

Company Registration No. 10276820 (England and Wales)

**ARORA T5 HOLDINGS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**



**Arora**  
GROUP

# ARORA T5 HOLDINGS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Carlton Brown Athos Yiannis
<b>Secretary</b>	Athos Yiannis
<b>Company number</b>	10276820
<b>Registered office</b>	World Business Centre 3 Newall Road London Heathrow Airport Hounslow England TW6 2TA
<b>Auditor</b>	BDO LLP 55 Baker Street London W1U 7EU

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# **ARORA T5 HOLDINGS LIMITED**

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# **ARORA T5 HOLDINGS LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 MARCH 2020**

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The directors present their annual report and financial statements for the year ended 31 March 2020.

### **Principal activities**

The principal activity of the company continued to be that of a holding company.

### **Directors**

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

Carlton Brown  
Athos Yiannis

### **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.

### **Statement of directors' responsibilities**

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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**

In accordance with the company's articles, a resolution proposing that BDO LLP be reappointed as auditor of the company will be put at a General Meeting.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

### **Going Concern**

The directors assessment on going concern can be found in note 1 of this report.

**ARORA T5 HOLDINGS LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2020**

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On behalf of the board



.....  
Carlton Brown  
Director

Date: 30/4/2020  
.....

# ARORA T5 HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ARORA T5 HOLDINGS LIMITED

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#### Opinion

We have audited the financial statements of Arora T5 Holdings Limited (the 'company') for the year ended 31 March 2020 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2020 and of its result 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.

#### 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.

#### Material uncertainty relating to going concern

We draw attention to note 1 to the financial statements, which explains the directors' considerations over going concern including the potential impacts of Covid-19 and the potential need for additional funds. At this stage it is unclear whether the company will require additional funding, and if it does whether this could be obtained. As stated in note 1, these events or conditions, along with other matters as set out in note 1, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 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 or a material misstatement of the other information. 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.

#### 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

# ARORA T5 HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF ARORA T5 HOLDINGS LIMITED

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#### 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 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; 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 directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

#### Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

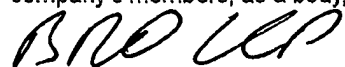
#### Auditor's responsibilities for the audit of the financial statements

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

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



**Marc Reinecke (Senior Statutory Auditor)**

For and on behalf of BDO LLP, statutory auditor  
London

30 September 2020

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

# ARORA T5 HOLDINGS LIMITED

## INCOME STATEMENT

**FOR THE YEAR ENDED 31 MARCH 2020**

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		<b>2020</b>	<b>2019</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Profit before taxation</b>		-	-
Tax on profit	<b>4</b>	-	-
<b>Profit for the financial year</b>		<u>-</u>	<u>-</u>
		<u><u>-</u></u>	<u><u>-</u></u>

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



# ARORA T5 HOLDINGS LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

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	2020	2019
	£	£
Profit for the year	-	-
Other comprehensive income	-	-
Total comprehensive income for the year	<u>-</u>	<u>-</u>

# ARORA T5 HOLDINGS LIMITED

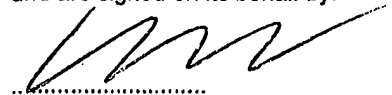
## STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Investments	5	158,052,407		158,052,407	
<b>Current assets</b>					
Debtors	7	27,007,118		20,807,118	
Creditors: amounts falling due within one year	8	(56,865,692)		(50,665,692)	
<b>Net current liabilities</b>		(29,858,574)		(29,858,574)	
<b>Total assets less current liabilities</b>		128,193,833		128,193,833	
<b>Capital and reserves</b>					
Called up share capital	9		2		2
Profit and loss reserves		128,193,831		128,193,831	
<b>Total equity</b>		128,193,833		128,193,833	

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

The financial statements were approved by the board of directors and authorised for issue on 30/9/2020 and are signed on its behalf by:

  
.....  
Carlton Brown  
Director

Company Registration No. 10276820

# ARORA T5 HOLDINGS LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 April 2018	2 128,193,831	128,193,833	
Year ended 31 March 2019:			
Profit and total comprehensive income for the year	-	-	-
Balance at 31 March 2019	2 128,193,831	128,193,833	
Year ended 31 March 2020:			
Profit and total comprehensive income for the year	-	-	-
Balance at 31 March 2020	2 128,193,831	128,193,833	

# ARORA T5 HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

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### 1 Accounting policies

#### Company Information

Arora T5 Holdings Limited is a private company limited by shares incorporated in England and Wales. The registered office is World Business Centre 3, Newall Road, London Heathrow Airport, Hounslow, England, TW6 2TA.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- 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 3, Newall Road, London Heathrow Airport, Hounslow, England, TW6 2TA.

# ARORA T5 HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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### 1 Accounting policies

(Continued)

#### 1.2 Going concern

The company holds investments in 2 companies that runs the operation of a hotel and owns the building in which the hotel operates. The Covid-19 outbreak in early 2020 has had a significant impact on the operations of the hotel, as it has all other hotels in the UK. It is too early to know the precise impact this will have on trading for the year ending 31 March 2021 and the years ahead, as the situation is constantly evolving.

However, the directors are taking comprehensive steps to ensure that the business is able to continue in operation for the foreseeable future. In line with Government's lockdown requirements on 23 March 2020, the hotel was shuttered. The hotel reopened in September 2020. Since reopening the hotel, cost savings are being made wherever possible in order to maximise both marginal and fixed cost level savings, taking advantage of Government supported measures, such as business rates relief, furloughing of employees and VAT deferrals for the periods that are available.

The business has previously traded profitably and it is the expectation of the directors that normal operations will be able to resume once the restrictions in relation to Covid-19 are fully lifted. The hotel however is highly dependent on a significant increase in airline travel.

The directors have modelled cash flow forecasts for a period of 15 months from the date of the approval of these accounts which include the ramp up of hotel trade over the coming year albeit to a lower level than previously achieved. These forecasts, however, include a level of judgement specifically around occupancy levels and achievable rates, improvements in tourist travel, the likelihood of a second wave, with corresponding possible reintroduction of Covid-19 restrictions and ability to continue to obtain agreement to covenant waivers in the period.

These forecasts indicate that over the period under review support is required from the wider group and 555 Limited, a fellow group company, has confirmed that it intends to provide such support for a period of at least twelve months from the date of signing these financial statements.

Therefore, the expectation of the directors is that they will be able to meet liabilities as they fall due over a period of at least 12 months from the date of approval of these financial statements, and therefore they have continued to prepare the financial statements on a going concern basis.

It is, however, difficult to estimate how the Covid-19 outbreak will impact the trading and for how long, and the directors consider this as the key uncertainty over which they have no control. In the event that the hotel trading levels take longer to pick up than the forecast scenarios, or in the event of any covenant breaches and covenant waivers are not obtained or cured, then the company may require additional funds in order to support its investments. At this stage it is unclear whether additional funding will be required, and if it does whether this could be obtained which indicates a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business.

The directors consider that they will be able to raise additional finance and/or realise cash from the sale of some of the wider group's investment properties and tangible fixed assets, hence the financial statements are drawn up on a going concern basis.

#### 1.3 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the income statement.

# ARORA T5 HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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### 1 Accounting policies

(Continued)

#### 1.4 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.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### 1.5 Equity Instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

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.

#### 1.6 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.

# ARORA T5 HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 1 Accounting policies (Continued)

#### 1.7 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.

### 2 Judgements and key sources of estimation uncertainty

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

#### Going concern

The directors considerations and judgements on going concern are set out in note 1.

### 3 Operating profit

Auditors' remuneration in respect of audit fees has been borne by Arora Holdings Limited, the company's ultimate UK parent.

None of the directors were paid emoluments for their services as directors of Arora T5 Holdings Limited during the year (2019: £nil).

There were no staff for the year ended 31 March 2020 (2019: £nil).

### 4 Taxation

No liability to UK corporation tax arose on ordinary activities for the period (2019: £nil).

### 5 Fixed asset investments

	Notes	2020 £	2019 £
Investments in subsidiaries	6	158,052,407	158,052,407

#### Movements in fixed asset investments

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 April 2019 and 31 March 2020	158,052,407
<b>Carrying amount</b>	
At 31 March 2020	158,052,407
At 31 March 2019	158,052,407

# ARORA T5 HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

### 6 Subsidiaries

Details of the company's subsidiaries at 31 March 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Grove T5 Limited	UK	Hotel operator	Ordinary	100.00
Heathrow T5 Hotel Limited	UK	Investment property	Ordinary	100.00

### 7 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Amounts owed by group undertakings	27,007,118	20,807,118

Amounts owed by group undertakings are repayable on demand at the option of both the lender and borrower.

### 8 Creditors: amounts falling due within one year

	2020 £	2019 £
Amounts due to group undertakings	56,865,692	50,665,692

Amounts owed to group undertakings are repayable on demand at the option of both the lender and borrower.

### 9 Share capital

	2020 £	2019 £
Ordinary share capital Issued and fully paid 2 Ordinary shares of £1 each	2	2

### 10 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.



# **ARORA T5 HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2020***

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### **11 Ultimate controlling party**

The immediate parent of the company is Arora Hotels Limited, a company registered in the United Kingdom.

The ultimate parent entity 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 as the trustee of Arora Family Trust No. 2. Apex Financial Services (Trustees) Limited is a regulated trust company administered in Jersey.

### **12 Contingent liabilities**

On 18 October 2016, a loan facility was provided to Arora T5 Holdings Limited, the 'Company', and its subsidiaries, Heathrow T5 Hotel Limited and Grove T5 Limited, together, the 'Obligors'. The loan was secured by fixed and floating charges over the assets of the Obligors. As at 31 March 2020 the loan amounted to £163,056,128 (2019: £166,520,090).