf of BDO LLP
Chartered Accountants
and Registered Auditors
London

Date *30/9/11*

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

Arora Management Services Limited (Registered number: 5636920)

Profit and Loss Account for the Year Ended 31 March 2011

	Notes	2011 £	2010 £
TURNOVER	2	3,571,326	3,101,853
Administrative expenses		<u>2,880,576</u>	<u>535,482</u>
OPERATING PROFIT	3	690,750	2,566,371
Interest payable and similar charges		<u>-</u>	<u>28</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		690,750	2,566,343
Tax on profit on ordinary activities	4	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		<u>690,750</u>	<u>2,566,343</u>

CONTINUING OPERATIONS

The results stated above are all derived from continuing operations

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year

Arora Management Services Limited (Registered number: 5636920)

Balance Sheet 31 March 2011

	Notes	2011 £	2010 £
FIXED ASSETS			
Tangible assets	6	19,164	3,006
Investments	7	<u>300</u>	<u>-</u>
		19,464	3,006
CURRENT ASSETS			
Debtors	8	11,807,055	9,860,024
Cash at bank and in hand		<u>1,421,647</u>	<u>1,216,215</u>
		13,228,702	11,076,239
CREDITORS			
Amounts falling due within one year	9	<u>7,846,470</u>	<u>5,578,729</u>
NET CURRENT ASSETS		<u>5,382,232</u>	<u>5,497,510</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,401,696</u>	<u>5,500,516</u>
CAPITAL AND RESERVES			
Called up share capital	11	100	100
Profit and loss account	12	<u>5,401,596</u>	<u>5,500,416</u>
SHAREHOLDERS' FUNDS	15	<u>5,401,696</u>	<u>5,500,516</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

The financial statements were approved and authorised for issue by the Board of Directors on
29/09/2011 and were signed on its behalf by



Carlton Brown - Director

Arora Management Services Limited (Registered number: 5636920)

Notes to the Financial Statements for the Year Ended 31 March 2011

1 ACCOUNTING POLICIES

Accounting convention

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

Preparation of consolidated financial statements

The financial statements contain information about Arora Management Services Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Arora Holdings Limited, a company registered in the United Kingdom

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax on sales. Turnover is recognised when the risks and rewards of owning the goods has passed to the customer

Tangible fixed assets

All fixed assets are recorded initially at cost. Depreciation is provided at the following annual rates in order to write off the cost, less estimated residual values of each asset evenly over its estimated useful life

Plant and machinery - 25% straight line

Deferred tax

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. Deferred tax balances are not discounted

Cashflow statement

Under Financial Reporting Standard 1, the company is exempt from producing a cashflow statement on the grounds that it is a wholly owned subsidiary of Arora Holdings Limited and the company is included in the consolidated financial statements

Investments

Investment are stated at cost less any provision for impairment

Going concern

The company has projected cash flow projections for a period of more than 12 months from the date of approval of the financial statements which show that the company will continue to trade within its facilities for the foreseeable future. On this basis, the Directors believe that it is appropriate to prepare the financial statements on a going concern basis

2 TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company

Arora Management Services Limited (Registered number: 5636920)

Notes to the Financial Statements - continued for the Year Ended 31 March 2011

3 OPERATING PROFIT

The operating profit is stated after charging

	2011 £	2010 £
Hire of plant and machinery	-	95
Depreciation - owned assets	3,842	694
Pension costs	<u>3,529</u>	<u>-</u>

Auditor's remuneration in respect of audit fees has been borne by Arora Holdings Limited, the company's parent

4 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2011 nor for the year ended 31 March 2010

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	2011 £	2010 £
Profit on ordinary activities before tax	<u>690,750</u>	<u>2,566,343</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2010 - 28%)	193,410	718,576
Effects of		
Capital allowances in excess of depreciation	(417)	195
Group relief claimed	(270,628)	(718,771)
Non deductible expenses	<u>77,635</u>	<u>-</u>
Current tax charge	<u>-</u>	<u>-</u>

5 DEEMED DISTRIBUTION

	2011 £	2010 £
Ordinary shares of £1 each		
Distribution to parent	<u>789,570</u>	<u>-</u>

During the year, the company forgave a loan to a director, in exchange for that director forgiving a loan to the parent company. This has been treated as a deemed distribution to the parent company in the accounts.

Arora Management Services Limited (Registered number: 5636920)

Notes to the Financial Statements - continued for the Year Ended 31 March 2011

6 TANGIBLE FIXED ASSETS

	Plant and machinery £
COST	
At 1 April 2010	3,700
Additions	<u>20,000</u>
At 31 March 2011	<u>23,700</u>
DEPRECIATION	
At 1 April 2010	694
Charge for year	<u>3,842</u>
At 31 March 2011	<u>4,536</u>
NET BOOK VALUE	
At 31 March 2011	<u>19,164</u>
At 31 March 2010	<u>3,006</u>

7 FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
Additions	<u>300</u>
At 31 March 2011	<u>300</u>
NET BOOK VALUE	
At 31 March 2011	<u>300</u>

The company's investments at the balance sheet date in the share capital of companies include the following subsidiaries that were incorporated during the year

Stansted Business Centre Limited

Nature of business Property management

	%
Class of shares	holding
Ordinary shares	100 00

ADL (London) Limited

Nature of business Provision of property development services

	%
Class of shares	holding
Ordinary shares	100 00

Grove Developments Limited

Nature of business Property Development

	%
Class of shares	holding
Ordinary shares	100 00

Arora Management Services Limited (Registered number: 5636920)

Notes to the Financial Statements - continued for the Year Ended 31 March 2011

8 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Trade debtors	-	2,830
Amounts owed by group undertakings	830,503	625,866
Other debtors	<u>10,976,552</u>	<u>9,231,328</u>
	<u><u>11,807,055</u></u>	<u><u>9,860,024</u></u>

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Trade creditors	529,395	521,801
Amounts owed to group undertakings	4,613,876	3,718,748
Taxation and social security	250,350	133,631
Other creditors	<u>2,452,849</u>	<u>1,204,549</u>
	<u><u>7,846,470</u></u>	<u><u>5,578,729</u></u>

10 LOANS

An analysis of the maturity of loans is given below

	2011	2010
	£	£
Amounts falling due within one year or on demand		
Related party loans	<u><u>2,262,897</u></u>	<u><u>1,204,549</u></u>

11 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid				
Number	Class	Nominal value	2011	2010
			£	£
100	Ordinary shares	£1	<u><u>100</u></u>	<u><u>100</u></u>

12 RESERVES

	Profit and loss account £
At 1 April 2010	5,500,416
Profit for the year	690,750
Deemed dividends	<u>(789,570)</u>
At 31 March 2011	<u><u>5,401,596</u></u>

Arora Management Services Limited (Registered number: 5636920)

Notes to the Financial Statements - continued for the Year Ended 31 March 2011

13 RELATED PARTY DISCLOSURES

The company is a wholly-owned subsidiary of Arora Holdings Limited and utilises the exemption contained in Financial Reporting Standard 8 'Related Party Disclosures' not to disclose any transactions with wholly-owned entities that are part of the group. The consolidated financial statements of Arora Holdings are available to the public and can be obtained from The Grove, Bath Road, Harmondsworth, Middlesex, UB7 0DG.

Included within other creditors at the year end are amounts owed to Arora Family Trust and its subsidiaries of £1,322,061 (2010 £644,115), Arora Family Trust No 4 of £323,225 (2010 £nil) and Arora Family Trust No 2 and its subsidiaries £617,611 (2010 £560,354).

Included within other debtors are amounts due from Arora Family Trust and its subsidiaries of £3,898,099 (2010 £1,134,743), Arora Family Trust No 2 and its subsidiaries of £567,511 (2010 £540,210), Arora Family Trust No 3 and its subsidiaries of £5,750 (2010 £5,570) and Arora Family Trust No 4 and its subsidiaries of £1,508,260 (2010 £396,703). All of the above took the form of funding transactions and all the entities are related by via Mr S Arora, as ultimate beneficiary of all companies.

Also included within other debtors is £56,757 which is due from Littlebrook Nursery Limited, a related party by virtue of common directorship in Mrs S Arora.

14 ULTIMATE CONTROLLING PARTY

The immediate and ultimate parent of Arora Management Services Limited is Arora Holdings Limited, a company registered in the United Kingdom, and the parent of the largest and smallest group for which group accounts are drawn up and of which the company is a member.

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.

A copy of the consolidated accounts for Arora Holdings Limited are available to the public and can be obtained from The Grove, Bath Road, Harmondsworth, Middlesex, UB7 0DG.

15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Profit for the financial year	690,750	2,566,343
Deemed dividends	(789,570)	-
Net (reduction)/addition to shareholders' funds	(98,820)	2,566,343
Opening shareholders' funds	5,500,516	2,934,173
Closing shareholders' funds	5,401,696	5,500,516