

**C&C Alpha Group Limited**  
**Financial Statements**  
**31 March 2019**



**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 2019**

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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

### **Bankers**

The Royal Bank of Scotland plc  
5 Market Place  
Leicester  
LE1 6DN

# **C&C Alpha Group Limited**

## **Strategic Report**

**Year ended 31 March 2019**

### **Introduction**

The directors present their strategic report on C&C Alpha Group Limited (Company) for the year ended 31st March 2019.

### **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 2019 is set out in the consolidated balance sheet. Group revenue for the year was £50.62 million (2018:£59.97 million) and group EBITDA before other operating income (earnings before interest, tax, depreciation and amortisation) is £1.1 million (2018:-£0.52 million) The principal activity of the company during the period was that of a investment holding company.

All the shares held in and loans advanced by the Company in Shanti Hospitality Group Limited and its subsidiaries SHG) were transferred to the parent company Harberry Investments Limited on 5 Sep 2018 therefore the financial results of SHG up to the date of transfer have been included.

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 calls 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 14 shows the groups 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 £31 million (2018:£160.52 million) which includes Shareholders loan of £29.77 million (2018: £151.46 million). The cash at bank and in hand increased by £3 million (2018: £2.16 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 19 and 20 of the consolidated statement of Financial position.

The company and its subsidiaries (the "Group") engage in diverse business activities including hospitals, healthcare, restaurants, 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.

### **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 2019 this business generated total revenue of £10.2 million (2018: £8.8 million) and adjusted EBITDA (earnings before interest, tax, depreciation and amortisation) of £0.98 million (2018:£0.6 Million)

### **Flight training academies**

Alpha Aviation Group limited (AAG) provides aviation training through its 100% subsidiaries in Philippines 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 2019, AAG generated total group revenue of £19.7 million (2018: £16.7 million) and group EBITDA after exceptional items was £5.9 million (2018:£6.3 million). Alpha Aviation Academy (Europe) Limited (AAEU) owns a full flight Boeing 737NG Simulator located in the UK. AAEU leased the simulator for 5 years under a Lease Purchase Agreement on 29th April 2015. The agreement expires in April 2020.

# **C&C Alpha Group Limited**

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

### **Year ended 31 March 2019**

AAG Philippines owns a number of training devices including training aircrafts, fixed base simulator, A320 full flight simulator, A330/340 full flight simulator etc. Additional training aircrafts were procured during the year and a new A320 full flight simulator was acquired during the year.

The subsidiary in UAE, provides MPL training courses and is acquiring a new FNPT II simulator in the 1st quarter of 2020.

#### **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 at the existing site with an additional capacity of 0.5 million gallons of desalinated water and 0.2 million gallons of specialist water per day has been completed and is awaiting trial production and is expected to commence production in 1st quarter of the year 2020. In the year ended 31 March 2019, Alpha Utilities FZE generated total group revenue of £2.1 million (2018: £2.09 million). A water purchase agreement was signed by its new 100% subsidiary, Alpha Utilities (Projects) FZE with a local utility company in Middle East under BOT to supply 2 million gallons per day of desalinated water for 20 years. The construction of the plant is part financed through of equity and bank loan of about US\$10 million and is expected to be completed by the end of Jan 2020 with commercial production of desalinated water expected to be commence from 1st week of February 2020.

#### **Hospitality Group**

All the shares held in and loans advanced by the Company in Shanti Hospitality Group Limited and its subsidiaries (SHG) were transferred to the parent company Harberry Investments Limited on 5 Sep 2018, therefore the financial results of SHG up to the date of transfer have been included.

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. Up to the date of transfer, Shanti generated total revenue of £9.9 million (2018:£22.7 million) and EBITDA of £0.49 million (2018:-£3.7 million).

Nira Caledonia a Boutique hotel owned by Shanti Hospitality (UK) Limited comprises of two properties close to each other. On 27th August 2017 one of the properties including hotel and restaurant was damaged by fire. The restoration work has been 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 the hotel will undergo brand conversion.

Harberry Investment Limited on 5 September 2018 acquired the entire shares of Shanti Hospitality Group Limited (Shanti) held by C&C Alpha Group Limited (CCAG) consisting of 1,000 ordinary shares of £1.00 each fully paid up for £1,000. As a result Shanti ceased to be a subsidiary of CCAG from that date. Unsecured loans of £130,133,530 owed by Shanti to CCAG was assigned to Harberry Investments Limited through 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 2019, C&C Alpha Group generated total revenue of £2.7 million (2018:£4.5 million) and EBITDA of -£5.8 million (2018:-£8.9 million).

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

C&C Estates Limited is an investment holding company incorporated in the UK, C&C Estates also owns a

# **C&C Alpha Group Limited**

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

### **Year ended 31 March 2019**

commercial property and has also invested in a high-end restaurant in London through its subsidiaries in the UK. C&C Estates generated total revenue of £6.2 million (2018:£7.7 million) and EBITDA of £0.4 million (2018: £0.8 million).

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

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 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 funding from its parent company and has a commitment in place as 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 debt 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 businesses operating in the UK, our work force is predominantly local and exposure to the European labour market is considered low. Whilst our

# **C&C Alpha Group Limited**

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

**Year ended 31 March 2019**

strong Brands help us attract talents, we also focus on developing and retaining our existing talent pool.

In terms of business risks for 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.

This report was approved by the board of directors on .....18/12/2019..... and signed on behalf of the board by:



B Choudhrie  
Director

Registered office:  
23 Buckingham Gate  
London  
SW1E 6LB

# **C&C Alpha Group Limited**

## **Directors' Report**

**Year ended 31 March 2019**

The directors present their report and the financial statements of the group for the year ended 31 March 2019.

### **Directors**

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

C Thomas  
B Choudhrie  
D Choudhrie  
S Kapur

### **Dividends**

The directors do not recommend the payment of a dividend (2018- £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.

### **Qualifying indemnity provision**

During the financial year qualifying third party indemnity provision for the benefit of all directors was in force.

### **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 2019**

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 include 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 18/12/2019 and signed on behalf of the board by:



B Choudhrie  
Director

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 2019**

### **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 2019 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 2019 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 2019**

### **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 2019**

### **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 2019**

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.



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  
20/12/2019

**C&C Alpha Group Limited**  
**Consolidated Statement of Comprehensive Income**  
**Year ended 31 March 2019**

		2019			2018		
	Note	Continuing operations £	Discont'd operations £	Total £	Continuing operations £	Discont'd operations £	Total £
<b>Turnover</b>	<b>4</b>	40,663,803	9,957,182	<b>50,620,985</b>	37,185,612	22,784,538	59,970,150
Cost of sales		17,895,150	5,598,059	<b>23,493,209</b>	14,979,957	12,409,298	27,389,255
<b>Gross profit</b>		22,768,653	4,359,123	<b>27,127,776</b>	22,205,655	10,375,240	32,580,895
Administrative expenses		24,783,530	5,893,389	<b>30,676,919</b>	27,440,506	13,804,633	41,245,139
Other operating income	<b>5</b>	85,474,890	276,398	<b>85,751,288</b>	15,264,024	391,607	15,655,631
<b>Operating profit</b>	<b>6</b>	83,460,013	(1,257,868)	<b>82,202,145</b>	10,029,173	(3,037,786)	6,991,387
Share of profit/(loss) of associates	<b>16</b>	409,130	–	<b>409,130</b>	(107,182)	–	(107,182)
Share of loss of joint ventures	<b>16</b>	–	–	–	(250,536)	–	(250,536)
Other interest receivable and similar income	<b>10</b>	162,135	–	<b>162,135</b>	161,438	–	161,438
Amounts written off investments	<b>11</b>	11,347	–	<b>11,347</b>	–	–	–
Interest payable and similar expenses	<b>12</b>	1,022,282	452,566	<b>1,474,848</b>	878,136	1,138,028	2,016,164
<b>Profit before taxation</b>		82,997,649	(1,710,434)	<b>81,287,215</b>	8,954,757	(4,175,814)	4,778,943
Tax on profit	<b>13</b>	50,162	–	<b>50,162</b>	372,730	–	372,730
<b>Profit for the financial year</b>		<u>82,947,487</u>	<u>(1,710,434)</u>	<b><u>81,237,053</u></b>	<u>8,582,027</u>	<u>(4,175,814)</u>	<u>4,406,213</u>

The consolidated statement of comprehensive income  
continues on the following page.  
The notes on pages 22 to 46 form part of these financial statements.

**C&C Alpha Group Limited**  
**Consolidated Statement of Comprehensive Income** *(continued)*  
**Year ended 31 March 2019**

	Note	Continuing operations £	2019 Discont'd operations £	Total £	Continuing operations £	2018 Discont'd operations £	Total £
Foreign currency retranslation				(1,378,268)			3,538,706
Reclassification from revaluation reserve to profit and loss account				(18,523,759)			—
Other movements on minority interest				(2,240,351)			(2,625)
<b>Other comprehensive income for the year</b>				<b>(22,142,378)</b>			<b>3,536,081</b>
<b>Total comprehensive income for the year</b>				<b><u>59,094,675</u></b>			<b><u>7,951,197</u></b>
Profit for the financial year attributable to:							
The owners of the parent company				81,475,127			4,964,713
Non-controlling interests				(238,074)			(558,500)
				<b><u>81,237,053</u></b>			<b><u>4,406,213</u></b>
Total comprehensive income for the year attributable to:							
The owners of the parent company				61,573,100			7,779,579
Non-controlling interests				(2,478,425)			171,618
				<b><u>59,094,675</u></b>			<b><u>7,951,197</u></b>

The notes on pages 22 to 46 form part of these financial statements.

**C&C Alpha Group Limited**  
**Consolidated Statement of Financial Position**  
**31 March 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Intangible assets	14	689,978	1,945,630
Tangible assets	15	58,421,022	136,997,530
Investments	16	5,935,494	8,902,510
		<u>65,046,494</u>	<u>147,845,670</u>
<b>Current assets</b>			
Stocks	17	654,778	1,180,347
Debtors	18	16,500,617	20,074,835
Cash at bank and in hand		18,679,843	15,432,412
		<u>35,835,238</u>	<u>36,687,594</u>
<b>Creditors: amounts falling due within one year</b>	19	<u>67,556,622</u>	<u>197,204,656</u>
<b>Net current liabilities</b>		<u>31,721,384</u>	<u>160,517,062</u>
<b>Total assets less current liabilities</b>		<u>33,325,110</u>	<u>(12,671,392)</u>
<b>Creditors: amounts falling due after more than one year</b>	20	18,988,592	31,925,055
<b>Provisions</b>	22	<u>1,252,276</u>	<u>1,413,986</u>
<b>Net assets/(liabilities)</b>		<u><u>13,084,242</u></u>	<u><u>(46,010,433)</u></u>
<b>Capital and reserves</b>			
Called up share capital	26	65,000,732	65,000,732
Share premium account	27	13,784,468	13,784,468
Other reserve	27	5,943,973	24,467,732
Foreign currency translation reserve	27	483,596	1,861,864
Profit and loss account	27	(72,442,978)	(153,918,105)
<b>Equity attributable to the owners of the parent company</b>		<u>12,769,791</u>	<u>(48,803,309)</u>
<b>Non-controlling interests</b>		<u>314,451</u>	<u>2,792,876</u>
		<u><u>13,084,242</u></u>	<u><u>(46,010,433)</u></u>

These financial statements were approved by the board of directors and authorised for issue on 18/12/2019, and are signed on behalf of the board by:



B Choudhrie  
Director

Company registration number: 4590298

The notes on pages 22 to 46 form part of these financial statements.



**C&C Alpha Group Limited**  
**Company Statement of Financial Position**  
**31 March 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	15	996,031	1,122,019
Investments	16	54,651,800	189,243,187
		<u>55,647,831</u>	<u>190,365,206</u>
<b>Current assets</b>			
Debtors	18	8,762,286	3,532,184
Cash at bank and in hand		276,190	203,268
		<u>9,038,476</u>	<u>3,735,452</u>
<b>Creditors: amounts falling due within one year</b>	19	<u>54,776,579</u>	<u>177,979,836</u>
<b>Net current liabilities</b>		<u>45,738,103</u>	<u>174,244,384</u>
<b>Total assets less current liabilities</b>		<u>9,909,728</u>	<u>16,120,822</u>
<b>Net assets</b>		<u>9,909,728</u>	<u>16,120,822</u>
<b>Capital and reserves</b>			
Called up share capital	26	65,000,732	65,000,732
Share premium account	27	13,784,468	13,784,468
Profit and loss account	27	(68,875,472)	(62,664,378)
<b>Shareholders funds</b>		<u>9,909,728</u>	<u>16,120,822</u>

The loss for the financial year of the parent company was £6,211,094 (2018: £12,689,392).

These financial statements were approved by the board of directors and authorised for issue on 18/12/2019, and are signed on behalf of the board by:



B Choudhrie  
Director

Company registration number: 4590298

**C&C Alpha Group Limited**  
**Consolidated Statement of Changes in Equity**  
**Year ended 31 March 2019**

	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- controlling interests £	Total £
<b>At 1 April 2017</b>	64,600,732	13,784,468	85,277,901	(1,073,562)	(219,572,427)	(56,982,888)	2,204,866	(54,778,022)
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>	65,000,732	13,784,468	24,467,732	1,861,864	(153,918,105)	<b>(48,803,309)</b>	2,792,876	<b>(46,010,433)</b>

The consolidated statement of changes in equity  
continues on the following page.  
The notes on pages 22 to 46 form part of these financial statements.

**C&C Alpha Group Limited**  
**Consolidated Statement of Changes in Equity** *(continued)*  
**Year ended 31 March 2019**

	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- controlling interests £	Total £
Profit for the year					81,475,127	81,475,127	(238,074)	81,237,053
Other comprehensive income for the year:								
Foreign currency retranslation	-	-	-	(1,378,268)	-	(1,378,268)	-	(1,378,268)
Reclassification from revaluation reserve to profit and loss account	-	-	(18,523,759)	-	-	(18,523,759)	-	(18,523,759)
Other movements on minority interest	-	-	-	-	-	-	(2,240,351)	(2,240,351)
<b>Total comprehensive income for the year</b>	-	-	(18,523,759)	(1,378,268)	81,475,127	61,573,100	(2,478,425)	59,094,675
<b>At 31 March 2019</b>	<u>65,000,732</u>	<u>13,784,468</u>	<u>5,943,973</u>	<u>483,596</u>	<u>(72,442,978)</u>	<u>12,769,791</u>	<u>314,451</u>	<u>13,084,242</u>

The notes on pages 22 to 46 form part of these financial statements.

**C&C Alpha Group Limited**  
**Company Statement of Changes in Equity**  
**Year ended 31 March 2019**

The notes on pages 22 to 46 form part of these financial statements.

**C&C Alpha Group Limited**  
**Company Statement of Changes in Equity**  
**Year ended 31 March 2019**

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
<b>At 1 April 2017</b>	64,600,732	13,784,468	(49,974,986)	28,410,214
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	–	–	400,000
<b>Total investments by and distributions to owners</b>	400,000	–	–	400,000
<b>At 31 March 2018</b>	65,000,732	13,784,468	(62,664,378)	16,120,822
Loss for the year			(6,211,094)	(6,211,094)
<b>Total comprehensive income for the year</b>	–	–	(6,211,094)	(6,211,094)
<b>At 31 March 2019</b>	<u>65,000,732</u>	<u>13,784,468</u>	<u>(68,875,472)</u>	<u>9,909,728</u>

The notes on pages 22 to 46 form part of these financial statements.

**C&C Alpha Group Limited**  
**Consolidated Statement of Cash Flows**  
**Year ended 31 March 2019**

	2019 £	2018 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	81,237,053	4,406,213
<i>Adjustments for:</i>		
Depreciation of tangible assets	3,746,179	6,601,576
Amortisation of intangible assets	871,032	1,229,640
Amounts written off investments	11,347	–
Share of profit of associates	(409,130)	107,182
Share of profit of joint ventures	–	250,536
Other interest receivable and similar income	(162,135)	(161,438)
Interest payable and similar expenses	1,474,848	2,016,164
Loss on disposal of tangible assets	–	153,999
Gains on disposal of intangible assets	–	(50,000)
Tax on loss	50,162	372,730
Accrued income	(1,389,106)	(12,421,699)
Other operating cash flow adjustment	(22,061,346)	3,203,547
<i>Changes in:</i>		
Stocks	525,569	(288,908)
Trade and other debtors	3,209,945	830,950
Trade and other creditors	(10,035,393)	(5,600,080)
Cash generated from operations	57,069,025	650,412
Interest paid	(1,474,848)	(2,016,164)
Interest received	417,041	(93,468)
Tax paid	(303,865)	(699,299)
Net cash from/(used in) operating activities	<u>55,707,353</u>	<u>(2,158,519)</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(12,631,461)	(8,574,500)
Proceeds from sale of tangible assets	87,461,790	489,009
Proceeds from sale of intangible assets	391,938	50,000
Acquisition of interests in associates and joint ventures	(409,130)	(396,567)
Proceeds from sale of interests in associates and joint ventures	3,578,141	342,089
Purchases of other investments	–	(50)
Proceeds from sale of other investments	121,333	–
Net cash from/(used in) investing activities	<u>78,512,611</u>	<u>(8,090,019)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of ordinary shares	–	816,392
Proceeds from borrowings	(9,404,089)	(1,210,943)
Proceeds from loans from group undertakings	(121,684,879)	12,852,194
Payments of finance lease liabilities	116,435	(51,060)
Net cash (used in)/from financing activities	<u>(130,972,533)</u>	<u>12,406,583</u>

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

The notes on pages 22 to 46 form part of these financial statements.

# C&C Alpha Group Limited

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

Year ended 31 March 2019

	Note	2019 £	2018 £
Net increase in cash and cash equivalents		3,247,431	2,158,045
Cash and cash equivalents at beginning of year		15,432,412	13,274,367
Cash and cash equivalents at end of year		<u>18,679,843</u>	<u>15,432,412</u>

The notes on pages 22 to 46 form part of these financial statements.

# **C&C Alpha Group Limited**

## **Notes to the Financial Statements**

**Year ended 31 March 2019**

### **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.



# **C&C Alpha Group Limited**

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

### **Year ended 31 March 2019**

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

##### **Going concern**

The directors have assessed the company's ability to continue to adopt the going concern basis of accounting. The group generated an operating profit for the year of £82 million primarily due to the sale of Shanti Hospitality Group. The director's assessment based on a recent review demonstrates improving results across the group in the current year which is expected to continue, with the short term forecast being that group subsidiaries will generate sufficient positive cash flows enabling loans to be repaid, as required. The directors are also of the opinion that the funding requirements will also gradually reduce in the medium term.

Despite this, the group's ability to operate as a going concern is dependent upon the continued financial support of Harberry Investments and that any necessary support will continue to be provided by Harberry Investments Limited for at least another 12 months from the date of signing these financial statements.

The financial statements do not include any adjustments if the going concern basis is no longer appropriate.

##### **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.

# **C&C Alpha Group Limited**

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

### **Year ended 31 March 2019**

#### **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.

#### **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.

#### **Key sources of estimation uncertainty**

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

- Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

- Impairment of Debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of the debtors and historical experience.

# **C&C Alpha Group Limited**

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

### **Year ended 31 March 2019**

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

##### **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.

##### **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

# C&C Alpha Group Limited

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

### Year ended 31 March 2019

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

##### Amortisation *(continued)*

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 improvements	-	10% straight line
Short leasehold property	-	10% straight line
Plant and Machinery	-	20% reducing balance
Fixtures & Fittings & Equipment	-	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

##### 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.

# **C&C Alpha Group Limited**

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

### **Year ended 31 March 2019**

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

##### **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. Where considered necessary provision is also made for any slow moving recognised items.

##### **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.

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.

# **C&C Alpha Group Limited**

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

### **Year ended 31 March 2019**

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

##### **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.

##### **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.

# C&C Alpha Group Limited

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

### Year ended 31 March 2019

#### 4. Turnover

Turnover arises from:

	2019 £	2018 £
Rendering of services	<u>50,620,985</u>	<u>59,970,150</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

	2019 £	2018 £
United Kingdom	17,490,390	18,278,625
Philippines	11,853,943	9,492,068
United Arab Emirates	10,001,450	9,359,088
India	3,902,857	8,580,096
Mauritius	2,923,098	6,329,132
Switzerland	1,549,595	3,890,193
United States of America	1,071,614	2,829,746
Others	1,828,038	1,211,202
	<u>50,620,985</u>	<u>59,970,150</u>

#### Business classes

	2019 £	2018 £
Hospitality	9,957,181	22,784,538
Healthcare	10,250,607	8,824,326
Aviation	19,739,049	16,756,656
Real estate	5,633,207	4,854,284
Others	5,040,941	6,750,346
	<u>50,620,985</u>	<u>59,970,150</u>

#### 5. Other operating income

In the current year other operating income of £86.7 million represents the excess of the disposal value over the net assets of Shanti Hospitality Group Limited.

In the prior year other operating income included 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.

# C&C Alpha Group Limited

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

Year ended 31 March 2019

### 6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2019	2018
	£	£
Amortisation of intangible assets	871,032	1,229,640
Depreciation of tangible assets	3,746,179	6,601,576
Loss on disposal of tangible assets	–	153,999
Gains on disposal of intangible assets	–	(50,000)
Impairment of trade debtors	53,673	533,349
Operating lease rentals	1,205,875	829,293
Foreign exchange differences	797,243	202,636
	<u>797,243</u>	<u>202,636</u>

### 7. Auditor's remuneration

	2019	2018
	£	£
Fees payable for the audit of the financial statements	<u>15,000</u>	<u>27,000</u>
Fees payable to the company's auditor and its associates for other services:		
Audit of the financial statements of associates	36,000	49,700
Taxation advisory services	<u>40,000</u>	<u>50,000</u>
	<u>76,000</u>	<u>99,700</u>

### 8. Staff costs

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

	2019	2018
	No.	No.
Production staff	349	402
Administrative staff	712	1,248
Management staff	<u>1</u>	<u>2</u>
	<u>1,062</u>	<u>1,652</u>

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

	2019	2018
	£	£
Wages and salaries	14,452,865	23,733,659
Social security costs	708,340	966,014
Other pension costs	<u>192,103</u>	<u>176,363</u>
	<u>15,353,308</u>	<u>24,876,036</u>



# C&C Alpha Group Limited

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

Year ended 31 March 2019

### 9. Directors' remuneration

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

	2019 £	2018 £
Remuneration	1,136,224	2,655,484
Company contributions to defined contribution pension plans	5,000	10,000
	<u>1,141,224</u>	<u>2,665,484</u>

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

	2019 No.	2018 No.
Defined contribution plans	<u>1</u>	<u>2</u>

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

	2019 £	2018 £
Aggregate remuneration	1,136,224	1,383,416
Company contributions to defined contribution pension plans	5,000	5,000
	<u>1,141,224</u>	<u>1,388,416</u>

### 10. Other interest receivable and similar income

	2019 £	2018 £
Interest on loans and receivables	134,458	136,773
Interest on cash and cash equivalents	27,677	24,573
Interest on bank deposits	–	85
Other interest receivable and similar income	–	7
	<u>162,135</u>	<u>161,438</u>

### 11. Amounts written off investments

	2019 £	2018 £
Impairment of other fixed asset investments	<u>11,347</u>	<u>–</u>

### 12. Interest payable and similar expenses

	2019 £	2018 £
Interest on banks loans and overdrafts	964,251	1,828,808
Other interest payable and similar charges	510,597	187,356
	<u>1,474,848</u>	<u>2,016,164</u>

# C&C Alpha Group Limited

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

### Year ended 31 March 2019

#### 13. Tax on loss

##### Major components of tax income

	2019 £	2018 £
<b>Current tax:</b>		
UK current tax income	251,953	389,086
Adjustments in respect of prior periods	(26,186)	–
Total current tax	<u>225,767</u>	<u>389,086</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(175,605)	(16,356)
<b>Tax on loss</b>	<u>50,162</u>	<u>372,730</u>

##### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2018: lower than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	2019 £	2018 £
Profit on ordinary activities before taxation	<u>81,287,215</u>	<u>4,778,943</u>
Profit on ordinary activities by rate of tax	15,444,570	907,999
Adjustment to tax charge in respect of prior periods	6,377	(12,990)
Effect of expenses not deductible for tax purposes	347,346	576,096
Effect of capital allowances and depreciation	6,181	–
Effect of revenue exempt from tax	(15,608,183)	(40,680)
Utilisation of tax losses	–	(1,057,695)
Increase in deferred tax on investment property	(146,129)	–
<b>Tax on loss</b>	<u>50,162</u>	<u>372,730</u>

# C&C Alpha Group Limited

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

Year ended 31 March 2019

### 14. Intangible assets

Group	Goodwill £
<b>Cost</b>	
At 1 April 2018	24,329,827
Disposals	(2,358,308)
Acquisitions through business combinations	7,318
<b>At 31 March 2019</b>	<b>21,978,837</b>
<b>Amortisation</b>	
At 1 April 2018	22,384,197
Charge for the year	871,032
Disposals	(1,966,370)
<b>At 31 March 2019</b>	<b>21,288,859</b>
<b>Carrying amount</b>	
<b>At 31 March 2019</b>	<b>689,978</b>
At 31 March 2018	1,945,630

The company has no intangible assets.

### 15. Tangible assets

Group	Land and buildings £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Capital Work-in- Progress £	Total £
<b>Cost</b>						
At 1 Apr 2018	127,075,586	17,055,609	38,298,171	682,847	6,285,429	189,397,642
Additions	328,589	32,669	1,162,273	73,986	11,033,944	12,631,461
Disposals	(88,471,945)	(12,440,959)	(12,787,648)	(96,083)	(2,517,812)	(116,314,447)
Transfers	–	–	227,917	–	(227,917)	–
<b>At 31 Mar 2019</b>	<b>38,932,230</b>	<b>4,647,319</b>	<b>26,900,713</b>	<b>660,750</b>	<b>14,573,644</b>	<b>85,714,656</b>
<b>Depreciation</b>						
At 1 Apr 2018	23,464,479	10,498,923	18,030,563	406,147	–	52,400,112
Charge for the year	1,169,116	192,285	2,316,696	68,082	–	3,746,179
Disposals	(9,734,593)	(8,400,423)	(10,629,359)	(88,282)	–	(28,852,657)
<b>At 31 Mar 2019</b>	<b>14,899,002</b>	<b>2,290,785</b>	<b>9,717,900</b>	<b>385,947</b>	<b>–</b>	<b>27,293,634</b>
<b>Carrying amount</b>						
<b>At 31 Mar 2019</b>	<b>24,033,228</b>	<b>2,356,534</b>	<b>17,182,813</b>	<b>274,803</b>	<b>14,573,644</b>	<b>58,421,022</b>
At 31 Mar 2018	103,611,107	6,556,686	20,267,608	276,700	6,285,429	136,997,530

# C&C Alpha Group Limited

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

### Year ended 31 March 2019

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

Company	Plant and machinery £	Fixtures and fittings £	Equipment £	Total £
<b>Cost</b>				
At 1 April 2018	922,964	437,975	644,472	<b>2,005,411</b>
Additions	31,994	137	4,782	<b>36,913</b>
Disposals	(37,090)	—	—	<b>(37,090)</b>
<b>At 31 March 2019</b>	<b>917,868</b>	<b>438,112</b>	<b>649,254</b>	<b>2,005,234</b>
<b>Depreciation</b>				
At 1 April 2018	125,677	192,065	565,650	<b>883,392</b>
Charge for the year	91,787	41,306	29,808	<b>162,901</b>
Disposals	(37,090)	—	—	<b>(37,090)</b>
<b>At 31 March 2019</b>	<b>180,374</b>	<b>233,371</b>	<b>595,458</b>	<b>1,009,203</b>
<b>Carrying amount</b>				
<b>At 31 March 2019</b>	<b>737,494</b>	<b>204,741</b>	<b>53,796</b>	<b>996,031</b>
At 31 March 2018	797,287	245,910	78,822	1,122,019

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.

# **C&C Alpha Group Limited**

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

### **Year ended 31 March 2019**

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

On August 10, 2018, Alpha Aviation Group (Philippines) INC entered into a purchase agreement with L-3 Commercial Training Solutions Limited for the acquisition of one (1) unit of A320 full flight simulator for a total purchase price of \$8.80 million. The purchase price is payable in five (5) instalments based on key milestones. The Simulator was partially financed through a loan facility agreement with a financial institution.

On August 2, 2018 Alpha Aviation Group (Philippines) INC awarded the Construction of a three-storey Simulator building extension to A.D. Pineda Construction worth \$1.10 million with an agreed completion period of two hundred (200) working days reckoned from August 5, 2019, the receipt of notice to proceed by the contractor.

As of March 31, 2019, Alpha Aviation Group (Philippines) INC has paid \$7.92 million and \$0.70 million to L-3 Commercial Training Solutions Limited and A.D. Pineda respectively. Both capital expenditures are presented as "Capital Work-in-Progress" under property and equipment account.

On 4 June 2016 Alpha Aviation Group (Philippines) INC entered into a Sales and 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 the 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 2019 the cost of the Simulator transferred from "Capital Work-in-Progress" to Fixtures, Fittings and Equipment.

On 15 November 2018 Alpha Utilities Project FZE entered into a loan agreement with YES Bank Ltd India for a total loan of \$10 million for financing the project of desalination plant in Kalba. Repayment of loan is scheduled for 32 structured quarterly instalments and will commence after a two year moratorium from the date of first drawdown.

The loan facility from YES Bank Ltd is secured by:

Personal guarantee of Mr S Kapur in favour of Abu Dhabi Commercial Bank, acting in the capacity as a service agent of the lender.

30% of the shares of the company as well as 30% of the shares of the sister concern (Alpha Utilities FZE) held by Alpha Utilities Holdings Limited is pledged in favour of Abu Dhabi Commercial Bank via share pledge agreement dated 21 February 2019, Abu Dhabi Commercial Bank is acting as service agent of the lender, YES Bank Ltd. Also negative lien over balance 70% shares of both companies.

Mortgage of the plant and machinery and other assets of the sister concern (Alpha Utilities FZE) located at its premises in Hamriyah Free Zone in favour of Abu Dhabi Commercial Bank, acting in capacity as a service agent of the lender via registered mortgage agreement dated 21 February 2019.

# C&C Alpha Group Limited

## Notes to the Financial Statements (continued)

### Year ended 31 March 2019

#### 16. Investments

Group	Interests in associates £	Joint ventures £	Other investments other than loans £	Total £	
<b>Share of net assets/cost</b>					
At 1 April 2018	8,849,359	1,146,081	728,227	10,723,667	
Additions	409,130	–	–	409,130	
Disposals	(2,432,060)	(1,146,081)	(121,333)	(3,699,474)	
Revaluations	8,419	–	–	8,419	
<b>At 31 March 2019</b>	<b>6,834,848</b>	<b>–</b>	<b>606,894</b>	<b>7,441,742</b>	
<b>Impairment</b>					
At 1 April 2018	1,226,579	–	594,578	1,821,157	
Disposals	(325,341)	–	–	(325,341)	
Impairment losses	–	–	10,432	10,432	
<b>At 31 March 2019</b>	<b>901,238</b>	<b>–</b>	<b>605,010</b>	<b>1,506,248</b>	
<b>Carrying amount</b>					
<b>At 31 March 2019</b>	<b>5,933,610</b>	<b>–</b>	<b>1,884</b>	<b>5,935,494</b>	
At 31 March 2018	7,622,780	1,146,081	133,649	8,902,510	
<b>Company</b>					
	Shares in group undertakings £	Loans to group undertakings £	Shares in participating interests £	Loans to participating interests £	Total £
<b>Cost</b>					
At 1 April 2018	41,493,263	235,274,512	1,453,024	134,596	278,355,395
Additions	303,192	2,845,696	–	–	3,148,888
Disposals	–	(135,388,038)	–	–	(135,388,038)
Revaluations	–	(2,121,977)	–	8,419	(2,113,558)
Other movements	–	64,534	–	–	64,534
<b>At 31 March 2019</b>	<b>41,796,455</b>	<b>100,674,727</b>	<b>1,453,024</b>	<b>143,015</b>	<b>144,067,221</b>
<b>Impairment</b>					
At 1 April 2018	14,106,556	73,949,660	987,791	68,201	89,112,208
Impairment losses	1,005	302,208	–	–	303,213
<b>At 31 March 2019</b>	<b>14,107,561</b>	<b>74,251,868</b>	<b>987,791</b>	<b>68,201</b>	<b>89,415,421</b>
<b>Carrying amount</b>					
<b>At 31 March 2019</b>	<b>27,688,894</b>	<b>26,422,859</b>	<b>465,233</b>	<b>74,814</b>	<b>54,651,800</b>
At 31 March 2018	27,386,707	161,324,852	465,233	66,395	189,243,187

# C&C Alpha Group Limited

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

Year ended 31 March 2019

### 16. 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 Estates 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
One Vincent Square Limited	England	Ordinary shares	100%	Holding\Investment company
Sudo Import Russia	Russia	Ordinary shares	93%	Holding\Investment company
Alpha Utilities FZE	UAE	Ordinary shares	100%	Holding\Investment company

# C&C Alpha Group Limited

## Notes to the Financial Statements (continued)

Year ended 31 March 2019

### 16. Investments (continued)

Alpha Utilities Project FZE	UAE	Ordinary shares	100%	Holding\Investment company
Alpha Health Care Limited	England	Ordinary shares	100%	Residential and care Homes

#### 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
MCM LLC	USA	Ordinary shares	50%	Holding\Investment company

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,

23 Buckingham Gate  
London  
SW1E 6LB

### 17. Stocks

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Raw materials and consumables	<u>654,778</u>	<u>1,180,347</u>	<u>—</u>	<u>—</u>

### 18. Debtors

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	1,848,984	2,728,728	155,012	180,381
Amounts owed by group undertakings	135,721	—	179,330	—
Assets held under finance leases and hire purchase contracts	2,336,123	2,558,171	—	—
Prepayments and accrued income	1,268,038	1,865,143	517,367	744,447
Other debtors	10,911,751	12,922,793	7,910,577	2,607,356
	<u>16,500,617</u>	<u>20,074,835</u>	<u>8,762,286</u>	<u>3,532,184</u>

Included in other debtors is an amount equal to the net investment of finance lease of £2.33 million in the books of Alpha Aviation Academy (Europe) Limited, 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 £2,167,133 (2018: £2,202,664)



# C&C Alpha Group Limited

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

### Year ended 31 March 2019

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

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans and overdrafts	6,795,437	3,086,488	–	–
Trade creditors	3,379,899	7,513,604	2,016,018	4,114,235
Amounts owed to group undertakings	29,777,507	151,462,386	45,092,940	166,856,925
Accruals and deferred income	15,009,984	16,298,565	511,060	1,226,702
Corporation tax	52,668	130,766	–	–
Social security and other taxes	222,150	266,933	87,191	155,972
Obligations under finance leases and hire purchase contracts	22,175	82,315	–	–
Director loan accounts	3,496,056	3,496,056	3,496,056	3,496,056
Other creditors	8,800,746	14,867,543	3,573,314	2,129,946
	<u>67,556,622</u>	<u>197,204,656</u>	<u>54,776,579</u>	<u>177,979,836</u>

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

On May 2018 AAG Philippines was granted a \$9.44 million credit line facility to partially finance and bridge the acquisition of a brand new A320 flight simulator and construction of a simulator warehouse building. The loan facility may be renewed or extended within a period of one year providing that the sum of the terms will not exceed 360 days and has an expiry date of 31 May 2019. The loan facility bears interest at LIBOR+3% repriced every quarter and interest is payable every 30 days.

On 28 May 2019 the BPI short term loan was converted to long term loan with BPI Century Tokyo Leasing (BPICTL).

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

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans and overdrafts	18,812,017	31,925,055	–	–
Obligations under finance leases and hire purchase contracts	176,575	–	–	–
	<u>18,988,592</u>	<u>31,925,055</u>	<u>–</u>	<u>–</u>

# **C&C Alpha Group Limited**

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

### **Year ended 31 March 2019**

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 £25,607,455 (2018: £35,011,544). The terms of the loans restricts the Group from making significant acquisition or disposals without the consent of the lender.

The total value of the assets secured by bank loans are £57 million (2018: £106 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. The directors of the company B Choudhrie and D Choudhrie provided Deutsche Bank (Suisse) S.A. with personal guarantees as an additional security.

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 bridging loan on the date the Simulator is certified as ready for training by the Civil Aviation Authority of the 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. As of 31 March 2019 loans payable to BDOLFI amounted to \$8.52 million (2018: \$9.32 million).

In December 2011, AAG Philippines obtained a 7 year 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 simulator is \$7.26 million (2018: \$7.89 million) The MPI loan had a term of 7 years. This loan was fully settled in June 2018.

On 15 November 2018 Alpha Utilities Project FZE entered into a loan agreement with YES Bank Ltd India for a total loan of \$10 million for financing the project of desalination plant in Kalba. Repayment of loan is scheduled for 32 structured quarterly instalments and will commence after a two year moratorium from the date of first drawdown. The loan will be drawdown at different stages of project up to the year end the company received USD 2.2 million from YES Bank Ltd.

The loan facility from YES Bank Ltd is secured by:

Personal guarantee of Mr S Kapur in favour of Abu Dhabi Commercial Bank, acting in the capacity as a service agent of the lender.

30% of the shares of the company as well as 30% of the shares of the sister concern (Alpha Utilities FZE) held by Alpha Utilities Holdings Limited is pledged in favour of Abu Dhabi Commercial Bank via share pledge agreement dated 21 February 2019, Abu Dhabi Commercial Bank is acting as service agent of the lender, YES Bank Ltd. Also negative lien over balance 70% shares of both companies.

Mortgage of the plant and machinery and other assets of the sister concern (Alpha Utilities FZE) located at its premises in Hamriyah Free Zone in favour of Abu Dhabi Commercial Bank, acting in capacity as a service agent of the lender via registered mortgage agreement dated 21 February 2019.

# C&C Alpha Group Limited

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

Year ended 31 March 2019

### 21. 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	
	2019	2018	2019	2018
	£	£	£	£
Not later than 1 year	22,175	82,315	–	–
Later than 5 years	176,575	–	–	–
	<u>198,750</u>	<u>82,315</u>	<u>–</u>	<u>–</u>

#### As lessor

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Gross investment in finance leases	2,404,512	2,744,450	–	–
Less : unearned finance income	(68,389)	(186,279)	–	–
Present value of minimum lease payments	<u>2,336,123</u>	<u>2,558,171</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	
	2019	2018	2019	2018
	£	£	£	£
Not later than 1 year	237,379	373,283	226,075	355,507
Later than 1 year and not later than 5 years	2,167,133	2,371,167	2,110,048	2,202,664
	<u>2,404,512</u>	<u>2,744,450</u>	<u>2,336,123</u>	<u>2,558,171</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.

### 22. Provisions

Group	Deferred tax (note 23) £
At 1 April 2018	1,413,986
Additions	(161,710)
At 31 March 2019	<u>1,252,276</u>

The company does not have any provisions.

# C&C Alpha Group Limited

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

Year ended 31 March 2019

### 23. Deferred tax

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

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Included in provisions (note 22)	<u>1,252,276</u>	<u>1,413,986</u>	<u>—</u>	<u>—</u>

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

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Accelerated capital allowances	66,661	209,092	—	—
Revaluation of tangible assets	146,129	—	—	—
Fair value adjustment of investment property	1,039,486	1,185,615	—	—
Other revaluations	—	19,279	—	—
	<u>1,252,276</u>	<u>1,413,986</u>	<u>—</u>	<u>—</u>

### 24. Employee benefits

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £192,103 (2018: £166,363).

### 25. 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	
	2019	2018
	£	£
Financial assets that are debt instruments measured at amortised cost	<u>7,548,984</u>	<u>36,687,594</u>

#### Financial liabilities measured at amortised cost

	Group	
	2019	2018
	£	£
Financial liabilities measured at amortised cost	<u>21,193,317</u>	<u>230,543,697</u>

### 26. Called up share capital

#### Issued, called up and fully paid

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>65,000,732</u>	<u>65,000,732</u>	<u>65,000,732</u>	<u>65,000,732</u>

# C&C Alpha Group Limited

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

### Year ended 31 March 2019

#### 26. Called up share capital *(continued)*

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, TwentyEight 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.

#### 27. 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.

#### 28. Operating leases

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

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Not later than 1 year	<b>1,015,677</b>	1,040,657	<b>519,351</b>	566,281
Later than 1 year and not later than 5 years	<b>2,875,367</b>	3,074,902	<b>1,889,684</b>	1,936,614
Later than 5 years	<b>1,732,263</b>	2,414,684	<b>1,417,263</b>	1,889,684
	<b><u>5,623,307</u></b>	<b><u>6,530,243</u></b>	<b><u>3,826,298</u></b>	<b><u>4,392,579</u></b>

#### 29. 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 £101,577 (2018-£130,178)

# C&C Alpha Group Limited

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

### Year ended 31 March 2019

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

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

	2019		
	Balance brought forward £	Advances/ (credits) to the directors £	Balance outstanding £
B Choudhrie	(2,993,451)	–	(2,993,451)
D Choudhrie	(502,605)	–	(502,605)
	<u>(3,496,056)</u>	<u>–</u>	<u>(3,496,056)</u>

  

	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>

These loans are interest free and repayable on demand.

# **C&C Alpha Group Limited**

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

### **Year ended 31 March 2019**

#### **31. 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 and Shanti Hospitality Group Limited.

All the shares held in and loans advanced by the Company in Shanti Hospitality Group Limited and its subsidiaries (SHG) for a total amount of £130,133,530 were transferred to the parent company Harberry Investments Limited on 5 Sep 2018, therefore the loan to Harberry Investment Limited was reduced by the same amount.

At the balance sheet date Shanti Hospitality Group Limited owed £5,321,381 to C&C Alpha Group Limited, this amount is included in other debtors. At the balance sheet date C&C Alpha Group Limited owed £1,512,982 (2018- £1,564,454).

B Choudhrie is beneficial owner of Amritara Holdings PTE Limited, Shanti Prime Hotel PTE Limited, Nidra Holdings PTE Limited, Lion Southeast Asia PTE Limited, Shanti Hotel Ventures PTE Limited. At the balance sheet date C&C Alpha Group Limited owed £30,135 (2018: £27,309) to Amritara Holdings PTE Limited, £1,816,881 (2018: £1,646,540) to Nidra Holdings PTE Limited and £41,747 (2018: £38,824) to Shanti Hotel Ventures PTE Limited.

Lion Southeast Asia PTE Limited owed £114,582 (2018: £13,215) and Shanti Prime Hotel PTE Limited owed £15,349 (2018: £13,910) to C&C Alpha Group Limited.

Included in the carrying value of investment is an amount of £470,877 (2018: £466,926) 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 £69,171 (2018: £64,702) due from Shanti Hospitality Real Estate Corporation a company registered in Philippines.

At the balance sheet date C&C Alpha Group Limited owed £5,609,525 (2018: £137,469,192) to Harberry Investments Limited.

During the year under review C&C Alpha Group Limited received management income of £2,393,268 (2018- £4,237,055) from Harberry Investments Limited.

At the balance sheet date C&C Alpha Group Limited owed £24,167,970 (2018: £13,993,194) to Harberry Investments Limited, a company registered in Mauritius.

At the balance sheet date C&C Alpha Group Limited owed £15,315,456 (2018: £15,394,538) to C&C Alpha Healthcare Group Limited.

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 £1,954,995 (2018: £4,063,658).

# **C&C Alpha Group Limited**

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

### **Year ended 31 March 2019**

#### **32. 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.

#### **33. 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 reversionary 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.