

QUEENSWAY HOSPITALITY LIMITED
FINANCIAL STATEMENTS
28 MARCH 2010

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COMPANIES HOUSE

FERGUSON MAIDMENT & CO.
Chartered Accountants & Statutory Auditor
Sardinia House
52 Lincoln's Inn Fields
London
WC2A 3LZ

QUEENSWAY HOSPITALITY LIMITED

FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2009 TO 28 MARCH 2010

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QUEENSWAY HOSPITALITY LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	N G R Jivraj (Appointed 24 April 2009) N N Jivraj I Jamal
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Company secretary	B Ladhani
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Registered office	Tower House 2nd Floor 226 Cromwell Road London SW5 0SW
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Auditor	Ferguson Maidment & Co Chartered Accountants & Statutory Auditor Sardinia House 52 Lincoln's Inn Fields London WC2A 3LZ
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QUEENSWAY HOSPITALITY LIMITED

THE DIRECTORS' REPORT

PERIOD FROM 1 APRIL 2009 TO 28 MARCH 2010

The directors have pleasure in presenting their report and the financial statements of the company for the period from 1 April 2009 to 28 March 2010

INCORPORATION

The company was incorporated on 23 November 2007 and commenced trading on 26 October 2009

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the period was that of operating franchised fast food restaurants

The directors have reviewed the performance of the company during the year and are satisfied that it is in line with expectations

DIRECTORS

The directors who served the company during the period and up to the date of this report are listed on page 1

AUDITOR

Ferguson Maidment & Co are deemed to be re-appointed under section 487(2) of the Companies Act 2006

SMALL COMPANY PROVISIONS

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

Registered office
Tower House
2nd Floor
226 Cromwell Road
London
SW5 0SW

Signed by order of the directors



B LADHANI
Company Secretary

Approved by the directors on 3 August 2010

QUEENSWAY HOSPITALITY LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
PERIOD FROM 1 APRIL 2009 TO 28 MARCH 2010

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

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

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

QUEENSWAY HOSPITALITY LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
QUEENSWAY HOSPITALITY LIMITED
PERIOD FROM 1 APRIL 2009 TO 28 MARCH 2010

We have audited the financial statements of Queensway Hospitality Limited for the period from 1 April 2009 to 28 March 2010. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of Section 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 28 March 2010 and of its result for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

QUEENSWAY HOSPITALITY LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
QUEENSWAY HOSPITALITY LIMITED *(continued)*

PERIOD FROM 1 APRIL 2009 TO 28 MARCH 2010

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime



VIVEK KAPOOR (Senior Statutory Auditor)

For and on behalf of
FERGUSON MAIDMENT & CO
Chartered Accountants
& Statutory Auditor

Sardinia House
52 Lincoln's Inn Fields
London
WC2A 3LZ

3 August 2010

QUEENSWAY HOSPITALITY LIMITED

PROFIT AND LOSS ACCOUNT

PERIOD FROM 1 APRIL 2009 TO 28 MARCH 2010

		Period from 1 Apr 09 to 28 Mar 10	Period from 23 Nov 07 to 31 Mar 09
	Note	£	£
TURNOVER		3,875,126	—
Cost of sales		<u>2,314,265</u>	—
GROSS PROFIT		1,560,861	—
Administrative expenses		<u>1,414,635</u>	—
OPERATING PROFIT	2	146,226	—
Interest receivable		230	—
Interest payable and similar charges		<u>(113,309)</u>	—
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		33,147	—
Tax on profit on ordinary activities		—	—
PROFIT FOR THE FINANCIAL PERIOD		<u>33,147</u>	<u>—</u>

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

QUEENSWAY HOSPITALITY LIMITED

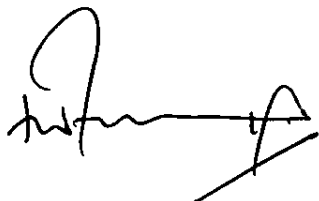
BALANCE SHEET

28 MARCH 2010

	Note	28 Mar 10 £	31 Mar 09 £
FIXED ASSETS			
Intangible assets	3	4,479,877	—
Tangible assets	4	3,152,365	—
		<u>7,632,242</u>	<u>—</u>
CURRENT ASSETS			
Stocks		59,623	—
Debtors	5	584,848	100
Cash at bank		696,402	—
		<u>1,340,873</u>	<u>100</u>
CREDITORS: Amounts falling due within one year	6	<u>915,475</u>	<u>—</u>
NET CURRENT ASSETS		<u>425,398</u>	<u>100</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,057,640</u>	<u>100</u>
CREDITORS: Amounts falling due after more than one year	7	<u>8,024,393</u>	<u>—</u>
		<u>33,247</u>	<u>100</u>
CAPITAL AND RESERVES			
Called-up equity share capital	10	100	100
Profit and loss account		33,147	—
SHAREHOLDERS' FUNDS		<u>33,247</u>	<u>100</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the directors and authorised for issue on 3 August 2010, and are signed on their behalf by



N N JIVRAJ
Director

Company Registration Number 06436061

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

QUEENSWAY HOSPITALITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2009 TO 28 MARCH 2010

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the period, exclusive of Value Added Tax

Amortisation

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

Goodwill - 10%

Licence fees and Other Intangibles - 10%

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

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

Fixtures, Fittings & Equipment - 5%

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Financial instruments

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

QUEENSWAY HOSPITALITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2009 TO 28 MARCH 2010

2. OPERATING PROFIT

Operating profit is stated after charging

	Period from 1 Apr 09 to 28 Mar 10 £	Period from 23 Nov 07 to 31 Mar 09 £
Directors' remuneration	—	—
Amortisation of intangible assets	194,672	—
Depreciation of owned fixed assets	47,712	—
Auditor's fees	5,000	—

3. INTANGIBLE FIXED ASSETS

	Goodwill £	Licence fees and Other Intangibles £	Total £
COST			
Additions	4,281,110	393,439	4,674,549
At 28 March 2010	<u>4,281,110</u>	<u>393,439</u>	<u>4,674,549</u>
AMORTISATION			
Charge for the period	181,124	13,548	194,672
At 28 March 2010	<u>181,124</u>	<u>13,548</u>	<u>194,672</u>
NET BOOK VALUE			
At 28 March 2010	<u>4,099,986</u>	<u>379,891</u>	<u>4,479,877</u>
At 31 March 2009	—	—	—

QUEENSWAY HOSPITALITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2009 TO 28 MARCH 2010

4. TANGIBLE FIXED ASSETS

	Freehold Property £	Fixtures, Fittings & Equipment £	Total £
COST			
Additions	791,139	2,408,938	3,200,077
At 28 March 2010	<u>791,139</u>	<u>2,408,938</u>	<u>3,200,077</u>
DEPRECIATION			
Charge for the period	—	47,712	47,712
At 28 March 2010	<u>—</u>	<u>47,712</u>	<u>47,712</u>
NET BOOK VALUE			
At 28 March 2010	<u>791,139</u>	<u>2,361,226</u>	<u>3,152,365</u>
At 31 March 2009	<u>—</u>	<u>—</u>	<u>—</u>

5. DEBTORS

	28 Mar 10 £	31 Mar 09 £
Other debtors	<u>584,848</u>	<u>100</u>

6. CREDITORS: Amounts falling due within one year

	28 Mar 10 £	31 Mar 09 £
Trade creditors	413,231	—
Other taxation and social security	295,116	—
Other creditors	207,128	—
	<u>915,475</u>	<u>—</u>

7. CREDITORS: Amounts falling due after more than one year

	28 Mar 10 £	31 Mar 09 £
Bank loans	5,200,000	—
Amounts owed to group undertakings	2,824,393	—
	<u>8,024,393</u>	<u>—</u>

QUEENSWAY HOSPITALITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2009 TO 28 MARCH 2010

8. COMMITMENTS UNDER OPERATING LEASES

At 28 March 2010 the company had aggregate annual commitments under non-cancellable operating leases as set out below

	28 Mar 10 £	31 Mar 09 £
Operating leases which expire		
Within 1 year	21,500	-
Within 2 to 5 years	25,050	-
After more than 5 years	438,075	-
	<u>484,625</u>	<u>-</u>

9. RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary of Queensway Group Limited

No transactions with related parties were undertaken such as are required to be disclosed under the FRSSE

10. SHARE CAPITAL

Authorised share capital:

	28 Mar 10 £	31 Mar 09 £
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	28 Mar 10		31 Mar 09	
	No	£	No	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

11. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Queensway Group Limited, a company incorporated in England. The directors regard Naaz Holdings Limited, a company registered in BVI, as the ultimate holding company.