

**NIRA HOSPITALITY LIMITED**  
**FINANCIAL STATEMENTS**  
**31 MARCH 2011**



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

# **NIRA HOSPITALITY LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2011**

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**NIRA HOSPITALITY LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

<b>The board of directors</b>	P A N Krishna B Choudhrie C P Thomas D Choudhrie S Kapur M Puri
<b>Company secretary</b>	S Pudaruth
<b>Registered office</b>	One Vincent Square London SW1P 2PN
<b>Auditor</b>	Slaven Jeffcote LLP Chartered Certified Accountants & Statutory Auditor 1 Lumley Street Mayfair London W1K 6TT
<b>Bankers</b>	Bank of Scotland 8 Lochside Avenue Edinburgh EH12 9DJ

# **NIRA HOSPITALITY LIMITED**

## **THE DIRECTORS' REPORT**

### **YEAR ENDED 31 MARCH 2011**

The directors present their report and the financial statements of the company for the year ended 31 March 2011

#### **PRINCIPAL ACTIVITIES**

The principal activity of the company during the year was that of hotel management services

#### **DIRECTORS**

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

P A N Krishna  
B Choudhrie  
C P Thomas  
D Choudhrie  
S Kapur  
M Puri

P A N Krishna was appointed as a director on 23 August 2010

#### **DIRECTORS' RESPONSIBILITIES**

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

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

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

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

In so far as the directors are aware

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

# **NIRA HOSPITALITY LIMITED**

## **THE DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 31 MARCH 2011**

### **AUDITOR**

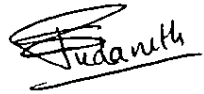
Slaven Jeffcote LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

### **SMALL COMPANY PROVISIONS**

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

Registered office  
One Vincent Square  
London  
SW1P 2PN

Signed by order of the directors



S PUDARUTH  
Company Secretary

Approved by the directors on 14/12/2011

**NIRA HOSPITALITY LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF**  
**NIRA HOSPITALITY LIMITED**  
**YEAR ENDED 31 MARCH 2011**

We have audited the financial statements of Nira Hospitality Limited for the year ended 31 March 2011. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

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

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

**NIRA HOSPITALITY LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF**  
**NIRA HOSPITALITY LIMITED** *(continued)*  
**YEAR ENDED 31 MARCH 2011**

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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



NICHOLAS JOHN PALING (Senior Statutory Auditor)

For and on behalf of  
SLAVEN JEFFCOTE LLP  
Chartered Certified Accountants  
& Statutory Auditor

1 Lumley Street  
Mayfair  
London  
W1K 6TT

14/12/11

# **NIRA HOSPITALITY LIMITED**

## **PROFIT AND LOSS ACCOUNT**

**YEAR ENDED 31 MARCH 2011**

	Note	2011 £	2010 £
<b>TURNOVER</b>		<b>347,725</b>	<b>–</b>
Administrative expenses		765,152	511,843
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(417,427)</b>	<b>(511,843)</b>
Tax on loss on ordinary activities	4	–	–
<b>LOSS FOR THE FINANCIAL YEAR</b>		<b><u>(417,427)</u></b>	<b><u>(511,843)</u></b>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 9 to 14 form part of these financial statements.



# NIRA HOSPITALITY LIMITED

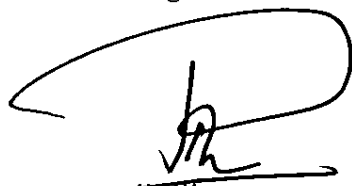
## BALANCE SHEET

31 MARCH 2011

	Note	2011 £	2010 £
<b>FIXED ASSETS</b>			
Tangible assets	5	<u>1,112</u>	<u>–</u>
<b>CURRENT ASSETS</b>			
Debtors	6	423,648	55,313
Cash at bank and in hand		<u>10,561</u>	<u>20,228</u>
		<u>434,209</u>	<u>75,541</u>
<b>CREDITORS: Amounts falling due within one year</b>	7	<u>224,060</u>	<u>67,231</u>
<b>NET CURRENT ASSETS</b>		<u>210,149</u>	<u>8,310</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>211,261</u>	<u>8,310</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	8	<u>1,342,496</u>	<u>722,118</u>
		<u>(1,131,235)</u>	<u>(713,808)</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	10	100	100
Profit and loss account	11	<u>(1,131,335)</u>	<u>(713,908)</u>
<b>DEFICIT</b>	12	<u>(1,131,235)</u>	<u>(713,808)</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

These financial statements were approved by the directors and authorised for issue on 19/12/2011, and are signed on their behalf by



C THOMAS

Company Registration Number 06710382

The notes on pages 9 to 14 form part of these financial statements

# **NIRA HOSPITALITY LIMITED**

## **CASH FLOW STATEMENT**

**YEAR ENDED 31 MARCH 2011**

	Note	2011 £	2010 £
<b>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>	13	<b>(628,463)</b>	<b>(643,705)</b>
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>	13	<b>(1,582)</b>	<b>—</b>
<b>CASH OUTFLOW BEFORE FINANCING</b>		<b>(630,045)</b>	<b>(643,705)</b>
<b>FINANCING</b>	13	<b>620,378</b>	<b>663,933</b>
<b>(DECREASE)/INCREASE IN CASH</b>	13	<b>(9,667)</b>	<b>20,228</b>

The notes on pages 9 to 14 form part of these financial statements

## 1. ACCOUNTING POLICIES

The financial statements have been prepared on a going concern basis which is dependent upon the continuing support of other companies within the C&C Alpha Group

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

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

Equipment - 2-4 year straight line

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

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

The financial statements have been prepared on a going concern basis as the directors believe that the Company's operations will pick up in the foreseeable future due to agreements being entered into after the balance sheet date which will increase the Company's turnover. In the short term, the Company continues to be supported by other Companies within the C&C Alpha Group.

**NIRA HOSPITALITY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2011**

**3. OPERATING LOSS**

Operating loss is stated after charging/(crediting)

	2011 £	2010 £
Directors' remuneration	70,008	–
Depreciation of owned fixed assets	470	–
Net loss/(profit) on foreign currency translation	10,330	(384)
Auditor's remuneration	<u>1,000</u>	<u>1,000</u>
	2011 £	2010 £
Auditor's remuneration - audit of the financial statements	<u>1,000</u>	<u>1,000</u>

**4. TAXATION ON ORDINARY ACTIVITIES**

**Factors affecting current tax charge**

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2010 - 28%)

	2011 £	2010 £
Loss on ordinary activities before taxation	<u>(417,427)</u>	<u>(511,843)</u>
Loss on ordinary activities by rate of tax	(116,880)	(143,316)
Expenses not deductible for tax purposes	43	1,889
Tax losses carried forward	<u>116,837</u>	<u>141,427</u>
Total current tax	<u>-</u>	<u>-</u>

**5. TANGIBLE FIXED ASSETS**

	Equipment £
<b>COST</b>	
Additions	1,582
<b>At 31 March 2011</b>	<u>1,582</u>
<b>DEPRECIATION</b>	
Charge for the year	470
<b>At 31 March 2011</b>	<u>470</u>
<b>NET BOOK VALUE</b>	
<b>At 31 March 2011</b>	<u>1,112</u>
At 31 March 2010	<u>-</u>

**NIRA HOSPITALITY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2011**

**6. DEBTORS**

	2011	2010
	£	£
Trade debtors	368,529	28,696
Other debtors	55,119	26,617
	<u>423,648</u>	<u>55,313</u>

**7. CREDITORS: Amounts falling due within one year**

	2011	2010
	£	£
Trade creditors	175,165	66,231
Other taxation	13,806	—
Other creditors	35,089	1,000
	<u>224,060</u>	<u>67,231</u>

**8. CREDITORS: Amounts falling due after more than one year**

	2011	2010
	£	£
Amounts owed to group undertakings	<u>1,342,496</u>	<u>722,118</u>

**NIRA HOSPITALITY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2011**

**9. RELATED PARTY TRANSACTIONS**

There was no single controlling party at the balance sheet date

The company has taken the advantage of the exemption from reporting related party transactions between Nira Hospitality Limited and other members of the C&C Alpha group of companies, conferred by Financial Reporting Standard No 8, on the grounds that the company is a wholly owned subsidiary and the parent undertaking prepares consolidated financial statements which include the company

During the year under review Nira Hospitality Limited charged consultancy fees of £83,190 (2010 - nil) to Moti Mahal Delux Limited and £172,257 (2010 - nil) to Spa on the Shore Limited

Included in trade debtors at the balance sheet date is £99,751 (2010 - nil) due from Moti Mahal Delux Limited, a company registered in England and Wales, under common control

Included in trade debtors at the balance sheet date is £268,778 (2010 - nil) due from Spa on the Shore Limited, a company registered in Mauritius, under common control

Included in other creditors at the balance sheet date is £16,152 due to C&C Alpha International Trading a company incorporated in Dubai in which Bhanu Choudhrie is a director

Included in trade creditors at the balance sheet date is an amount of £138,107 due to the director, M Puri in respect of his travel expenses

Included in professional fees is an amount of £278,042 paid to the director, M Puri, in respect of management and consultancy fees

Included in Creditors due after one year is an amount of £1,342,490 due to the Company's parent undertaking, Shanti Hospitality Group Limited

**10. SHARE CAPITAL**

**Authorised share capital:**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
1,000,000 Ordinary shares of £1 each	<b><u>1,000,000</u></b>	<b><u>1,000,000</u></b>

**Allotted, called up and fully paid:**

	<b>2011</b>		<b>2010</b>
	<b>No</b>	<b>£</b>	<b>No</b>
100 Ordinary shares of £1 each	<b><u>100</u></b>	<b><u>100</u></b>	<b><u>100</u></b>

**NIRA HOSPITALITY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2011**

**11. PROFIT AND LOSS ACCOUNT**

	2011 £	2010 £
Balance brought forward	(713,908)	(202,065)
Loss for the financial year	(417,427)	(511,843)
Balance carried forward	<u>(1,131,335)</u>	<u>(713,908)</u>

**12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2011 £	2010 £
Loss for the financial year	(417,427)	(511,843)
Opening shareholders' deficit	(713,808)	(201,965)
Closing shareholders' deficit	<u>(1,131,235)</u>	<u>(713,808)</u>

**13. NOTES TO THE CASH FLOW STATEMENT**

**RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES**

	2011 £	2010 £
Operating loss	(417,427)	(511,843)
Depreciation	470	—
Increase in debtors	(368,335)	(55,313)
Increase/(decrease) in creditors	156,829	(76,549)
Net cash outflow from operating activities	<u>(628,463)</u>	<u>(643,705)</u>

**CAPITAL EXPENDITURE**

	2011 £	2010 £
Payments to acquire tangible fixed assets	(1,582)	—
Net cash outflow from capital expenditure	<u>(1,582)</u>	<u>—</u>

**FINANCING**

	2011 £	2010 £
Repayment of long-term amounts owed to group undertakings	620,378	663,933
Net cash inflow from financing	<u>620,378</u>	<u>663,933</u>

**NIRA HOSPITALITY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2011**

**13. NOTES TO THE CASH FLOW STATEMENT** *(continued)*

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

	2011		2010
	£	£	£
(Decrease)/increase in cash in the period	(9,667)		20,228
Net cash (inflow) from long-term amounts owed to group undertakings	<u>(620,378)</u>		<u>(663,933)</u>
		<u>(630,045)</u>	<u>(643,705)</u>
Change in net debt		(630,045)	(643,705)
Net debt at 1 April 2010		<u>(701,890)</u>	<u>(58,185)</u>
Net debt at 31 March 2011		<u>(1,331,935)</u>	<u>(701,890)</u>

**ANALYSIS OF CHANGES IN NET DEBT**

	At 1 Apr 2010 £	Cash flows £	At 31 Mar 2011 £
Net cash			
Cash in hand and at bank	<u>20,228</u>	<u>(9,667)</u>	<u>10,561</u>
Debt			
Debt due after 1 year	<u>(722,118)</u>	<u>(620,378)</u>	<u>(1,342,496)</u>
Net debt	<u>(701,890)</u>	<u>(630,045)</u>	<u>(1,331,935)</u>

**14. ULTIMATE PARENT COMPANY**

The company's parent undertaking at the balance sheet date was Shanti Hospitality Group Limited (Formerly known as C&C Hospitality Group Limited), a company registered in England and Wales

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

The parent undertaking of the largest group for which group accounts including Nira Hospitality Limited are drawn up is C&C Alpha Group Limited, a company registered in England and Wales

Copies of these accounts can be obtained from the company's registered office

One Vincent Square  
Victoria  
London  
SW1P 2PN