

**Report of the Directors and  
Financial Statements for the Year Ended 31 March 2010  
for  
Arora Management Services Limited  
Company Number : 5636920**

**TUESDAY**



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# **Arora Management Services Limited**

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# Arora Management Services Limited

## Company Information for the Year Ended 31 March 2010

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**DIRECTORS:**

Surinder Arora  
Subash Arora  
Guy Morris  
Sunita Arora  
Carlton Brown

**SECRETARY:**

Subash Arora

**REGISTERED OFFICE:**

The Grove  
Bath Road  
Harmondsworth  
Middlesex  
UB7 0DG

**REGISTERED NUMBER:**

5636920 (England and Wales)

**AUDITORS:**

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

# **Arora Management Services Limited**

## **Report of the Directors for the Year Ended 31 March 2010**

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The directors present their report together with the audited financial statements of the company for the year ended 31 March 2010

### **PRINCIPAL ACTIVITY**

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

### **REVIEW OF BUSINESS**

The company has reported a profit after tax on ordinary activities of £2,566,343 (2009 profit £2,239,031)

### **DIRECTORS**

The directors during the year under review were

Surinder Arora  
Subash Arora  
Guy Morris  
Sunita Arora  
Carlton Brown - appointed 15<sup>th</sup> June 2010

### **POLITICAL AND CHARITABLE CONTRIBUTIONS**

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

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the 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 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 statement 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.

## Arora Management Services Limited

### Report of the Directors for the Year Ended 31 March 2010

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#### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

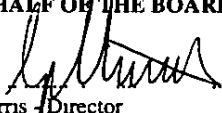
All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant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

In preparing the directors' report, advantage has been taken of the small companies exemption under the Companies Act 2006.

#### ON BEHALF OF THE BOARD.

  
Guy Morris - Director

Date

30/9/10

**Report of the Independent Auditors to the Shareholders of  
Arora Management Services Limited**

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We have audited the financial statements of Arora Management Services Limited for the year ended 31 March 2010 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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Respective responsibilities of directors and auditors*

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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*

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

*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 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

*Opinion on other matters prescribed by the Companies Act 2006*

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Shareholders of  
Arora Management Services Limited**

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*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 and the directors' report in accordance with the small companies' regime

*BDO LLP*

John Le Poidevin (Senior Statutory Auditor)  
for and on behalf of BDO LLP,  
Statutory Auditors,  
London  
United Kingdom

Date

*1<sup>st</sup> October 2010*

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

# Arora Management Services Limited

## Profit and Loss Account for the Year Ended 31 March 2010

	Notes	2010 £	2009 £
<b>TURNOVER</b>	2	<b>3,101,853</b>	1,908,004
Administrative expenses		<u>535,482</u>	<u>173,443</u>
		<b>2,566,371</b>	1,734,561
Other operating income	3	<u>-</u>	<u>500,000</u>
<b>OPERATING PROFIT</b>	4	<b>2,566,371</b>	2,234,561
Interest receivable and similar income	5	<u>-</u>	<u>5,611</u>
		<b>2,566,371</b>	2,240,172
Interest payable and similar charges		<u>28</u>	<u>1,455</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>2,566,343</b>	2,238,717
Tax on profit on ordinary activities	6	<u>-</u>	<u>(314)</u>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u><b>2,566,343</b></u>	<u>2,239,031</u>

### CONTINUING OPERATIONS

The results stated above are all derived from continuing operations. All recognised gains and losses are included in the profit and loss account.

The notes on pages 8 to 11 form part of these financial statements



# Arora Management Services Limited

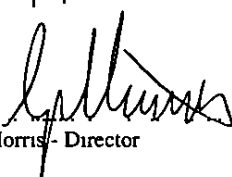
Balance Sheet  
31 March 2010

COMPANY NUMBER . 5636920

	Notes	2010 £	2009 £
<b>FIXED ASSETS</b>			
Tangible assets	7	3,006	-
<b>CURRENT ASSETS</b>			
Debtors	8	9,860,024	13,354,828
Cash at bank and in hand		<u>1,216,215</u>	<u>437,606</u>
		11,076,239	13,792,434
<b>CREDITORS</b>			
Amounts falling due within one year	9	<u>5,578,729</u>	<u>10,858,261</u>
<b>NET CURRENT ASSETS</b>		<u>5,497,510</u>	<u>2,934,173</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>5,500,516</u>	<u>2,934,173</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	100	100
Profit and loss account	11	<u>5,500,416</u>	<u>2,934,073</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>5,500,516</u>	<u>2,934,173</u>

The financial statements have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime

The financial statements were approved and authorised for issue by the Board of Directors on 30.9.10 and were signed on its behalf by

  
Guy Morris - Director

The notes on pages 8 to 11 form part of these financial statements

# Arora Management Services Limited

## Notes to the Financial Statements for the Year Ended 31 March 2010

### 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

#### Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax on sales. Turnover is recognised when the service has been provided 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

Motor Vehicles - 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

#### 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

#### Investments

Investments are stated at cost less any provision for impairment

### 2 TURNOVER

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

### 3 OTHER OPERATING INCOME

	2010 £	2009 £
Sundry receipts	-	500,000

The sundry receipts relate to income on management services provided to third parties

### 4 OPERATING PROFIT

The operating profit is stated after charging

	2010 £	2009 £
Depreciation - owned assets	694	-

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

# Arora Management Services Limited

## Notes to the Financial Statements - continued for the Year Ended 31 March 2010

### 5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2010	2009
	£	£
Deposit account interest	<u>-</u>	<u>5,611</u>

### 6 TAXATION

#### Analysis of the tax credit

The tax credit on the profit on ordinary activities for the year was as follows

	2010	2009
	£	£
Current tax		
UK corporation tax	<u>-</u>	<u>(314)</u>
Tax on profit on ordinary activities	<u>-</u>	<u>(314)</u>

#### Factors affecting the tax credit

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

	2010	2009
	£	£
Profit on ordinary activities before tax	<u>2,566,343</u>	<u>2,238,717</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)	718,576	626,841
Effects of		
Adjustments to tax in respect of prior periods	-	(314)
Expenses not deductible for tax purposes	-	407
Capital allowances	195	-
Group relief claimed	<u>(718,771)</u>	<u>(627,248)</u>
Current tax	<u>-</u>	<u>(314)</u>

# Arora Management Services Limited

## Notes to the Financial Statements - continued for the Year Ended 31 March 2010

### 7 TANGIBLE FIXED ASSETS

	Plant and machinery etc £
<b>COST</b>	
Additions	<u>3,700</u>
At 31 March 2010	<u>3,700</u>
<b>DEPRECIATION</b>	
Charge for year	<u>694</u>
At 31 March 2010	<u>694</u>
<b>NET BOOK VALUE</b>	
At 31 March 2010	<u>3,006</u>

### 8 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Trade debtors	2,830	1,308
Amounts owed by group undertakings	625,866	5,156,583
Other debtors	<u>9,231,328</u>	<u>8,196,937</u>
	<u>9,860,024</u>	<u>13,354,828</u>

### 9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Trade creditors	521,801	558,366
Amounts owed to group undertakings	3,718,748	5,303,264
Taxation and social security	133,631	-
Other creditors	<u>1,204,549</u>	<u>4,996,631</u>
	<u>5,578,729</u>	<u>10,858,261</u>

### 10 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value	2010 £	2009 £
100	Ordinary shares	£1	<u>100</u>	<u>100</u>

# Arora Management Services Limited

## Notes to the Financial Statements - continued for the Year Ended 31 March 2010

### 11 RESERVES

	Profit and loss account £
At 1 April 2009	2,934,073
Profit for the year	<u>2,566,343</u>
At 31 March 2010	<u>5,500,416</u>

### 12 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 related party loans at the year end are amounts owed to Arora Family Trust and its subsidiaries of £644,115 (2009 £303,143) and Arora Family Trust No 2 and its subsidiaries £560,354 (2009 £645,948).

Included within other debtors are amounts due from Arora Family Trust and its subsidiaries of £1,134,743 (2009 £971,339), Arora Family Trust No 2 and its subsidiaries of £540,210 (2009 £521,750), Arora Family Trust No 3 and its subsidiaries of £5,570 (2009 £Nil) and Arora Family Trust No 4 and its subsidiaries of £396,703 (2009 £1,100,675).

### 13 ULTIMATE CONTROLLING PARTY

The immediate parent 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.

### 13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010 £	2009 £
Profit for the financial year	<u>2,566,343</u>	<u>2,239,031</u>
Net addition to shareholders' funds	2,566,343	2,239,031
Opening shareholders' funds	<u>2,934,173</u>	<u>695,142</u>
Closing shareholders' funds	<u>5,500,516</u>	<u>2,934,173</u>