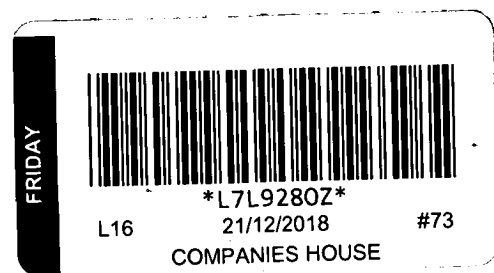


**C&C Alpha Group Limited**  
**Financial Statements**  
**31 March 2018**



**SLAVEN JEFFCOTE LLP**  
Chartered Certified Accountants & statutory auditor  
1 Lumley Street  
Mayfair  
London  
W1K 6TT

# **C&C Alpha Group Limited**

## **Financial Statements**

**Year ended 31 March 2018**

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# **C&C Alpha Group Limited**

## **Officers and Professional Advisers**

### **The board of directors**

C Thomas  
B Choudhrie  
D Choudhrie  
S Kapur

### **Company secretary**

S Pudaruth

### **Registered office**

23 Buckingham Gate  
London  
SW1E 6LB

### **Auditor**

Slaven Jeffcote LLP  
Chartered Certified Accountants & statutory auditor  
1 Lumley Street  
Mayfair  
London  
W1K 6TT

# **C&C Alpha Group Limited**

## **Strategic Report**

**Year ended 31 March 2018**

### **Introduction**

The directors present their strategic report on C&C Alpha Group Limited (Company) for the year ended 31st March 2018.

### **Business Review**

The results for the year are set out in the consolidated profit and loss account and the financial position of the group as at 31 March 2018 is set out in the consolidated balance sheet. Group revenue for the year was £59.97 million (2017:£56.62 million) and group EBITDA before other operating income (earnings before interest, tax, depreciation and amortisation) was -£526,381 (2017:-£5.56 million) The principal activity of the company during the period was that of a investment holding company.

Each of the subsidiaries has its own management team who are responsible for the day to day management and operation of the entities. Weekly conference call are held with the management team of each of the business units/subsidiaries and all issues are documented and addressed immediately.

Quarterly board meetings of the company are held where the performance and the business strategy for each business units are evaluated and discussed.

The consolidated statement of Financial position on page 13 shows the group's overall financial position at the end of the year.

The major source of liquidity for the group comes from cash generated from trading activity as well as funding by shareholders.

The net current liabilities for the year was £160.52 million (2017:£166.22 million) which includes Shareholders loan of £151.46 million (2017: £138.61 million). The cash at bank and in hand increased by £2.16 million (2017: -£1.28 million) compared to the previous year. For further details on Creditors: amount falling due within one year and amount falling due after more than one year, see notes 20 and 21 of the consolidated statement of Financial position.

The company and its subsidiaries (the "Group") engage in diverse business activities including hospitals, healthcare, hotels, technology, utilities, real estate, flight training academies and consulting services. The group through its subsidiary Quatro Management Inc. has invested in to Megalith Capital management LLC, which owns and manages multi-family properties in United States. The group is also currently growing its mid-market hotel portfolio in India and USA.

### **Healthcare Group**

C&C Alpha Healthcare Group Limited operates nursing and residential care homes for the elderly through subsidiary Alpha Health Care Limited.

Alpha Health Care Limited owns and operates elderly care home business. During the year ended 31 March 2018 this business generated total revenue of £8.8 million (2017: £7.8 million) and adjusted EBITDA (earnings before interest, tax, depreciation and amortisation) of £0.5 million (2017:£0.4 Million)

### **Flight training academies**

Alpha Aviation Group limited (AAG) provides aviation training through its 100% subsidiaries in Philippines and United Kingdom and joint venture in UAE with low cost carrier Air Arabia in which AAG owns 49% of the equity.

In the year ended 31 March 2018, AAG generated total group revenue of £16.7 million (2017: £15.81 million) and group EBITDA after exceptional items was £5.9 million (2017:£6.47 million). Alpha Aviation Academy (Europe) Limited (AAEU) owns a full flight Boeing 737NG Simulator located at UK. AAEU leased the simulator for 5 years under a Lease Purchase Agreement on 29th April 2015.

# **C&C Alpha Group Limited**

## **Strategic Report** *(continued)*

### **Year ended 31 March 2018**

AAG Philippines owns a number of training devices including training aircrafts, fixed base simulator, A320 full flight simulator, A330/340 full flight simulator etc.

To meet the growing demand for training, AAG Philippines is acquiring training aircrafts as well as a new A320 full flight simulator which is expected to be certified ready for training before the end of the financial year 2018-19.

#### **London International Hospital**

London International Hospitals Limited was dissolved on 28th March 2018 following creditors voluntary liquidation.

#### **Utilities**

Alpha Utilities Holdings Limited through its 100% subsidiary Alpha Utilities FZE LLC owns and operates a 1 million gallons per day water desalination plant in UAE. A new plant with capacity of 0.5 million gallons per day is currently undergoing trials and is expected to commence production in 1st quarter of the year 2019. In the year ended 31 March 2018, Alpha Utilities FZE generated total group revenue of £2.09 million (2017: £3.22 million).

A new water purchase agreement was signed with a local utility company in Middle East under 20 year BOT to supply 2 million gallons per day of desalinated water. The plant is expected to be completed by the last quarter of the year 2019. Bank loan of US\$10 million has been obtained for financing the construction of the project.

#### **Hospitality Group**

Shanti Hospitality Group Limited (Shanti), a holding company incorporated in UK owns a number of hotels and restaurants in UK, Switzerland, US, Mauritius and India in high-end, boutique and budget segments. In the year ended 31 March 2018, Shanti generated total revenue of £22.7 million (2017:£21.6 million) and EBITDA of -£3.7 million (2017:-£6.5 million).

Nira Caledonia a Boutique hotel owned by Shanti Hospitality (UK) limited comprises of two properties near to each other. On 27th August 2017 one of the properties including hotel and restaurant was damaged by fire. The restoration work has completed and the unit reopened for business on 28 May 2018.

Shanti Hospitality Group Limited also owns limited service Hotels in United States franchised with RedRoof. Redroof franchise license for one of the hotels is being terminated and consequently will undergo brand conversion.

On 5th September 2018 Harberry Investments Limited acquired the entire share capital, consisting of 1,000 ordinary shares of £1.00 each, of Shanti Hospitality Group Limited ("Shanti") held by the Company for a total consideration of £1. Consequently, Shanti ceased to be the subsidiary of the Company.

Following the sale of the above shares, the unsecured loans in the aggregate amount of £130,133,530 due to the Company by Shanti was also assigned to Harberry Investments Limited by the Company under a Deed of Assignment dated 5th September 2018.

#### **C&C Alpha Group**

C&C Alpha Group Limited is an investment holding company and the parent company of the group, incorporated in the UK. In the year ended 31 March 2018, C&C Alpha Group generated total revenue of £4.5 million (2017:£4.7 million) and EBITDA of -£8.9 million (2017:-£4.04 million).

#### **C&C Estates**

C&C Estates Limited is an investment holding company incorporated in the UK, C&C Estates owns a commercial property and a restaurant through its subsidiaries in the UK. C&C Estates generated total revenue of £7.7 million (2017:£4.9 million) and EBITDA of £0.8 million (2017:-£1.6 million).

#### **Principal risks and uncertainties**

# **C&C Alpha Group Limited**

## **Strategic Report** *(continued)*

### **Year ended 31 March 2018**

The management of the business and the nature of the group's strategy are subject to a number of risks. The directors have set out below the principal risks facing the business. The directors are of the opinion that a thorough risk management process is adopted which involves the formal review of all risks identified below. Where possible, processes are in place to monitor and mitigate such risks.

#### **Regulatory Environment**

Some of the businesses that the company invests in to especially healthcare and flight training academies operates in a highly regulated environment and the requirements are increasing year after year to meet minimum standards. Changes in regulation could impact investment requirements in the physical environment in which they operate. Each of these businesses invests in state of the art facilities and robust risk assessment and mitigation processes including insurance and periodic internal assessment by qualified consultants are in place to deal with regulatory risks.

#### **Financial management risk**

The Group uses various financial instruments that include loans, cash and working capital items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments are to raise finance for the Group's future projects and for its day-to-day operations. The Group's policy is to finance its investments through an appropriate mix of long-term debt and equity finance. The bank financing is obtained at the subsidiary level instead of the group level to mitigate risk. Day-to-day operations are financed through a combination of cash resources and working capital. The existence of these financial instruments exposes the Group to a number of financial risks, which are described in more detail below. The main risks arising from the Group's financial instruments are cash flow interest rate risk, credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

#### **Interest rate risk**

The Group finances its operations through a mixture of shareholders funding and bank borrowings. The Group's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities.

#### **Liquidity risk**

The Group manages financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest surplus cash safely and profitably. In addition to the bank borrowing and reinvestment of retained earnings, the Company relies on the parent company to fund the day to day working capital requirement of the group. The company obtains annual commitment from its parent company and has commitment in place for the funding required for the next twelve months.

#### **Credit risk**

In order to manage credit risk, the Directors set working capital targets including debtor days. Outstanding balances are reviewed by credit controllers on a regular basis, in conjunction with debt aging, and the Group operates a robust collection procedure.

#### **Price risk**

The group is exposed to supplier price risk as a result of its operations through C&C Alpha Group Limited and its subsidiaries, however, given the size of the company's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the group's operations change size or nature. The group has no exposure to equity securities price risk as it holds no listed or other equity investments.

#### **Brexit Risk**

We do not see any material risk that may impact the business post-Brexit. For business operating in UK, our work force are predominantly local and exposure to the European labour market is low. While our strong Brands helps us to attract talents, we also focus on developing and retaining our existing talent pool.

In terms of business risks for C&C Alpha Health Care Limited, our main exposure would be funding of the National Health Services and the social care sector, however, our service lines and a focus on more specialist care provide a robust commercial position for the company.

# **C&C Alpha Group Limited**

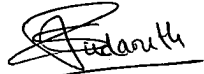
## **Strategic Report (continued)**

**Year ended 31 March 2018**

This report was approved by the board of directors on 20/01/2018 and signed on behalf of the board by:



**B Choudhrie**  
Director



**S Pudaruth**  
Company Secretary

Registered office:  
23 Buckingham Gate  
London  
SW1E 6LB

# **C&C Alpha Group Limited**

## **Directors' Report**

**Year ended 31 March 2018**

The directors present their report and the financial statements of the group for the year ended 31 March 2018.

### **Directors**

The directors who served the company during the year were as follows:

C Thomas  
B Choudhrie  
D Choudhrie  
S Kapur

### **Dividends**

The directors did not recommend the payment of a dividend (2017- £Nil)

### **Employment of disabled persons**

The group's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities, for each disabled person. Arrangements are made wherever possible for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

### **Employee involvement**

The group's policy is to consult and discuss with employees in meetings, matters likely to affect employees interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

### **Events after the end of the reporting period**

On 5th September 2018 Harberry Investment Limited acquired the entire share capital, consisting of 1,000 ordinary shares of £1.00 each, of Shanti Hospitality Group Limited ("Shanti") held by the Company for a total consideration of £1. Consequently, Shanti ceased to be the subsidiary of the Company. Following the sale of the above shares, the unsecured loans in the aggregate amount of £130,133,530 due to the Company by Shanti was also assigned to Harberry Investments Limited by the Company under a Deed of Assignment dated 5th September 2018.

### **Disclosure of information in the strategic report**

Disclosure of the financial risk and future developments has been included in the strategic report.

### **Directors' responsibilities statement**

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 state of affairs of the group and the company and the profit or loss of the group for that period.



# **C&C Alpha Group Limited**

## **Directors' Report** *(continued)*

**Year ended 31 March 2018**

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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;
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom, governing the preparation and dissemination of financial statements, may differ from legislation in other jurisdictions.

### **Auditor**

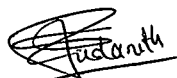
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

This report was approved by the board of directors on 20/01/2018 and signed on behalf of the board by:



**B Choudhrie**  
Director



**S Pudaruth**  
Company Secretary

Registered office:  
23 Buckingham Gate  
London  
SW1E 6LB

# **C&C Alpha Group Limited**

## **Independent Auditor's Report to the Members of C&C Alpha Group Limited**

**Year ended 31 March 2018**

### **Opinion**

We have audited the financial statements of C&C Alpha Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2018 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes, 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 group's and of the parent company's affairs as at 31 March 2018 and of the group's profit 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 group 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# **C&C Alpha Group Limited**

## **Independent Auditor's Report to the Members of C&C Alpha Group Limited** *(continued)*

**Year ended 31 March 2018**

### **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. 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.

In our opinion, based on the work undertaken in the course of the 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 group and the parent 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

# **C&C Alpha Group Limited**

## **Independent Auditor's Report to the Members of C&C Alpha Group Limited *(continued)***

**Year ended 31 March 2018**

### **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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment 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.
- 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 purpose of expressing an opinion on the effectiveness of the group'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 group's or the parent 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 group or the parent 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.


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.

# **C&C Alpha Group Limited**

## **Independent Auditor's Report to the Members of C&C Alpha Group Limited** *(continued)*

**Year ended 31 March 2018**

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.



Nicholas John Paling (FCCA) (Senior Statutory Auditor)

For and on behalf of  
Slaven Jeffcote LLP  
Chartered Certified Accountants & statutory auditor

1 Lumley Street  
Mayfair  
London  
W1K 6TT

21<sup>st</sup> December 2018

**C&C Alpha Group Limited**  
**Consolidated Statement of Comprehensive Income**  
**Year ended 31 March 2018**

	Note	2018 £	2017 (restated) £
<b>Turnover</b>	<b>4</b>	<b>59,970,150</b>	<b>56,625,229</b>
Cost of sales		<u>27,389,255</u>	<u>27,353,920</u>
<b>Gross profit</b>		<b>32,580,895</b>	<b>29,271,309</b>
Administrative expenses		41,245,139	43,910,414
Other operating income	5	<u>15,655,631</u>	<u>2,055,530</u>
<b>Operating profit/(loss)</b>	<b>6</b>	<b>6,991,387</b>	<b>(12,583,575)</b>
Income from interests in associates	10	–	22,569
Share of loss of associates	17	(107,182)	–
Share of (loss)/profit of joint ventures	17	(250,536)	309,051
Other interest receivable and similar income	11	161,438	160,721
Amounts written back to investments	12	–	355,179
Interest payable and similar expenses	13	<u>2,016,164</u>	<u>2,247,826</u>
<b>Profit/(loss) before taxation</b>		<b>4,778,943</b>	<b>(14,694,239)</b>
Tax on profit/(loss)	14	<u>372,730</u>	<u>337,455</u>
<b>Profit/(loss) for the financial year</b>		<b>4,406,213</b>	<b>(15,031,694)</b>
Revaluation of tangible assets		–	8,559,476
Foreign currency retranslation		3,538,706	(2,026,588)
Reclassification from revaluation reserve to profit and loss account		–	(65,748)
Other movements on minority interest		<u>(2,625)</u>	<u>1,336,063</u>
<b>Other comprehensive income for the year</b>		<b>3,536,081</b>	<b>7,803,203</b>
<b>Total comprehensive income for the year</b>		<b>7,951,197</b>	<b>(7,215,835)</b>
Profit for the financial year attributable to:			
The owners of the parent company		4,964,713	(14,324,127)
Non-controlling interests		<u>(558,500)</u>	<u>(707,567)</u>
		<b>4,406,213</b>	<b>(15,031,694)</b>
Total comprehensive income for the year attributable to:			
The owners of the parent company		7,779,579	(7,864,220)
Non-controlling interests		<u>171,618</u>	<u>648,385</u>
		<b>7,951,197</b>	<b>(7,215,835)</b>

All the activities of the group are from continuing operations.

The notes on pages 21 to 47 form part of these financial statements.

**C&C Alpha Group Limited**  
**Consolidated Statement of Financial Position**  
**31 March 2018**

	Note	2018 £	2017 (restated) £
<b>Fixed assets</b>			
Intangible assets	15	1,945,630	3,164,542
Tangible assets	16	136,997,530	135,667,614
Investments	17	8,902,510	8,874,991
		<u>147,845,670</u>	<u>147,707,147</u>
<b>Current assets</b>			
Stocks	18	1,180,347	891,439
Debtors	19	20,074,835	20,390,104
Cash at bank and in hand		15,432,412	13,274,367
		<u>36,687,594</u>	<u>34,555,910</u>
<b>Creditors: amounts falling due within one year</b>	20	<u>197,204,656</u>	<u>200,780,522</u>
<b>Net current liabilities</b>		<u>160,517,062</u>	<u>166,224,612</u>
<b>Total assets less current liabilities</b>		<u>(12,671,392)</u>	<u>(18,517,465)</u>
<b>Creditors: amounts falling due after more than one year</b>	21	31,925,055	34,830,215
<b>Provisions</b>	23	1,413,986	1,430,342
<b>Net liabilities</b>		<u>(46,010,433)</u>	<u>(54,778,022)</u>
<b>Capital and reserves</b>			
Called up share capital	28	65,000,732	64,600,732
Share premium account	29	13,784,468	13,784,468
Other reserve	29	24,467,732	85,277,901
Foreign currency translation reserve	29	1,861,864	(1,073,562)
Profit and loss account	29	(153,918,105)	(219,572,427)
<b>Equity attributable to the owners of the parent company</b>		<u>(48,803,309)</u>	<u>(56,982,888)</u>
<b>Non-controlling interests</b>		<u>2,792,876</u>	<u>2,204,866</u>
		<u>(46,010,433)</u>	<u>(54,778,022)</u>

These financial statements were approved by the board of directors and authorised for issue on 20/03/2018, and are signed on behalf of the board by:



B Choudhrie  
Director

Company registration number: 4590298

The notes on pages 21 to 47 form part of these financial statements.

**C&C Alpha Group Limited**  
**Company Statement of Financial Position**  
**31 March 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	16	1,122,019	159,684
Investments	17	189,243,187	188,632,073
		<u>190,365,206</u>	<u>188,791,757</u>
<b>Current assets</b>			
Debtors	19	3,532,184	3,501,523
Cash at bank and in hand		203,268	106,239
		<u>3,735,452</u>	<u>3,607,762</u>
<b>Creditors: amounts falling due within one year</b>	20	<u>177,979,836</u>	<u>163,989,305</u>
<b>Net current liabilities</b>		<u>174,244,384</u>	<u>160,381,543</u>
<b>Total assets less current liabilities</b>		<u>16,120,822</u>	<u>28,410,214</u>
<b>Net assets</b>		<u>16,120,822</u>	<u>28,410,214</u>
<b>Capital and reserves</b>			
Called up share capital	28	65,000,732	64,600,732
Share premium account	29	13,784,468	13,784,468
Profit and loss account	29	(62,664,378)	(49,974,986)
<b>Shareholders funds</b>		<u>16,120,822</u>	<u>28,410,214</u>

The loss for the financial year of the parent company was £12,689,392 (2017: £3,666,375).

These financial statements were approved by the board of directors and authorised for issue on 20/03/2018 and are signed on behalf of the board by:



B Choudhrie  
Director

Company registration number: 4590298

The notes on pages 21 to 47 form part of these financial statements.



**C&C Alpha Group Limited**  
**Consolidated Statement of Changes in Equity**  
**Year ended 31 March 2018**

	Called up share capital £	Share premium account £	Other reserve £	Foreign currency translation reserve £	Profit and loss account £	Equity attributable to the owners of the parent company £	Non-control ling interests £	Total £
<b>At 1 April 2016</b>	64,600,732	13,784,468	76,718,425	96,654	(204,318,947)	(49,118,668)	1,549,280	(47,569,388)
Loss for the year					(14,324,127)	(14,324,127)	(694,911)	(15,019,038)
Other comprehensive income for the year:								
Revaluation of tangible assets	16	—	8,559,476	—	—	8,559,476	—	8,559,476
Foreign currency retranslation		—	—	(1,313,860)	—	(1,313,860)	(712,728)	(2,026,588)
Reclassification from revaluation reserve to profit and loss account		—	—	—	(65,748)	(65,748)	—	(65,748)
Other movements on minority interest		—	—	143,644	(863,605)	(719,961)	2,056,024	1,336,063
<b>Total comprehensive income for the year</b>	—	—	8,559,476	(1,170,216)	(15,253,480)	(7,864,220)	648,385	(7,215,835)
Issue of shares	—	—	—	—	—	—	7,201	7,201
<b>Total investments by and distributions to owners</b>	—	—	—	—	—	—	7,201	7,201
<b>At 31 March 2017</b>	64,600,732	13,784,468	85,277,901	(1,073,562)	(219,572,427)	<b>(56,982,888)</b>	2,204,866	<b>(54,778,022)</b>

The consolidated statement of changes in equity  
continues on the following page.

The notes on pages 21 to 47 form part of these financial statements.

**C&C Alpha Group Limited**  
**Consolidated Statement of Changes in Equity** *(continued)*  
**Year ended 31 March 2018**

	Called up share capital £	Share premium account £	Other reserve £	Foreign currency translation reserve £	Profit and loss account £	Equity attributable to the owners of the parent company £	Non-control ling interests £	Total £
Profit for the year					4,964,713	4,964,713	(549,597)	4,415,116
Other comprehensive income for the year:								
Foreign currency retranslation	-	-	-	2,935,426	-	2,935,426	603,280	3,538,706
Reclassification from revaluation reserve to profit and loss account	-	-	(60,810,169)	-	60,810,169	-	-	-
Other movements on minority interest	-	-	-	-	(120,560)	(120,560)	117,935	(2,625)
<b>Total comprehensive income for the year</b>	-	-	(60,810,169)	2,935,426	65,654,322	7,779,579	171,618	7,951,197
Issue of shares	400,000	-	-	-	-	400,000	416,392	816,392
<b>Total investments by and distributions to owners</b>	400,000	-	-	-	-	400,000	416,392	816,392
<b>At 31 March 2018</b>	<u>65,000,732</u>	<u>13,784,468</u>	<u>24,467,732</u>	<u>1,861,864</u>	<u>(153,918,105)</u>	<u>(48,803,309)</u>	<u>2,792,876</u>	<u>(46,010,433)</u>

The notes on pages 21 to 47 form part of these financial statements.

**C&C Alpha Group Limited**  
**Company Statement of Changes in Equity**  
**Year ended 31 March 2018**

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The notes on pages 21 to 47 form part of these financial statements.

**C&C Alpha Group Limited**  
**Company Statement of Changes in Equity**  
**Year ended 31 March 2018**

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
<b>At 1 April 2016</b>	64,600,732	13,784,468	(46,308,611)	32,076,589
Loss for the year			(3,666,375)	(3,666,375)
<b>Total comprehensive income for the year</b>	—	—	(3,666,375)	(3,666,375)
<b>At 31 March 2017</b>	64,600,732	13,784,468	(49,974,986)	<b>28,410,214</b>
Loss for the year			(12,689,392)	(12,689,392)
<b>Total comprehensive income for the year</b>	—	—	(12,689,392)	(12,689,392)
Issue of shares	400,000	—	—	<b>400,000</b>
<b>Total investments by and distributions to owners</b>	400,000	—	—	<b>400,000</b>
<b>At 31 March 2018</b>	<u>65,000,732</u>	<u>13,784,468</u>	<u>(62,664,378)</u>	<u><b>16,120,822</b></u>

The notes on pages 21 to 47 form part of these financial statements.

**C&C Alpha Group Limited**  
**Consolidated Statement of Cash Flows**  
**Year ended 31 March 2018**

	2018	2017 (restated)
	£	£
<b>Cash flows from operating activities</b>		
Profit/(loss) for the financial year	4,406,213	(15,031,694)
<i>Adjustments for:</i>		
Depreciation of tangible assets	6,601,576	8,316,330
Impairment of tangible assets	–	30,000
Amortisation of intangible assets	1,229,640	1,233,158
Amounts written off investments	–	355,179
Income from interests in associates	–	(22,569)
Share of profit of associates	107,182	–
Share of profit of joint ventures	250,536	(309,051)
Other interest receivable and similar income	(161,438)	(160,721)
Interest payable and similar expenses	2,016,164	2,247,826
Loss on disposal of tangible assets	153,999	–
Gains on disposal of intangible assets	(50,000)	–
Tax on loss	372,730	337,455
Accrued income	(12,421,699)	(5,944,173)
Other operating cash flow adjustment	3,203,547	(701,126)
<i>Changes in:</i>		
Stocks	(288,908)	(248,167)
Trade and other debtors	830,950	(3,310,805)
Trade and other creditors	(5,600,080)	15,565,284
Cash generated from operations	650,412	2,356,926
Interest paid	(2,016,164)	(2,247,826)
Interest received	(93,468)	682,520
Tax paid	(699,299)	(51,495)
Net cash (used in)/from operating activities	<u>(2,158,519)</u>	<u>740,125</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(8,574,500)	(17,798,326)
Proceeds from sale of tangible assets	489,009	137,339
Proceeds from sale of intangible assets	50,000	–
Cash advances and loans granted	–	(55,129)
Cash receipts from the repayment of advances and loans	–	11,026
Acquisition of interests in associates and joint ventures	(396,567)	(591,325)
Proceeds from sale of interests in associates and joint ventures	342,089	–
Purchases of other investments	(50)	(129,919)
Proceeds from sale of other investments	–	262,011
Dividends received	–	22,569
Other investing cash flow adjustment	–	(25,010)
Net cash used in investing activities	<u>(8,090,019)</u>	<u>(18,166,764)</u>

The consolidated statement of cash flows  
continues on the following page.

The notes on pages 21 to 47 form part of these financial statements.

# C&C Alpha Group Limited

## Consolidated Statement of Cash Flows *(continued)*

Year ended 31 March 2018

	2018	2017 <i>(restated)</i>
	£	£
<b>Cash flows from financing activities</b>		
Proceeds from issue of ordinary shares	816,392	7,201
Proceeds from borrowings	(1,210,943)	9,365,169
Proceeds from loans from group undertakings	12,852,194	6,807,578
Payments of finance lease liabilities	(51,060)	(34,702)
Net cash from financing activities	<u>12,406,583</u>	<u>16,145,246</u>
 Net increase/(decrease) in cash and cash equivalents	 2,158,045	 (1,281,393)
Cash and cash equivalents at beginning of year	<u>13,274,367</u>	<u>14,555,760</u>
Cash and cash equivalents at end of year	<u>15,432,412</u>	<u>13,274,367</u>

The notes on pages 21 to 47 form part of these financial statements.

# **C&C Alpha Group Limited**

## **Notes to the Financial Statements**

**Year ended 31 March 2018**

### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 23 Buckingham Gate, London, SW1E 6LB.

### **2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### **3. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### **Foreign currencies**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheet at the rates ruling at the balance sheet date. Exchange differences arising on translation of opening net assets and results of overseas are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Other exchange differences are recognised in profit or loss in the period in which they arise.

Exchange differences arising on gain or losses on non-monetary items which are recognised in other comprehensive income and;

In the case of consolidated financial statement, exchange difference on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation) which are recognised in other comprehensive income and reported under equity.

#### **Going concern**

The directors have assessed the company's ability to continue to adopt the going concern basis of accounting. The directors of the company are of the opinion that the company's subsidiaries will continue to generate sufficient cash flows in the future to repay the monies advanced to them and the company will also have the support of its parent undertaking for at least another 12 months from the date of signing the accounts and therefore make it appropriate to prepare the financial statement on a going concern basis.

# **C&C Alpha Group Limited**

## **Notes to the Financial Statements** *(continued)*

### **Year ended 31 March 2018**

#### **3. Accounting policies** *(continued)*

##### **Investment properties**

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure. Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss. If a reliable measure of fair value is no longer available without undue cost or effort for an item of investment property, it shall be transferred to tangible assets and treated as such until it is expected that fair value will be reliably measurable on an on-going

##### **Disclosure exemptions**

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

##### **Equal opportunities policy**

The Company is committed to achieving a working environment which provides equality of opportunity and freedom from unlawful discrimination through its Equal Opportunities Policy. This Policy aims to remove unfair and discriminatory practices within the Company and encourages contribution from its workforce to maintain a healthy, diverse community workplace. The Company believes that all employees and clients are entitled to be treated with respect and dignity and in light of same it updates its employment practices and contractual relationships regularly in line with latest legislations.

##### **Consolidation**

The financial statements consolidate the financial statements of the Group and all of its subsidiary undertakings drawn up to 31 March each year, the results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes. Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with section 35 of FRS 102, section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transaction.

##### **Non-controlling interests**

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination.

The proportions of profit or loss and changes in equity allocated to the owners of the parent and to the minority interests are determined on the basis of existing ownership interests and do not reflect the possible exercise or conversion of options or convertible instruments.



# **C&C Alpha Group Limited**

## **Notes to the Financial Statements *(continued)***

### **Year ended 31 March 2018**

#### **3. Accounting policies *(continued)***

##### **Cash & cash equivalents**

Cash is defined as cash on hand and demand and deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amount of cash and that are subject to an insignificant risk of change in value.

##### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### **Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for services rendered, stated net of discounts and of Value Added Tax. In the Utilities sector revenue from the sale of goods is recognised when persuasive evidence exist usually in the form of an executed sales agreement, that significant risks and rewards of the ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably.

In the Aviation sector training fees are recognized over the period of instruction. Training fees collected from the students are allocated based on the applicable training period and the amounts that pertain to the following year are deferred and presented under "deferred income" account under liability section of financial statements.

In the Hospitality sector revenue represents income derived from hotel activities and is shown net of discount and Value Added Tax and is recognised when the services are provided.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

##### **Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

# C&C Alpha Group Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 March 2018

#### 3. Accounting policies *(continued)*

##### Operating leases

Rental under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

##### Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill - Over 5 years

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

##### Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

##### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	- 2% straight line
Leasehold improvement	- 10% straight line
Short leasehold property	- 10% straight line
Plant and Machinery	- 20% reducing balance
Fixtures & Fittings	- 10%-33% Straight line
Motor vehicles	- 25% straight line

##### Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure. Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss. If a reliable measure of fair value is no longer available without undue cost or effort for an item of investment property, it shall be transferred to tangible assets and treated as such until it is expected that fair value will be reliably measurable on an on-going

# **C&C Alpha Group Limited**

## **Notes to the Financial Statements *(continued)***

### **Year ended 31 March 2018**

#### **3. Accounting policies *(continued)***

##### **Investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

##### **Investments in associates**

Investments in associates are accounted for using the equity method of accounting, whereby the investment is initially recognised at the transaction price and subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate.

##### **Investments in joint ventures**

Investments in joint ventures are accounted for using the equity method of accounting, whereby the investment is initially recognised at the transaction price and subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the joint venture.

##### **Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

##### **Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

##### **Finance leases and hire purchase contracts**

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

# **C&C Alpha Group Limited**

## **Notes to the Financial Statements *(continued)***

### **Year ended 31 March 2018**

#### **3. Accounting policies *(continued)***

##### **Finance leases and hire purchase contracts *(continued)***

Assets held under finance leases and hire purchase contracts as lessor are recognised in the statement of financial position as receivables at the value of the net investment in the lease. Any initial direct costs are included in the receivable.

Lease income is recognised so as to reflect a constant periodic rate of return on the net investment in the lease.

##### **Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

##### **Financial instruments**

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

# C&C Alpha Group Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

### 3. Accounting policies *(continued)*

#### Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

### 4. Turnover

Turnover arises from:

	2018	2017 <i>(restated)</i>
	£	£
Rendering of services	<u>59,970,150</u>	<u>56,625,229</u>

The turnover is derived from classes of businesses and geographical markets that substantially differ from each other. An analysis of each is given below:

#### Geographical markets

	2018	2017 <i>(restated)</i>
	£	£
United Kingdom	18,278,625	15,349,514
Philippines	9,492,068	6,666,506
United Arab Emirates	9,359,088	12,360,321
India	8,580,096	7,928,767
Mauritius	6,329,132	5,679,121
Switzerland	3,890,193	3,621,553
United States of America	2,829,746	2,792,816
Others	1,211,202	2,226,631
	<u>59,970,150</u>	<u>56,625,229</u>

#### Business classes

	2018	2017 <i>(restated)</i>
	£	£
Hospitality	22,784,538	21,624,731
Healthcare	8,824,326	7,777,805
Aviation	16,756,656	15,807,266
Real estates	4,854,284	3,515,825
Others	6,750,346	7,899,602
	<u>59,970,150</u>	<u>56,625,229</u>

# C&C Alpha Group Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 March 2018

#### 5. Other operating income

In the current year other operating income includes a write off of creditor and other provisions for £15,222,177 in the books of London International Hospitals Limited. The Company was officially dissolved on 28 March 2018.

In the Prior year other operating income included as sum of £853,443 relating to assignment of credit of €1,000,000 with CAE CFT B.V. to a fellow subsidiary (Alpha Aviation Group (Philippines) Inc). This credit was granted to Alpha Aviation Academy (Europe) Limited by CAE CFT B.V. in 2009 for the second purchase of full flight simulator from CAE CFT B.V.

#### 6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2018	2017 <i>(restated)</i>
	£	£
Amortisation of intangible assets	1,229,640	1,233,158
Depreciation of tangible assets	6,601,576	8,348,479
Impairment of tangible assets recognised in:		
Administrative expenses	–	30,000
Loss on disposal of tangible assets	153,999	–
Gains on disposal of intangible assets	(50,000)	–
Impairment of trade debtors	533,349	31,658
Operating lease rentals	338,708	387,790
Foreign exchange differences	202,636	(490,344)

#### 7. Auditor's remuneration

	2018	2017 <i>(restated)</i>
	£	£
Fees payable for the audit of the financial statements	27,000	24,000
Fees payable to the company's auditor and its associates for other services:		
Audit of the financial statements of associates	49,700	41,525
Taxation advisory services	50,000	50,000
	99,700	91,525

#### 8. Staff costs

The average number of persons employed by the group during the year, including the directors, amounted to:

	2018 No.	2017 No.
Production staff	402	386
Administrative staff	1,248	1,086
Management staff	2	2
	1,652	1,474

# C&C Alpha Group Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 March 2018

#### 8. Staff costs *(continued)*

The aggregate payroll costs incurred during the year, relating to the above, were:

	2018	2017 <i>(restated)</i>
	£	£
Wages and salaries	23,733,659	22,786,768
Social security costs	966,014	974,659
Other pension costs	176,363	171,932
	<u>24,876,036</u>	<u>23,933,359</u>

#### 9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2018	2017 <i>(restated)</i>
	£	£
Remuneration	2,655,484	2,569,206
Company contributions to defined contribution pension plans	10,000	10,000
	<u>2,665,484</u>	<u>2,579,206</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2018	2017 <i>(restated)</i>
	No.	No.
Defined contribution plans	<u>2</u>	<u>2</u>

Remuneration of the highest paid director in respect of qualifying services:

	2018	2017 <i>(restated)</i>
	£	£
Aggregate remuneration	1,383,416	1,181,798
Company contributions to defined contribution pension plans	5,000	5,000
	<u>1,388,416</u>	<u>1,186,798</u>

#### 10. Income from interests in associates

	2018	2017 <i>(restated)</i>
	£	£
Income from interests in associates	<u>-</u>	<u>22,569</u>

# C&C Alpha Group Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

### 11. Other interest receivable and similar income

	2018	2017 <i>(restated)</i>
	£	£
Interest on loans and receivables	136,773	131,329
Interest on cash and cash equivalents	24,573	7,697
Interest on bank deposits	85	5
Other interest receivable and similar income	7	21,690
	<u>161,438</u>	<u>160,721</u>

### 12. Amounts written off investments

	2018	2017 <i>(restated)</i>
	£	£
Impairment of other fixed asset investments	—	13,090
Amounts written off current asset investments	—	342,089
	<u>—</u>	<u>355,179</u>

### 13. Interest payable and similar expenses

	2018	2017 <i>(restated)</i>
	£	£
Interest on banks loans and overdrafts	1,828,808	2,109,953
Other interest payable and similar charges	187,356	137,873
	<u>2,016,164</u>	<u>2,247,826</u>

### 14. Tax on loss

#### Major components of tax income

	2018	2017 <i>(restated)</i>
	£	£
<b>Current tax:</b>		
UK current tax income	389,086	340,395
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(16,356)	(2,940)
<b>Tax on loss</b>	<u>372,730</u>	<u>337,455</u>



# C&C Alpha Group Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

### 14. Tax on loss *(continued)*

#### Reconciliation of tax expense

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK of 19% (2017: 20%).

	2018	2017 <i>(restated)</i>
	£	£
Profit/(loss) on ordinary activities before taxation	<u>4,778,943</u>	<u>(14,694,239)</u>
Profit/(loss) on ordinary activities by rate of tax	907,999	2,938,323
Adjustment to tax charge in respect of prior periods	(12,990)	–
Effect of expenses not deductible for tax purposes	576,096	4,572,435
Effect of revenue exempt from tax	(40,680)	(3,141,339)
Utilisation of tax losses	(1,057,695)	–
Tax losses carried forward	–	(4,031,964)
Tax on loss	<u>372,730</u>	<u>337,455</u>

### 15. Intangible assets

Group	Goodwill £
<b>Cost</b>	
At 1 April 2017 (as restated)	33,885,186
Disposals	(9,566,087)
Acquisitions through business combinations	10,728
<b>At 31 March 2018</b>	<u>24,329,827</u>
<b>Amortisation</b>	
At 1 April 2017	30,720,644
Charge for the year	1,229,640
Disposals	(9,566,087)
<b>At 31 March 2018</b>	<u>22,384,197</u>
<b>Carrying amount</b>	
<b>At 31 March 2018</b>	<u>1,945,630</u>
At 31 March 2017	<u>3,164,542</u>

The company has no intangible assets.

# C&C Alpha Group Limited

## Notes to the Financial Statements (continued)

### Year ended 31 March 2018

#### 16. Tangible assets

Group	Land and buildings £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Capital Work-in-Prog ress £	Total £
<b>Cost</b>						
At 1 Apr 2017 (as restated)	124,600,415	15,989,362	26,883,701	716,065	13,844,720	182,034,263
Additions	1,492,498	894,621	1,780,552	112,720	4,294,109	8,574,500
Disposals	(695,094)	171,626	(541,715)	(145,938)	–	(1,211,121)
Transfers	1,677,767	–	10,175,633	–	(11,853,400)	–
<b>At 31 Mar 2018</b>	<b>127,075,586</b>	<b>17,055,609</b>	<b>38,298,171</b>	<b>682,847</b>	<b>6,285,429</b>	<b>189,397,642</b>
<b>Depreciation</b>						
At 1 Apr 2017	20,680,744	9,480,622	15,767,751	437,532	–	46,366,649
Charge for the year	3,128,829	839,746	2,521,234	111,767	–	6,601,576
Disposals	(345,094)	178,555	(258,422)	(143,152)	–	(568,113)
<b>At 31 Mar 2018</b>	<b>23,464,479</b>	<b>10,498,923</b>	<b>18,030,563</b>	<b>406,147</b>	<b>–</b>	<b>52,400,112</b>
<b>Carrying amount</b>						
<b>At 31 Mar 2018</b>	<b>103,611,107</b>	<b>6,556,686</b>	<b>20,267,608</b>	<b>276,700</b>	<b>6,285,429</b>	<b>136,997,530</b>
At 31 Mar 2017	103,919,671	6,508,740	11,115,950	278,533	13,844,720	135,667,614

Company	Plant and machinery £	Fixtures and fittings £	Equipment £	Total £
<b>Cost</b>				
At 1 April 2017	37,090	268,742	574,130	879,962
Additions	885,874	169,233	70,342	1,125,449
<b>At 31 March 2018</b>	<b>922,964</b>	<b>437,975</b>	<b>644,472</b>	<b>2,005,411</b>
<b>Depreciation</b>				
At 1 April 2017	37,090	151,258	531,930	720,278
Charge for the year	88,587	40,807	33,720	163,114
<b>At 31 March 2018</b>	<b>125,677</b>	<b>192,065</b>	<b>565,650</b>	<b>883,392</b>
<b>Carrying amount</b>				
<b>At 31 March 2018</b>	<b>797,287</b>	<b>245,910</b>	<b>78,822</b>	<b>1,122,019</b>
At 31 March 2017	–	117,484	42,200	159,684

Included within the above is investment property as follows:

	Group £	Company £
At 1 April 2017 and 31 March 2018	16,450,000	–
At 1 April 2017	16,450,000	–

# C&C Alpha Group Limited

## Notes to the Financial Statements (continued)

### Year ended 31 March 2018

#### 16. Tangible assets (continued)

In November 2016 a revaluation of investment property was carried out by Deutsche bank (Suisse) S.A and the market value of the property was £16,450,000 hence an adjustment of £5,928,077 was made at the previous reporting date to book value to reflect the fair value of investment property. In the opinion of the directors there has been no material change in the valuation and the carrying value is considered appropriate.

On 4 June 2016 Alpha Aviation Philippines entered into a sales Purchase agreement with CAE CFT B.V. for the acquisition of A330/340 level D FFS for a total purchase price of £9.8 million, with option to purchase spare parts at £0.43 million. The purchase price is payable in six instalments based on key milestones. The A330/340 components are delivered on a staggered basis upon 90% payment of purchase price. The Simulator was partly financed through a facility agreement with a financial institution. As of March 2018 the cost of the Simulator transferred from "Capital Work-in-Progress" to Fixtures, Fittings and Equipment.

The land and buildings belonging to Spa On The Shore Limited were revalued in 2012 at fair value of £22.88 million from £13.4 million based on the valuation report made by JPW International Ltd, an independent property surveyor, on an open market basis.

The land and buildings belonging to Spa On The Shore Limited were revalued again on 30 June 2016 at fair value of £26.5 million from £18.9 million based on the valuation report made by JPW International Ltd, an independent property surveyor, on an open market basis.

#### 17. Investments

Group	Interests in associates £	Joint ventures £	Loans to participating interests £	Other investments other than loans £	Total £
<b>Share of net assets/cost</b>					
At 1 April 2017 as restated	–	6,321,659	4,406,032	853,388	<b>11,581,079</b>
Additions	396,567	–	–	50	<b>396,617</b>
Disposals	–	(342,089)	(542,842)	–	<b>(884,931)</b>
Revaluations	(11,380)	–	–	–	<b>(11,380)</b>
Transfers	8,571,354	(4,582,953)	(3,863,190)	(125,211)	<b>–</b>
Share of profit or loss	(107,182)	(250,536)	–	–	<b>(357,718)</b>
<b>At 31 March 2018</b>	<b>8,849,359</b>	<b>1,146,081</b>	<b>–</b>	<b>728,227</b>	<b>10,723,667</b>
<b>Impairment</b>					
At 1 April 2017 as restated	–	1,568,668	542,842	594,578	<b>2,706,088</b>
Disposals	–	(342,089)	(542,842)	–	<b>(884,931)</b>
Transfers	1,226,579	(1,226,579)	–	–	<b>–</b>
<b>At 31 March 2018</b>	<b>1,226,579</b>	<b>–</b>	<b>–</b>	<b>594,578</b>	<b>1,821,157</b>
<b>Carrying amount</b>					
<b>At 31 March 2018</b>	<b>7,622,780</b>	<b>1,146,081</b>	<b>–</b>	<b>133,649</b>	<b>8,902,510</b>
At 31 March 2017	–	4,752,991	3,863,190	258,810	<b>8,874,991</b>

# C&C Alpha Group Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 March 2018

#### 17. Investments *(continued)*

Company	Shares in group undertakings £	Loans to group undertakings £	Shares in participating interests £	Loans to participating interests £	Total £
<b>Cost</b>					
At 1 April 2017 as restated	40,936,595	229,024,894	1,453,024	145,976	271,560,489
Additions	556,668	8,108,611	–	–	8,665,279
Revaluations	–	(1,332,905)	–	(11,380)	(1,344,285)
Other movements	–	(526,088)	–	–	(526,088)
<b>At 31 March 2018</b>	<u>41,493,263</u>	<u>235,274,512</u>	<u>1,453,024</u>	<u>134,596</u>	<u>278,355,395</u>
<b>Impairment</b>					
At 1 April 2017 as restated	14,106,456	67,765,968	987,791	68,201	82,928,416
Impairment losses	100	6,183,692	–	–	6,183,792
<b>At 31 March 2018</b>	<u>14,106,556</u>	<u>73,949,660</u>	<u>987,791</u>	<u>68,201</u>	<u>89,112,208</u>
<b>Carrying amount</b>					
<b>At 31 March 2018</b>	<u>27,386,707</u>	<u>161,324,852</u>	<u>465,233</u>	<u>66,395</u>	<u>189,243,187</u>
At 31 March 2017	<u>26,830,139</u>	<u>161,258,926</u>	<u>465,233</u>	<u>77,775</u>	<u>188,632,073</u>

# C&C Alpha Group Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

### 17. Investments *(continued)*

	Country of incorporation	Holding	Proportion of voting rights	Nature of business
<b>Subsidiary undertakings</b>				
<b>Held directly by the company:</b>				
C&C Alpha Healthcare Group Limited	England	Ordinary shares	95%	Holding\Investment company
Alpha Aviation Group Limited	England	Ordinary shares	100%	Holding\Investment company
C&C Business Solutions Limited	England	Ordinary shares	100%	Consultancy and business development
C&C Estates Limited	England	Ordinary shares	100%	Holding\Investment company
Shanti Hospitality Group Limited	England	Ordinary shares	100%	Holding\Investment company
C&C Hitech Holdings Limited	England	Ordinary shares	100%	Holding\Investment company
C&C Alpha Group (Mauritius) Limited	Mauritius	Ordinary shares	100%	Holding\Investment company
Alpha Utilities Holdings Limited	England	Ordinary shares	100%	Holding\Investment company
Alpha Health Consultancy & Management Ltd	England	Ordinary shares	100%	Consultancy and business development
Alpha Real Estate Developers EAD	Bulgaria	Ordinary shares	100%	Consultancy and business development
C&C Alpha SE Asia Inc	Philippines	Ordinary shares	100%	Consultancy and business development
Alpha Health Sciences (Mauritius) Ltd	Mauritius	Ordinary shares	100%	Consultancy and business development
Shanti Hospitality Hotel Corporation	Philippines	Ordinary shares	100%	Hotels and Hospitality
Quatro Management Inc	USA	Ordinary shares	100%	Holding\Investment company
Megalith Realty Limited	England	Ordinary shares	100%	Consultancy and business development
<b>Held indirectly by the company:</b>				
Alpha Aviation Academy (Europe) Limited	England	Ordinary shares	100%	Commercial Aircraft Flight Training
Alpha Aviation Group (Philippines)	Philippines	Ordinary shares	100%	Commercial Aircraft Flight Training
AAG International Centre for Aviation Training Corporation	Philippines	Ordinary shares	64%	Commercial Aircraft Flight Training
Alpha Aviation Group (AAG) Holdings Inc	Philippines	Ordinary shares	40%	Commercial Aircraft Flight Training
Alpha Aviation Academy (UAE) LLC	UAE	Ordinary shares	49%	Commercial Aircraft Flight Training
C&C Estates International	Russia	Ordinary shares	100%	Holding\Investment company
Margot Holdings Limited	England	Ordinary shares	58%	Hotels and Hospitality

# C&C Alpha Group Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 March 2018

#### 17. Investments *(continued)*

One Vincent Square Limited	England	Ordinary shares	100%	Holding\Investment company
Sudo Import Russia	Russia	Ordinary shares	93%	Holding\Investment company
Shanti Hospitality (Mauritius) Limited	Mauritius	Ordinary shares	90%	Hotels and Hospitality
SPA (Maurice) Limited	Mauritius	Ordinary shares	97%	Hotels and Hospitality
Nidra Holdings Limited	Mauritius	Ordinary shares	100%	Hotels and Hospitality
Amritara Holdings Limited	Mauritius	Ordinary shares	100%	Hotels and Hospitality
Shanti Prime Hotels Limited	Mauritius	Ordinary shares	100%	Hotels and Hospitality
Shanti Hotel Ventures Limited	Mauritius	Ordinary shares	100%	Hotels and Hospitality
H Hotels Global Limited	England	Ordinary shares	75%	Hotels and Hospitality
Alpine Hospitality (Switzerland) AG	Switzerland	Ordinary shares	100%	Hotels and Hospitality
Shanti Hospitality (US) Inc	USA	Ordinary shares	100%	Hotels and Hospitality
Shanti Hospitality II (US) Inc	USA	Ordinary shares	100%	Hotels and Hospitality
Shanti Hospitality (UK) Limited	England	Ordinary shares	100%	Hotels and Hospitality
Shanti Hotels (US) Inc	USA	Ordinary shares	100%	Hotels and Hospitality
Shanti CC Holding LLC DE	USA	Ordinary shares	95%	Hotels and Hospitality
Shanti CC Hartford LLC CT	USA	Ordinary shares	95%	Hotels and Hospitality
Shanti CC Clearwater LLC (FL)	USA	Ordinary shares	95%	Hotels and Hospitality
Thalaj Resorts & Realtors Pvt Limited	India	Ordinary shares	100%	Hotels and Hospitality
Welmount Reality Pvt Limited	India	Ordinary shares	85%	Hotels and Hospitality
SPA on the Shores Limited	Mauritius	Ordinary shares	100%	Hotels and Hospitality
Shanti Hospitality PVT Limited	India	Ordinary shares	89%	Hotels and Hospitality
Ruchi Hospitality Pvt Ltd	India	Ordinary shares	100%	Hotels and Hospitality
C&C Hotel Venture Pvt Limited	India	Ordinary shares	73%	Hotels and Hospitality
Bunny Chow Limited	England	Ordinary shares	100%	Hotels and Hospitality
Spa Hospitality Limited	Mauritius	Ordinary shares	100%	Hotels and Hospitality
Nidra Hospitality (Amritsar) Pvt Limited	India	Ordinary shares	92%	Hotels and Hospitality
Alpha Utilities FZE	UAE	Ordinary shares	100%	Holding\Investment company
Alpha Utilities Project FZE	UAE	Ordinary shares	100%	Holding\Investment company

# C&C Alpha Group Limited

## Notes to the Financial Statements (continued)

Year ended 31 March 2018

### 17. Investments (continued)

C&C Alpha Group India Pvt Limited	India	Ordinary shares	100%	Holding\Investment company
Alpha Health Care Limited	England	Ordinary shares	100%	Residential and care Homes
Alpha Community Services Limited	England	Ordinary shares	100%	Holding\Investment company
Dehradun Hospitality PVT Limited	India	Ordinary shares	100%	Hotels and Hospitality
C&C Prime Hotel PVT Limited	India	Ordinary shares	90%	Hotels and Hospitality
C&C Hospitality (Kerala) PVT Limited	India	Ordinary shares	100%	Hotels and Hospitality
C&C Hospitality PVT Limited	India	Ordinary shares	100%	Hotels and Hospitality
Amritara Alpha Hospitality Pvt Limited	India	Ordinary shares	49%	Hotels and Hospitality
Alpha Healthsciences PVT Limited	India	Ordinary shares	99%	Consultancy and business development
Amritara Hospitality PVT Limited	India	Ordinary shares	99%	Consultancy and business development

#### Associates undertakings

##### Held directly by the company:

Shanti Hospitality Holdings Philippines Corporation	Philippines	Ordinary shares	40%	Consultancy and business development
Shanti Hospitality Real Estate Corporation	Philippines	Ordinary shares	40%	Consultancy and business development

##### Held indirectly by the company:

AMST Holdings Gmbh	Austria	Ordinary shares	25%	Holding\Investment company
AMST Systemtechnik Gmbh	Austria	Ordinary shares	100%	Consultancy and business development
Sharma Limited	Mauritius	Ordinary shares	49%	Hotels and Hospitality
Island Homes Park Pvt Limited	India	Ordinary shares	27%	Hotels and Hospitality
Nidra Hospitality Pvt Limited	India	Ordinary shares	32%	Hotels and Hospitality
Nidra Hospitality Gujarat Pvt Limited	India	Ordinary shares	100%	Hotels and Hospitality
Amritara Hotel & Resorts Pvt Limited	India	Ordinary shares	79%	Hotels and Hospitality
MCM LLC	USA	Ordinary shares	50%	Holding\Investment company

#### Joint Ventures

##### Held indirectly by the company:

MMPB Group LLC	USA	Ordinary shares	50%	Hotels and Hospitality
SBBM Group LLC	USA	Ordinary shares	50%	Hotels and Hospitality

The details of Registered office address and principle place of business for all subsidiaries, associates and joint ventures can be obtained on request from C&C Alpha Group Limited registered office,

# C&C Alpha Group Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

### 17. Investments *(continued)*

23 Buckingham Gate  
London  
SW1E 6LB

### 18. Stocks

	Group 2018	2017 <i>(restated)</i>	Company 2018	2017
	£	£	£	£
Raw materials and consumables	<u>1,180,347</u>	<u>891,439</u>	<u>—</u>	<u>—</u>

### 19. Debtors

	Group 2018	2017 <i>(restated)</i>	Company 2018	2017
	£	£	£	£
Trade debtors	2,728,728	2,823,439	180,381	199,443
Assets held under finance leases and hire purchase contracts	2,558,171	2,624,793	—	—
Prepayments and accrued income	1,865,143	1,488,754	744,447	631,173
Other debtors	<u>12,922,793</u>	<u>13,453,118</u>	<u>2,607,356</u>	<u>2,670,907</u>
	<u>20,074,835</u>	<u>20,390,104</u>	<u>3,532,184</u>	<u>3,501,523</u>

Included in other debtors is an amount equal to the net investment of the finance lease of £2.55 million, interest of 5% per annum is charged to the outstanding balance at end of each quarter and shown as interest income in the period it relates to and the amount recoverable more than 1 year is £2,202,664 (2017: £2,249,165)

### 20. Creditors: amounts falling due within one year

	Group 2018	2017 <i>(restated)</i>	Company 2018	2017
	£	£	£	£
Bank loans and overdrafts	3,086,488	1,487,685	—	—
Trade creditors	7,513,604	10,224,240	4,114,235	2,918,077
Amounts owed to group undertakings	151,462,386	138,610,192	166,856,925	154,120,401
Accruals and deferred income	16,298,565	28,406,120	1,226,702	1,222,693
Corporation tax	130,766	440,979	—	—
Social security and other taxes	266,933	290,191	155,972	153,552
Obligations under finance leases and hire purchase contracts	82,315	37,721	—	—
Director loan accounts	3,496,056	3,496,296	3,496,056	3,496,296
Other creditors	<u>14,867,543</u>	<u>17,787,098</u>	<u>2,129,946</u>	<u>2,078,286</u>
	<u>197,204,656</u>	<u>200,780,522</u>	<u>177,979,836</u>	<u>163,989,305</u>



# C&C Alpha Group Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 March 2018

#### 20. Creditors: amounts falling due within one year *(continued)*

Bank loans and overdrafts are secured by various fixed and floating charges on the assets of the company and its subsidiaries.

#### 21. Creditors: amounts falling due after more than one year

	Group		Company	
	2018	2017 <i>(restated)</i>	2018	2017
	£	£	£	£
Bank loans and overdrafts	31,925,055	34,734,561	—	—
Obligations under finance leases and hire purchase contracts	—	95,654	—	—
	<u>31,925,055</u>	<u>34,830,215</u>	<u>—</u>	<u>—</u>

# **C&C Alpha Group Limited**

## **Notes to the Financial Statements *(continued)***

### **Year ended 31 March 2018**

Bank loans and overdrafts are secured by various fixed and floating charges on the assets of the company and its subsidiaries with a value of £35,011,544 (2017: £36,222,246). The terms of the loans restricts the Group from making significant acquisition or disposals without the consent of the lender.

The Group has issued a letter of subordination for the loan of £6.3 million from Graubundner Kantonal Bank for the acquisition of Hotel in Switzerland. Interest on this loan is charged at the average rate of 2.63%, under the terms of the loan it is repayable by early 2020.

The total value of the assets secured by bank loans are £106 million (2017: £103 million) On 8 November 2016 One Vincent Square Limited received a secured loan of £10,692,500 from Deutsche Bank (Suisse) S.A. The bank loan is for a period of 5 years from 8 November 2016. Interest is charged on the loan at 2.25% over three months LIBOR.

AAG Philippines acquired full flight Airbus 330/340 simulator from CAE CFT B.V. for \$12.3 million. The simulator was certified as ready for training by Civil Aviation Authority of Philippines in April 2017. The purchase of simulator was partly financed through an US dollar Bridge financing facility of \$9.25 million by BDO Leasing and Finance. AAG Philippines entered in to a sale and lease back arrangement with BDO Leasing and Finance to repay the bridge loan on the date the Simulator is certified as as ready for training by the Civil Aviation of Philippines. The sale and lease back arrangements are for 5 years with an option to extend it for another 5 years. As security for the lease, AAG Philippines assigned receivable from the simulator usage agreement with Philippine Airlines.

In December 2011, AAG Philippines obtained a 7 years loan of US\$ 8 million (3 months floating LIBOR +4.25% interest repriced quarterly in arrears with an option to fix at 7.75%) from MPI for acquisition of full flight Airbus 320 simulator. The loan is secured by the following (a) A chattel mortgage over the full flight Airbus 320 simulator through a Deed of Chattel mortgage in favour of the bank and a negative pledge over all assets of the company. (b) The assignment of the Company's contract benefits, future revenues generated from the business / contracts with existing and future local customers (c) A repurchase agreement between AAG Philippines and the equipment supplier. A deed of assignment has also been entered in to with MPI under which all of the rights, titles, interest and benefits of AAG Philippines in and to the receivables shall rest upon and accrue in favour of MPI to the exclusion of all other parties. The net book value of full flight 320 simulators is \$7.89 million (2017: \$8.56 million) The MPI loan has a term of 7 years. This loan was fully settled in June 2018.

In June 2012, AAG Philippines entered in to a lease/loan facility of PHP 80.00 million with BPI Leasing Corporation for acquire aircrafts and lease/ sale and leaseback of a flight simulator. The Loan facility has a term of 60 months, with option to extend for another 2 years. As security for the loan AAG Philippines conveyed, by way of a first and preferred mortgage, aircraft and other equipment with book value amounting to \$0.76 million (2017: \$0.86 million).

In February 2016 Shanti Clear Water LLC entered into a loan agreement with VSD SUB 2 LLC for a principal sum of \$4,500,000 with a maturity date of August 2018. Interest on unpaid principal balance is payable at a rate equal to the 1 month LIBOR plus 6.5% per annum. From August 2018 the loan was extended for 24 month with interest payable at a rate equal to 1 month LIBOR plus 6% with a floor of 8.10%.

In December 2013 Ruchi Hospitality Private Limited entered into a loan agreement with Saraswat Co-Operative bank for a sum of INR 3,992 million the loan was repayable in 24 quarterly instalment of INR 33 million commencing from December 2013 and 40 quarterly instalments of INR 80 million commencing from January 2017.

In February 2016 Spa on Shore Limited refinanced 4 term loans into one single term loan in aggregate amount of €4,749,774 with the SBM Bank (Mauritius) Ltd. Interest is at the rate of 4.75% plus LIBOR on the consolidated loan amount.

During the year Shanti Hospitality Pvt Limited entered into a loan agreement with Saraswat Co-Operative

# C&C Alpha Group Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 March 2018

Bank Limited for a sum of INR 1,240 million, The loan is repayable in 39 quarterly instalments commencing from July 2017.

#### 22. Finance leases and hire purchase contracts

##### As lessee

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	Group		Company	
	2018	2017 (restated)	2018	2017
	£	£	£	£
Not later than 1 year	82,315	37,721	—	—
Later than 1 year and not later than 5 years	—	95,654	—	—
	<u>82,315</u>	<u>133,375</u>	<u>—</u>	<u>—</u>

##### As lessor

	Group		Company	
	2018	2017 (restated)	2018	2017
	£	£	£	£
Gross investment in finance leases	2,744,450	2,939,733	—	—
Less : unearned finance income	(186,279)	(314,940)	—	—
Present value of minimum lease payments	<u>2,558,171</u>	<u>2,624,793</u>	<u>—</u>	<u>—</u>

##### Group and company

The gross investment in finance leases and present value of minimum lease payments receivable are aged as follows at the year end:

	Gross investment		Present value of minimum lease payments	
	2018	2017	2018	2017
	£	£	£	£
Not later than 1 year	373,283	409,024	355,507	389,547
Later than 1 year and not later than 5 years	2,371,167	2,530,709	2,202,664	2,235,246
	<u>2,744,450</u>	<u>2,939,733</u>	<u>2,558,171</u>	<u>2,624,793</u>

On 29 April 2015 Alpha Aviation Academy Europe Limited has entered into finance lease agreement with Quadrant System Limited for a period of 5 years for principle sum of £2.6 million, the rental payments are due quarterly and calculated based on the percentage of earned revenue, the legal title to the simulator will pass to Quadrant System Limited upon receiving the consideration payment and the final rental amount.

# C&C Alpha Group Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

### 23. Provisions

Group	Deferred tax (note 24) £
At 1 April 2017 (as restated)	1,430,342
Additions	(16,356)
<b>At 31 March 2018</b>	<b><u>1,413,986</u></b>

The company does not have any provisions.

### 24. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	Group		Company	
	2018	2017 (restated)	2018	2017
	£	£	£	£
Included in provisions (note 23)	<u>1,413,986</u>	<u>1,430,342</u>	<u>—</u>	<u>—</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2018	2017 (restated)	2018	2017
	£	£	£	£
Accelerated capital allowances	209,092	225,891	—	—
Fair value adjustment of investment property	1,185,615	1,185,615	—	—
Other revaluations	19,279	18,836	—	—
	<u>1,413,986</u>	<u>1,430,342</u>	<u>—</u>	<u>—</u>

### 25. Employee benefits

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £166,363 (2017: £161,932).

# C&C Alpha Group Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 March 2018

#### 26. Financial instruments

The carrying amount for each category of financial instrument is as follows:

##### Financial assets that are debt instruments measured at amortised cost

	Group 2018	2017 (restated)
	£	£
Financial assets that are debt instruments measured at amortised cost	<u>36,687,594</u>	<u>34,555,910</u>

##### Financial liabilities measured at amortised cost

	Group 2018	2017 (restated)
	£	£
Financial liabilities measured at amortised cost	<u>230,543,697</u>	<u>23,704,107</u>

#### 27. Prior period adjustment

During the year, the management has reassessed simulator lease agreement between Alpha Aviation Group Ltd and Alpha Aviation Academy U.A.E.L.L.C and accounted for the lease as a finance lease instead of operating lease. This adjustment has been accounted for retrospectively by adjusting the opening accumulated losses for 2017 and profit and loss for 2017 as appropriate as summarised below:

##### Impact of the prior year periods restatement for the consolidated statement of financial position as at 31 March 2017.

	At 31 March 2017 As previously reported GBP	Restated GBP	At 31 March 2017 as restated GBP
Tangible Assets	135,612,882	54,732	135,667,614
Debtor	20,448,056	(57,952)	20,390,104
Profit and loss account	(219,569,208)	(3,219)	(219,572,427)

##### Impact of the prior year period restatement for the consolidated statement of comprehensive income for the year ended 31 March 2017.

	At 31 March 2017 As previously reported GBP	Restated GBP	At 31 March 2017 as restated GBP
Cost of Sales	(27,418,122)	64,202	(27,353,920)
Administrative expenses	(43,848,710)	(61,704)	(43,910,414)
Other interest payable and similar expenses	(2,242,705)	(5,121)	(2,247,826)
Loss for the financial year	(15,029,072)	(2,622)	(15,031,694)
Total comprehensive income for the year	(7,213,214)	(2,621)	(7,215,835)

# C&C Alpha Group Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 March 2018

#### 28. Called up share capital

##### Issued, called up and fully paid

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	<u>65,000,732</u>	<u>65,000,732</u>	<u>64,600,732</u>	<u>64,600,732</u>

##### Share movements

	No.	£
Ordinary		
At 1 April 2017	64,600,732	64,600,732
Issue of shares	<u>400,000</u>	<u>400,000</u>
At 31 March 2018	<u>65,000,732</u>	<u>65,000,732</u>

On 21 August 2017, the Company issued 400,000 ordinary shares of £1 each to Harberry Investments Limited, a company registered under the Laws of the Republic of Mauritius with registered offices situated at IFS Court, Bank Street, Twenty Eight Cybercity, Ebène 72201, Republic of Mauritius. The shares are fully paid.

The Company has one class of ordinary shares which carry voting rights but have no rights to fixed income.

#### 29. Reserves

Other reserve - This reserve records the value of asset revaluations and fair value movements on assets recognised in the income statement.

Profit and loss account - This reserve records retained earnings and accumulated losses.

Share Premium- This reserve records the premium received on share capital already in issue.

Foreign Currency Translation- This reserve represents exchange differences on monetary items that form part of the entity's investment in foreign operations. Such exchange differences are recognised in other comprehensive income and accumulated in equity.

#### 30. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2018	2017 (restated)	2018	2017
	£	£	£	£
Not later than 1 year	264,376	320,950	—	—
Later than 1 year and not later than 5 years	<u>298,288</u>	<u>760,845</u>	<u>—</u>	<u>—</u>
	<u>562,664</u>	<u>1,081,795</u>	<u>—</u>	<u>—</u>

# C&C Alpha Group Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 March 2018

#### 31. Pension commitments

The group operates defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £130,178 (2017-£110,107)

#### 32. Directors' advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company and its subsidiary undertakings:

	2018		
	Balance brought forward £	Advances/ (credits) to the directors £	Balance outstanding £
B Choudhrie	(2,993,691)	240	(2,993,451)
D Choudhrie	(502,605)	—	(502,605)
	<u>(3,496,296)</u>	<u>240</u>	<u>(3,496,056)</u>
	2017		
	Balance brought forward £	Advances/ (credits) to the directors £	Balance outstanding £
B Choudhrie	(2,993,539)	(152)	(2,993,691)
D Choudhrie	(502,605)	—	(502,605)
	<u>(3,496,144)</u>	<u>(152)</u>	<u>(3,496,296)</u>

These loans are interest free and repayable on demand.

# C&C Alpha Group Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 March 2018

#### 33. Related party transactions

##### Group

The company has taken advantage of the exemption from reporting related party transactions between C&C Alpha Group Limited and 100% subsidiaries of C&C Alpha Group companies, conferred by Financial Reporting Standard 102 Section 33, on the grounds that the company prepares consolidated financial statements.

B Choudhrie is also a director of Enfranchise 421 Limited. Enfranchise 421 Limited owed £13 (2017- Nil) to C&C Alpha Group Limited. At the balance sheet date C&C Alpha Group Limited owed £1,564,454 (2017- Nil) and Shanti Hospitality Group Limited owed £214,947 (2017- Nil) to Enfranchise 421 Limited.

B Choudhrie is beneficial owner of Amritara Holdings PTE Limited, Shanti Prime Hotel PTE Limited, Nidra Holdings PTE Limited, Lion Southeast Asia PTE Limited (Formerly C&C Alpha Group PTE Limited), Shanti Hotel Ventures PTE Limited. At the balance sheet date C&C Alpha Group Limited owed £27,309 (2017-£31,327) to Amritara Holdings PTE Limited, £1,646,540 (2017-£1,888,779) to Nidra Holdings PTE Limited and £38,824 (2017- £43,399) to Shanti Hotel Ventures PTE Limited. Lion Southeast Asia PTE Limited (Formerly C&C Alpha Group PTE Limited) owed £13,215 (2017-£15,159) and Shanti Prime Hotel PTE Limited owed £113,910 (2017- £15,957) to C&C Alpha Group Limited. Included in creditors, amount falling due within one year a sum of £577,870 (2017- £647,637) due to Shanti Hospitality Holdings Corporation and £936,006 (2017- £1,044,013) due to Shanti Real Estate Corporation, both companies are incorporated in Philippines and C&C Alpha Group Limited has participating interest on them.

Included in the carrying value of investment is an amount of £466,926 (2017-£471,312) due from Shanti Hospitality Holdings Philippines Limited a company registered in Philippines in which C&C Alpha Group Limited owns 40% of the Share Capital, also included in the carrying value of investments is an amount of £64,702 (2017-£71,696) due from Shanti Hospitality Real Estate Corporation a company registered in Philippines.

Alpha Aviation Academy U.A.E.L.L.C advanced a total loan of AED 25 million to Air Arabia (a Shareholder), the loan to related party represents an unsecured short-term loan for a period of one year and carries an interest 2.3%. The loan was fully repaid on November 2018. At the balance sheet date C&C Alpha Group Limited owed £137,469,192 (2017-£138,600,205) to Harberry Investments Limited.

During the year under review C&C Alpha Group Limited received management income of £4,237,055 (2017- £4,242,627) from Harberry Investments Limited. During the year C&C Alpha Group Limited received loan of £13,993,194 (2017- Nil) from Harberry Investments (Mau) Limited.

During the year under review Shanti Hospitality Group Limited donated £10,000 to a charity (Path To Success), a director of the company is also a trustee of the Path To Success.

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel for services provided to the group was £4,063,658 (2017: £3,973,805).

#### 34. Controlling party

The ultimate parent company is Harberry Investments Limited, a company registered in the British Virgin Isles. It owns 98.42% of the issued share capital.



# **C&C Alpha Group Limited**

## **Notes to the Financial Statements *(continued)***

### **Year ended 31 March 2018**

#### **35. Post balance sheet events**

On 5th September 2018 Harberry Investments Limited acquired the entire share capital, consisting of 1,000 ordinary shares of £1.00 each, of Shanti Hospitality Group Limited ("Shanti") held by the Company for a total consideration of £1. Consequently, Shanti ceased to be the subsidiary of the Company.

Following the sale of the above shares, the unsecured loans in the aggregate amount of £130,133,530 due to the Company by Shanti was also assigned to Harberry Investments Limited by the Company under a Deed of Assignment dated 5th September 2018.

#### **36. Disclosure on London International Hospitals guarantee**

London International Hospital Limited ("LIH"), wholly owned subsidiary of the Company was liquidated on 28th March 2018. The dissolution was initiated on 30th March 2017 and the lease of Ravenscourt Park Hospital held by LIH through an Underlease (the "Underlease") dated 15th June 2007 amongst Imperial College Healthcare NHS Trust (formerly known as Hammersmith Hospitals National Health Service Trust)(the "NHS Trust"), the Company and LIH and revisionary lease dated 15th June 2007 amongst Les Geonnais Limited (the "Freeholder"), the Company and LIH (the "Reversionary lease") was disclaimed under the liquidation process on 18 April 2017.

The Company being party to both Underlease and Reversionary agreements guaranteed the obligations for non-performance of LIH to the extent of 120% of the annual rent then passing. At 31st March 2018, all amounts actually due and payable under the guarantee had been paid by the Company except for £294,115.20 being the RPI indexed amount payable under the terms of the Reversionary lease in the absence of a rent review. A provision for this amount has been made in the accounts of the Company. If, contrary to our legal and valuation advice, a rent is determined higher than the index linked increase, the guarantee cap may rise. Given that advice, this is a contingent liability only.