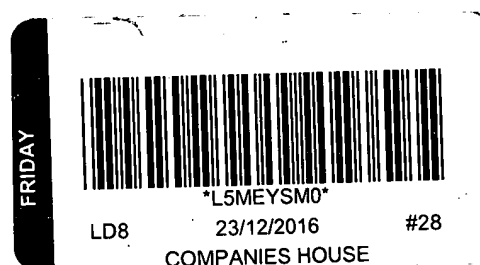


**Shanti Hospitality (UK) Limited**  
**Financial Statements**  
**31 March 2016**



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

# **Shanti Hospitality (UK) Limited**

## **Financial Statements**

**Year ended 31 March 2016**

<b>Contents</b>	<b>Page</b>
Directors' report	<b>1</b>
Independent auditor's report to the shareholders	<b>3</b>
Statement of income and retained earnings	<b>5</b>
Statement of financial position	<b>6</b>
Statement of cash flows	<b>7</b>
Notes to the financial statements	<b>8</b>

# **Shanti Hospitality (UK) Limited**

## **Directors' Report**

**Year ended 31 March 2016**

The directors present their report and the financial statements of the company for the year ended 31 March 2016.

### **Directors**

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

Mr B Choudhrie  
Mr D Choudhrie  
Mrs C Montepeque  
Mr C P Thomas (Retired 1 March 2016)

### **Directors' responsibilities statement**

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 the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **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 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 company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

### **Small company provisions**

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

# Shanti Hospitality (UK) Limited

## Directors' Report *(continued)*

**Year ended 31 March 2016**

This report was approved by the board of directors on 21/12/2016 and signed on behalf of the board by:



Satyabhama Pudaruth  
Company Secretary

Registered office:  
One Vincent Square  
London  
United Kingdom  
SW1P 2PN

# **Shanti Hospitality (UK) Limited**

## **Independent Auditor's Report to the Shareholders of Shanti Hospitality (UK) Limited**

**Year ended 31 March 2016**

We have audited the financial statements of Shanti Hospitality (UK) Limited for the year ended 31 March 2016 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's shareholders, 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 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, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Emphasis of matter**

Without qualifying our opinion we draw to your attention Note 3 to the financial statements which indicates the Company's ability to continue as a going concern, notwithstanding that the Company incurred a net loss of £64,600 during the year ended 31st March 2016, and as of that date, the Company's total liabilities exceeded its total assets by £1,477,236. As detailed in note 3 to the financial statements, the Company's ability to continue as a going concern is dependent upon the continuing support of the companies within the CCAG group of companies. The financial statements do not include any adjustments if the going concern basis is no longer appropriate.

# **Shanti Hospitality (UK) Limited**

## **Independent Auditor's Report to the Shareholders of Shanti Hospitality (UK) Limited *(continued)***

**Year ended 31 March 2016**

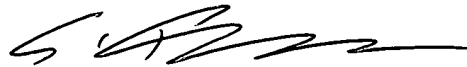
### **Opinion on other matter prescribed by the Companies Act 2006**

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

### **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; and
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.



Stephen Terence Costar (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 December 2016

**Shanti Hospitality (UK) Limited**  
**Statement of Income and Retained Earnings**  
**Year ended 31 March 2016**

	Note	2016 £	2015 £
<b>Turnover</b>	<b>4</b>	<b>1,347,504</b>	1,254,929
Cost of sales		<u>454,487</u>	<u>564,430</u>
<b>Gross profit</b>		<b>893,017</b>	690,499
Administrative expenses		959,066	974,883
Other operating income	<b>5</b>	<u>1,436</u>	<u>—</u>
<b>Operating loss</b>	<b>6</b>	<b>(64,613)</b>	(284,384)
Other interest receivable and similar income		13	3
Interest payable and similar charges	<b>8</b>	<u>—</u>	<u>14,725</u>
<b>Loss on ordinary activities before taxation</b>		<b>(64,600)</b>	(299,106)
Tax on loss on ordinary activities	<b>9</b>	<u>—</u>	<u>—</u>
<b>Loss for the financial year and total comprehensive income</b>		<b>(64,600)</b>	(299,106)
<b>Retained losses at the start of the year</b>		<b>(1,413,636)</b>	(1,114,530)
<b>Retained losses at the end of the year</b>		<b>(1,478,236)</b>	(1,413,636)

All the activities of the company are from continuing operations.

The notes on pages 8 to 14 form part of these financial statements.

# Shanti Hospitality (UK) Limited

## Statement of Financial Position

31 March 2016

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Intangible assets	10	136,000	153,000
Tangible assets	11	5,846,265	5,999,255
		<u>5,982,265</u>	<u>6,152,255</u>
<b>Current assets</b>			
Stocks		6,774	7,369
Debtors	12	142,407	111,696
Cash at bank and in hand		184,497	22,194
		<u>333,678</u>	<u>141,259</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>7,793,179</u>	<u>7,706,150</u>
<b>Net current liabilities</b>		<u>7,459,501</u>	<u>7,564,891</u>
<b>Total assets less current liabilities</b>		<u>(1,477,236)</u>	<u>(1,412,636)</u>
<b>Net liabilities</b>		<u>(1,477,236)</u>	<u>(1,412,636)</u>
<b>Capital and reserves</b>			
Called up share capital	15	1,000	1,000
Profit and loss account	16	(1,478,236)	(1,413,636)
<b>Shareholders deficit</b>		<u>(1,477,236)</u>	<u>(1,412,636)</u>

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

These financial statements were approved by the board of directors and authorised for issue on 21/12/2016, and are signed on behalf of the board by:



Mr D Choudhrie  
Director

Company registration number: 07432896

The notes on pages 8 to 14 form part of these financial statements.

# Shanti Hospitality (UK) Limited

## Statement of Cash Flows

Year ended 31 March 2016

	2016 £	2015 £
<b>Cash flows from operating activities</b>		
Loss for the financial year	(64,600)	(299,106)
<i>Adjustments for:</i>		
Depreciation of tangible assets	168,566	169,516
Amortisation of intangible assets	17,000	17,000
Other interest receivable and similar income	(13)	(3)
Interest payable and similar charges	–	14,725
Accrued income	(2,944)	(37,006)
<i>Changes in:</i>		
Stocks	595	(126)
Trade and other debtors	(30,711)	(51,182)
Trade and other creditors	66,769	93,630
Cash generated from operations	154,662	(92,552)
Interest paid	–	(14,725)
Interest received	13	3
Net cash from/(used in) operating activities	<u>154,675</u>	<u>(107,274)</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(15,576)	(34,882)
Net cash used in investing activities	<u>(15,576)</u>	<u>(34,882)</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	–	(1,312,952)
Proceeds from loans from group undertakings	23,204	1,472,333
Net cash from financing activities	<u>23,204</u>	<u>159,381</u>
<b>Net increase in cash and cash equivalents</b>	<b>162,303</b>	<b>17,225</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>22,194</b>	<b>4,969</b>
<b>Cash and cash equivalents at end of year</b>	<b><u>184,497</u></b>	<b><u>22,194</u></b>

The notes on pages 8 to 14 form part of these financial statements.

# **Shanti Hospitality (UK) Limited**

## **Notes to the Financial Statements**

**Year ended 31 March 2016**

### **1. 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'.

### **2. Business review**

Shanti Hospitality (UK) Limited is a company Limited by shares , incorporated in England & Wales. The principle activity of the company during the year was that of running and owning a hotel known as Nira Caledonia.

### **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.

#### **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 will continue to generate sufficient income and will also have the support of its parent undertaking for at least another 12 month from the date of signing the accounts and therefore make it appropriate to prepare the financial statement on a going concern basis.

#### **Transition to FRS 102**

The entity transitioned from previous UK GAAP to FRS 102 as at 1 April 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 19.

#### **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.

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.

#### **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.

# Shanti Hospitality (UK) Limited

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

Year ended 31 March 2016

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

#### 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 10 years
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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	-	Over 50 years
Fixtures & Fittings	-	Over 10 years
Equipment	-	Over 3 years

#### 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.

# Shanti Hospitality (UK) Limited

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

Year ended 31 March 2016

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

#### 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.

#### Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

### 4. Turnover

Turnover arises from:

	2016 £	2015 £
Rendering of services	<u>1,347,504</u>	<u>1,254,929</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

### 5. Other operating income

	2016 £	2015 £
Other operating income	<u>1,436</u>	<u>—</u>

### 6. Operating profit

Operating profit or loss is stated after charging:

	2016 £	2015 £
Amortisation of intangible assets	17,000	17,000
Depreciation of tangible assets	168,566	169,516
Foreign exchange differences	<u>942</u>	<u>588</u>

### 7. Auditor's remuneration

	2016 £	2015 £
Fees payable for the audit of the financial statements	<u>4,000</u>	<u>4,000</u>

### 8. Interest payable and similar charges

	2016 £	2015 £
Interest on banks loans and overdrafts	<u>—</u>	<u>14,725</u>

# Shanti Hospitality (UK) Limited

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

### Year ended 31 March 2016

#### 9. Tax on loss on ordinary activities

##### Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the year is higher than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 21%).

	2016 £	2015 £
Loss on ordinary activities before taxation	<b>(64,600)</b>	(299,106)
Loss on ordinary activities by rate of tax	<b>(12,920)</b>	(61,342)
Effect of expenses not deductible for tax purposes	<b>919</b>	1,955
Tax losses carried forward	<b>12,001</b>	59,387
Tax on loss on ordinary activities	<u><u>—</u></u>	<u><u>—</u></u>

#### 10. Intangible assets

	Goodwill £
<b>Cost</b>	
At 1 Apr 2015 and 31 Mar 2016	<b>200,000</b>
<b>Amortisation</b>	
At 1 April 2015	<b>47,000</b>
Charge for the year	<b>17,000</b>
At 31 March 2016	<b>64,000</b>
<b>Carrying amount</b>	
At 31 March 2016	<b>136,000</b>
At 31 March 2015	<b>153,000</b>

#### 11. Tangible assets

	Land and buildings £	Fixtures and fittings £	Equipment £	Assets under development £	Total £
<b>Cost</b>					
At 1 Apr 2015	4,857,983	612,290	137,164	946,050	<b>6,553,487</b>
Additions	—	5,474	10,102	—	<b>15,576</b>
At 31 Mar 2016	<u>4,857,983</u>	<u>617,764</u>	<u>147,266</u>	<u>946,050</u>	<b>6,569,063</b>
<b>Depreciation</b>					
At 1 Apr 2015	303,139	163,472	87,621	—	<b>554,232</b>
Charge for the year	75,784	61,487	31,295	—	<b>168,566</b>
At 31 Mar 2016	<u>378,923</u>	<u>224,959</u>	<u>118,916</u>	<u>—</u>	<b>722,798</b>
<b>Carrying amount</b>					
At 31 Mar 2016	<u>4,479,060</u>	<u>392,805</u>	<u>28,350</u>	<u>946,050</u>	<b>5,846,265</b>
At 31 Mar 2015	<u>4,554,844</u>	<u>448,818</u>	<u>49,543</u>	<u>946,050</u>	<b>5,999,255</b>

# Shanti Hospitality (UK) Limited

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

Year ended 31 March 2016

### 11. Tangible assets *(continued)*

Included in Assets under development is a property, the land and buildings element property is carried in the accounts at open market value which was deemed to be £946,050 as at the balance sheet date (2015 - £946,050). The property was purchased with an intention to purchase additional units and add them to the existing Hotel units as such no depreciation has been provided, if this is not successful the above property will be reclassified as investment property and will be either rented out or sold.

### 12. Debtors

	2016 £	2015 £
Trade debtors	74,823	54,351
Other debtors	67,584	57,345
	<u>142,407</u>	<u>111,696</u>

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

	2016 £	2015 £
Trade creditors	120,822	108,188
Amounts owed to group undertakings	7,414,451	7,391,247
Social security and other taxes	38,271	35,344
Other creditors	219,635	171,371
	<u>7,793,179</u>	<u>7,706,150</u>

### 14. Financial instruments

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

	2016 £	2015 £
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	<u>333,678</u>	<u>141,259</u>
<b>Financial liabilities</b>		
Financial liabilities measured at fair value through profit or loss	<u>(7,793,179)</u>	<u>(7,706,149)</u>

### 15. Called up share capital

Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

### 16. Reserves

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

# **Shanti Hospitality (UK) Limited**

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

**Year ended 31 March 2016**

### **17. Related party transactions**

In the opinion of the directors there is no one controlling party.

The company has taken advantage of the exemption from reporting related party transactions between Shanti Hospitality (UK) Limited and other members of the C&C Alpha group of companies, conferred by FRS 102 Section 33 1A, on the grounds that the company is a wholly owned subsidiary and the parent undertaking prepares consolidated financial statements which include the company.

During the financial year Nira Hospitality Ltd has charged management fee of £35,201 (2015-£25,270) to the company, at the balance sheet date the company owed £136,554 (2015-£94,642) to Nira Hospitality Limited, this amount has been included in other creditors balance. Shanti Hospitality Group Limited effectively holds 75% share capital of Nira Hospitality Limited.

### **18. Controlling party**

The company's ultimate parent undertaking at the balance sheet date is Harberry Investments Limited, a company incorporated in the British Virgin Islands.

The company's immediate parent undertaking at the balance sheet date is Shanti Hospitality Group Limited, a company registered in England and Wales.

At the balance sheet date, the parent undertaking of the largest group for which group accounts including Shanti Hospitality (UK) Limited are drawn up is C&C Alpha Group Limited, a company registered in England and Wales. Copies of the consolidated accounts are available from Companies House or from the registered office:

1 Vincent Square  
London  
SW1P 2PN

### **19. Transition to FRS 102**

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 April 2014.

# Shanti Hospitality (UK) Limited

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

### Year ended 31 March 2016

#### 19. Transition to FRS 102 *(continued)*

##### Reconciliation of equity

	1 April 2014			31 March 2015		
	As previously stated £	Effect of transition £	FRS 102 (as restated) £	As previously stated £	Effect of transition £	FRS 102 (as restated) £
Fixed assets	6,303,889	–	6,303,889	6,159,255	(7,000)	6,152,255
Current assets	72,726	–	72,726	141,259	–	141,259
Creditors: amounts falling due within one year	(7,490,145)	–	(7,490,145)	(7,706,150)	–	(7,706,150)
Net current liabilities	(7,417,419)	–	(7,417,419)	(7,564,891)	–	(7,564,891)
Total assets less current liabilities	(1,113,530)	–	(1,113,530)	(1,405,636)	(7,000)	(1,412,636)
Net liabilities	(1,113,530)	–	(1,113,530)	(1,405,636)	(7,000)	(1,412,636)
Capital and reserves	(1,113,530)	–	(1,113,530)	(1,405,636)	(7,000)	(1,412,636)

##### Reconciliation of profit or loss for the year

	Year ended 31 March 2015		
	As previously stated £	Effect of transition £	FRS 102 (as restated) £
Turnover	1,254,929	–	1,254,929
Cost of sales	(564,430)	–	(564,430)
Gross profit	690,499	–	690,499
Administrative expenses	(967,883)	(7,000)	(974,883)
Operating loss	(277,384)	(7,000)	(284,384)
Other interest receivable and similar income	3	–	3
Interest payable and similar charges	(14,725)	–	(14,725)
Loss for the financial year	(292,106)	(7,000)	(299,106)

In line with requirement of FRS 102 and following review of Goodwill there has been a change in useful life of goodwill, the amortisation is revised prospectively to reflect the new estimated useful life of 10 years from the transition date which has led to transition adjustment of £7,000 for the year ended 31 March 2015.