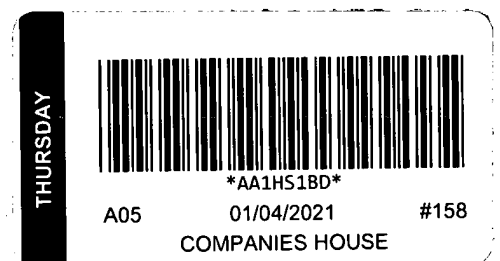


COMPANY REGISTRATION NUMBER: 4590298

C&C Alpha Group Limited
Financial Statements
31 March 2020



JEFFCOTES LLP

Chartered Certified Accountants & statutory auditor
48 Warwick Street
London
W1B 5AW

C&C Alpha Group Limited

Financial Statements

Year ended 31 March 2020

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C&C Alpha Group Limited

Officers and Professional Advisers

| | |
|-------------------------------|--|
| The board of directors | C P Thomas B Choudhrie D Choudhrie S Kapur |
| Company secretary | S Pudaruth |
| Registered office | 23 Buckingham Gate London SW1E 6LB |
| Auditor | Jeffcotes LLP Chartered Certified Accountants & statutory auditor 48 Warwick Street London W1B 5AW |
| Bankers | The Royal Bank of Scotland plc 5 Market Place Leicester LE1 6DN |

C&C Alpha Group Limited

Strategic Report

Year ended 31 March 2020

Introduction

The directors present their strategic report on C&C Alpha Group Limited (Company) for the year ended 31st March 2020.

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 2020 is set out in the consolidated balance sheet. Group revenue for the year was £41.19 million (2019:£50.62 million) and group EBITDA before other operating income (earnings before interest, tax, depreciation and amortisation) is £3.7 million (2019:£1.1 million) The principal activity of the company during the period was that of an investment holding company.

Each of the subsidiaries has its own management team who are responsible for the day to day management and operation of the entities. Weekly conference 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 group's overall financial position at the end of the year.

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

The net current liabilities for the year was £28 million (2019:£31 million) which includes Shareholders loan of £36.73 million (2019: £29.77 million). The cash at bank and in hand increased by £6.9 million (2019: £18.68 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 healthcare, restaurants, technology, utilities, real estate, flight training academies and consulting services. The group through its subsidiary Quatro Management Inc. has invested in 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 2020 this business generated total revenue of £10.7 million (2019: £10.2 million) and adjusted EBITDA (earnings before interest, tax, depreciation and amortisation) of £1.42 million (2019:£0.98 Million)

Flight training academies

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

In the year ended 31 March 2020, AAG generated total group revenue of £22.2 million (2019: £19.7 million) and group EBITDA after exceptional items was £5.7 million (2019:£5.9 million). Alpha Aviation Academy (Europe) Limited (AAEU) concluded the sale of its Boeing 737NG full flight Simulator in August 2020.

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. A new Fixed Base Simulator (FBS) was purchased and

C&C Alpha Group Limited

Strategic Report *(continued)*

Year ended 31 March 2020

was certified during the year. The lease on the FNPT II simulator was terminated and was returned to the lessor in November 2020.

Due to Covid-19, AAG Philippines suspended training in April 2020 and May 2020 but continued ground school online. AAG Philippines resumed simulator training from June 2020 with increased hygiene protocol. Additional cash conservation initiative undertaken by AAG Philippines during Covid-19 includes deferment of loan repayment, temporary reduction in staff costs and deferment of rent. The subsidiary in UAE continued with flight training and online ground school training, however, the simulator training restarted only in October 2020.

Utilities

Alpha Utilities Holdings Limited through its 100% subsidiary Alpha Utilities FZE owns and operates a 1.5 million gallons per day water desalination plant at Sharjah, UAE. A new plant at the existing site with an additional capacity of 0.5 million gallons of desalinated water was commissioned in September 2020 and 0.2 million gallons per day of specialist water was commissioned in February 2021. In the year ended 31 March 2020, Alpha Utilities FZE generated total group revenue of £2.1 million (2019: £2.1 million). Alpha Utilities (Projects), a 100% subsidiary of Alpha Utilities Holdings limited commissioned 2.2 million gallons per day SWRO plant at UAE in July 2020. Alpha Utilities (Projects) supplies potable water to a local utility company under a 20-year BOT contract with a guaranteed off-take of 2 million gallons per day.

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 2020, C&C Alpha Group generated total revenue of £2 million (2019:£2.7 million) and EBITDA of -£5.5 million (2019:-£5.8 million).

C&C Estates

C&C Estates Limited is an investment holding company incorporated in the UK, C&C Estates also owns a 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 (2019:£6.2 million) and EBITDA of £0.8 million (2019:£0.4 million). The restaurant was closed end of March 2020 due to restrictions imposed by the UK Government because of Covid-19 before briefly being opened in August 2020 to be closed again in November 2020 due to new restrictions. All the non-essential contracts have been cancelled, employees have been placed under furlough and the rent for the restaurant is being renegotiated. In the year under review the company transferred its entire holdings in C&C Estates International LLC and its subsidiary Sudo Imports, companies incorporated in Russia, to Marchwood Investments Ltd (a company incorporated in Mauritius).

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

C&C Alpha Group Limited

Strategic Report *(continued)*

Year ended 31 March 2020

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

The UK officially left the EU on 31 January 2020. The transition period that was in place - during which nothing changed - ended on 31 December 2020. The rules governing the new relationship between the EU and UK took effect on 1 January 2021. 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 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.

Health, safety and environmental issues

The group has a code of conduct which at all times safeguards the safety, security, health and environment of its guests, employees and group's assets, which emphasise customer care through anticipating needs, attention to detail, excellence, style and respect for privacy, along with warmth and concern.

In pursuance of its objectives for the maintenance of a safe and healthy environment, the group ensures compliance with all relevant health and safety legislations, ensures that all plant, machinery and equipment provided for use at work are safe to operate, provides information, instructions and training as necessary to enable its employees to perform their tasks safely and efficiently and strive for continuous improvement in the performance of its health and safety management system, as well as other action plans.

Future Developments

The directors are confident about the continuing financial performance of the Group. Investment in the facilities like training aircrafts, other training devices, upgrades to desalination plants etc. will continue as the directors seek to ensure that the facilities and services provided are sustainable in the future years.

C&C Alpha Group Limited

Strategic Report *(continued)*

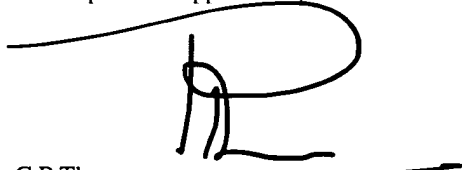
Year ended 31 March 2020

The Group's long term plan is to take advantage of the opportunity to grow its business verticals.

COVID-19

On the 11 March 2020 the World Health Organisation declared a global pandemic - Novel Coronavirus Disease (2019-nCoV), more commonly referred to as COVID-19 causing a wide range of significant financial and economic impact across all major economies across the globe. The directors together with local management have considered a number of factors in relation to the impact of the outbreak across the group. Based on the current assessment, the directors believe that the group has adequate resources to continue to operate for the foreseeable future. The situation however continues to be closely monitored and whilst further lock-down easing measures take place in the post year end period together with the assessment of the impact of any new variants of the virus, it is inherently difficult to predict future events and outcomes with any precision and therefore to quantify any financial impact.

This report was approved by the board of directors on 30 March 2021 and signed on behalf of the board by:



C P Thomas
Director

Registered office:
23 Buckingham Gate
London
SW1E 6LB

C&C Alpha Group Limited

Directors' Report

Year ended 31 March 2020

The directors present their report and the financial statements of the group for the year ended 31 March 2020.

Directors

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

C P Thomas
B Choudhrie
D Choudhrie
S Kapur

Dividends

The directors do not recommend the payment of a dividend (2019- £Nil)

Employment of disabled persons

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

Employee involvement

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

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

Events after the end of the reporting period

Particulars of events after the reporting date are detailed in note 30 to the financial statements.

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 2020

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 30 March 2021 and signed on behalf of the board by:



C P Thomas
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 2020

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 2020 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).

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.

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 2020 and of the group's loss 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 2020

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.

Opinion on other matters prescribed by Companies Act 2006

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.

C&C Alpha Group Limited

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

Year ended 31 March 2020

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.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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
Jeffcotes LLP
Chartered Certified Accountants & statutory auditor

48 Warwick Street
London
W1B 5AW
30th March 2021

C&C Alpha Group Limited
Consolidated Statement of Comprehensive Income
Year ended 31 March 2020

| | | 2020 | | 2019 | |
|--|-----------|----------------------------|---------------------------|----------------------------|---------------------------|
| | Note | Continuing operations £ | Discont'd operations £ | Continuing operations £ | Discont'd operations £ |
| Turnover | 4 | 41,187,957 | - | 41,187,957 | 40,663,803 |
| Cost of sales | | 21,865,973 | - | 21,865,973 | 17,895,150 |
| Gross profit | | 19,321,984 | - | 19,321,984 | 22,768,653 |
| Administrative expenses | | 20,728,169 | - | 20,728,169 | 24,783,530 |
| Other operating income | 5 | 1,238,373 | - | 1,238,373 | 85,474,890 |
| Operating (loss)/profit | 6 | (167,812) | - | (167,812) | 83,460,013 |
| Share of profit of associates | 16 | - | - | - | 409,130 |
| Other interest receivable and similar income | 10 | 175,534 | - | 175,534 | 162,135 |
| Amounts written back to investments | 11 | (677,662) | - | (677,662) | 11,347 |
| Interest payable and similar expenses | 12 | 1,209,039 | - | 1,209,039 | 1,022,282 |
| (Loss)/profit before taxation | | (523,655) | - | (523,655) | 82,997,649 |
| Tax on (loss)/profit | 13 | 4,984 | - | 4,984 | 50,162 |
| (Loss)/profit for the financial year | | (528,639) | - | (528,639) | 82,947,487 |

The consolidated statement of comprehensive income
continues on the following page.

The notes on pages 20 to 44 form part of these financial statements.

C&C Alpha Group Limited
Consolidated Statement of Comprehensive Income *(continued)*
Year ended 31 March 2020

| | Note | Continuing operations £ | 2020 Discont'd operations £ | Total £ | Continuing operations £ | 2019 Discont'd operations £ | Total £ |
|--|------|-------------------------------|--------------------------------------|--------------------|-------------------------------|--------------------------------------|---------------------|
| Foreign currency retranslation | | | | (1,395,979) | | | (1,378,268) |
| Reclassification from revaluation reserve to profit and loss account | | | | (3,780) | | | (18,523,759) |
| Other movements on minority interest | | | | - | | | (2,240,351) |
| Other comprehensive income for the year | | | | (1,399,759) | | | (22,142,378) |
| Total comprehensive income for the year | | | | (1,928,398) | | | 59,094,675 |
| Loss for the financial year attributable to: | | | | | | | |
| The owners of the parent company | | | | (322,647) | | | 81,475,127 |
| Non-controlling interests | | | | (205,992) | | | (238,074) |
| | | | | (528,639) | | | 81,237,053 |
| Total comprehensive income for the year attributable to: | | | | | | | |
| The owners of the parent company | | | | (1,722,406) | | | 61,573,100 |
| Non-controlling interests | | | | (205,992) | | | (2,478,425) |
| | | | | (1,928,398) | | | 59,094,675 |

The notes on pages 20 to 44 form part of these financial statements.

C&C Alpha Group Limited
Consolidated Statement of Financial Position
31 March 2020

| | Note | 2020 £ | 2019 £ |
|--|------|-------------------|-------------------|
| Fixed assets | | | |
| Intangible assets | 14 | 39,406 | 689,978 |
| Tangible assets | 15 | 64,601,877 | 58,421,022 |
| Investments | 16 | 5,954,264 | 5,935,494 |
| | | <u>70,595,547</u> | <u>65,046,494</u> |
| Current assets | | | |
| Stocks | 17 | 1,487,989 | 654,778 |
| Debtors | 18 | 18,946,260 | 16,500,617 |
| Cash at bank and in hand | | 25,590,583 | 18,679,843 |
| | | <u>46,024,832</u> | <u>35,835,238</u> |
| Creditors: amounts falling due within one year | 19 | <u>74,282,651</u> | 67,556,622 |
| Net current liabilities | | <u>28,257,819</u> | <u>31,721,384</u> |
| Total assets less current liabilities | | <u>42,337,728</u> | <u>33,325,110</u> |
| Creditors: amounts falling due after more than one year | 20 | 30,080,610 | 18,988,592 |
| Provisions | 22 | 1,064,647 | 1,252,276 |
| Net assets | | <u>11,192,471</u> | <u>13,084,242</u> |
| Capital and reserves | | | |
| Called up share capital | 26 | 65,000,732 | 65,000,732 |
| Share premium account | 27 | 13,784,468 | 13,784,468 |
| Other reserve | 27 | 5,940,193 | 5,943,973 |
| Foreign currency translation reserve | 27 | (912,383) | 483,596 |
| Profit and loss account | 27 | (72,728,998) | (72,442,978) |
| Equity attributable to the owners of the parent company | | <u>11,084,012</u> | <u>12,769,791</u> |
| Non-controlling interests | | <u>108,459</u> | <u>314,451</u> |
| | | <u>11,192,471</u> | <u>13,084,242</u> |

These financial statements were approved by the board of directors and authorised for issue on 30 March 2021, and are signed on behalf of the board by:



C P Thomas
Director

Company registration number: 4590298

The notes on pages 20 to 44 form part of these financial statements.

C&C Alpha Group Limited
Company Statement of Financial Position
31 March 2020

| | Note | 2020 £ | 2019 £ |
|---|------|-------------------|-------------------|
| Fixed assets | | | |
| Tangible assets | 15 | 840,382 | 996,031 |
| Investments | 16 | 53,439,882 | 54,651,800 |
| | | <u>54,280,264</u> | <u>55,647,831</u> |
| Current assets | | | |
| Debtors | 18 | 8,903,075 | 8,762,286 |
| Cash at bank and in hand | | 429,503 | 276,190 |
| | | <u>9,332,578</u> | <u>9,038,476</u> |
| Creditors: amounts falling due within one year | 19 | <u>62,355,240</u> | <u>54,776,579</u> |
| Net current liabilities | | <u>53,022,662</u> | <u>45,738,103</u> |
| Total assets less current liabilities | | <u>1,257,602</u> | <u>9,909,728</u> |
| Net assets | | <u>1,257,602</u> | <u>9,909,728</u> |
| Capital and reserves | | | |
| 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 | (77,527,598) | (68,875,472) |
| Shareholders funds | | <u>1,257,602</u> | <u>9,909,728</u> |

The loss for the financial year of the parent company was £8,652,126 (2019: £6,211,094).

These financial statements were approved by the board of directors and authorised for issue on 30 March 2021, and are signed on behalf of the board by:



C P Thomas
Director

Company registration number: 4590298

The notes on pages 20 to 44 form part of these financial statements.

C&C Alpha Group Limited
Consolidated Statement of Changes in Equity
Year ended 31 March 2020

| | 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 £ |
|---|---------------------------------|----------------------------------|--------------------|--|---------------------------------|--|---------------------------------------|-------------------|
| At 1 April 2018 | 65,000,732 | 13,784,468 | 24,467,732 | 1,861,864 | (153,918,105) | (48,803,309) | 2,792,876 | (46,010,433) |
| 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) |
| Total comprehensive income for the year | - | - | (18,523,759) | (1,378,268) | 81,475,127 | 61,573,100 | (2,478,425) | 59,094,675 |
| At 31 March 2019 (as previously reported) | 65,000,732 | 13,784,468 | 5,943,973 | 483,596 | (72,442,978) | 12,769,791 | 314,451 | 13,084,242 |
| Effects of changes in accounting policies | - | - | - | - | 36,627 | 36,627 | - | 36,627 |
| At 31 March 2019 (restated) | <u>65,000,732</u> | <u>13,784,468</u> | <u>5,943,973</u> | <u>483,596</u> | <u>(72,406,351)</u> | <u>12,806,418</u> | <u>314,451</u> | <u>13,120,869</u> |

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

The notes on pages 20 to 44 form part of these financial statements.

C&C Alpha Group Limited
Consolidated Statement of Changes in Equity *(continued)*
Year ended 31 March 2020

| | 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 £ |
|--|---------------------------------|----------------------------------|-----------------------|--|---------------------------------|---|---------------------------------------|-------------------|
| Loss for the year | | | | | (322,647) | (322,647) | (205,992) | (528,639) |
| Other comprehensive income for the year: | | | | | | | | |
| Foreign currency retranslation | - | - | - | (1,395,979) | - | (1,395,979) | - | (1,395,979) |
| Reclassification from revaluation reserve to profit and loss account | - | - | (3,780) | - | - | (3,780) | - | (3,780) |
| Total comprehensive income for the year | - | - | (3,780) | (1,395,979) | (322,647) | (1,722,406) | (205,992) | (1,928,398) |
| At 31 March 2020 | 65,000,732 | 13,784,468 | 5,940,193 | (912,383) | (72,728,998) | 11,084,012 | 108,459 | 11,192,471 |

The notes on pages 20 to 44 form part of these financial statements.

C&C Alpha Group Limited
Company Statement of Changes in Equity
Year ended 31 March 2020

| | Called up share capital £ | Share premium account £ | Profit and loss account £ | Total £ |
|--|---------------------------------|----------------------------------|---------------------------------|-------------------------|
| At 1 April 2018 | 65,000,732 | 13,784,468 | (62,664,378) | 16,120,822 |
| Loss for the year | | | (6,211,094) | (6,211,094) |
| Total comprehensive income for the year | — | — | (6,211,094) | (6,211,094) |
| At 31 March 2019 | 65,000,732 | 13,784,468 | (68,875,472) | 9,909,728 |
| Loss for the year | | | (8,652,126) | (8,652,126) |
| Total comprehensive income for the year | — | — | (8,652,126) | (8,652,126) |
| At 31 March 2020 | <u>65,000,732</u> | <u>13,784,468</u> | <u>(77,527,598)</u> | <u>1,257,602</u> |

The notes on pages 20 to 44 form part of these financial statements.

C&C Alpha Group Limited
Consolidated Statement of Cash Flows
Year ended 31 March 2020

| | 2020 £ | 2019 £ |
|--|---------------------|----------------------|
| Cash flows from operating activities | | |
| (Loss)/profit for the financial year | (528,639) | 81,237,053 |
| <i>Adjustments for:</i> | | |
| Depreciation of tangible assets | 4,355,551 | 3,746,179 |
| Amortisation of intangible assets | 714,837 | 871,032 |
| Amounts written off investments | (677,662) | 11,347 |
| Share of profit of associates | – | (409,130) |
| Other interest receivable and similar income | (175,534) | (162,135) |
| Interest payable and similar expenses | 1,209,039 | 1,474,848 |
| Loss on disposal of tangible assets | 30,813 | – |
| Tax on loss | 4,984 | 50,162 |
| Accrued expenses/(income) | 36,287 | (1,389,106) |
| Other operating cash flow adjustment | (688,792) | (22,061,346) |
| <i>Changes in:</i> | | |
| Stocks | (833,211) | 525,569 |
| Trade and other debtors | (2,504,708) | 3,209,945 |
| Trade and other creditors | 4,871,234 | (10,035,393) |
| Cash generated from operations | 5,814,199 | 57,069,025 |
| Interest paid | (1,209,039) | (1,474,848) |
| Interest received | 175,534 | 417,041 |
| Tax paid | (164,960) | (303,865) |
| Net cash from operating activities | <u>4,615,734</u> | <u>55,707,353</u> |
| Cash flows from investing activities | | |
| Purchase of tangible assets | (12,541,041) | (12,631,461) |
| Proceeds from sale of tangible assets | 1,973,821 | 87,461,790 |
| Purchase of intangible assets | (64,265) | – |
| Proceeds from sale of intangible assets | – | 391,938 |
| Acquisition of interests in associates and joint ventures | – | (409,130) |
| Proceeds from sale of interests in associates and joint ventures | – | 3,578,141 |
| Purchases of other investments | (15,447) | – |
| Proceeds from sale of other investments | – | 121,333 |
| Net cash (used in)/from investing activities | <u>(10,646,932)</u> | <u>78,512,611</u> |
| Cash flows from financing activities | | |
| Proceeds from borrowings | 4,635,874 | (9,404,089) |
| Proceeds from loans from group undertakings | 6,949,397 | (121,684,879) |
| Payments of finance lease liabilities | 1,356,667 | 116,435 |
| Net cash from/(used in) financing activities | <u>12,941,938</u> | <u>(130,972,533)</u> |

The consolidated statement of cash flows
continues on the following page.
The notes on pages 20 to 44 form part of these financial statements.

C&C Alpha Group Limited

Consolidated Statement of Cash Flows *(continued)*

Year ended 31 March 2020

| | Note | 2020 £ | 2019 £ |
|--|------|-------------------|-------------------|
| Net increase in cash and cash equivalents | | 6,910,740 | 3,247,431 |
| Cash and cash equivalents at beginning of year | | <u>18,679,843</u> | <u>15,432,412</u> |
| Cash and cash equivalents at end of year | | <u>25,590,583</u> | <u>18,679,843</u> |

The notes on pages 20 to 44 form part of these financial statements.

C&C Alpha Group Limited

Notes to the Financial Statements

Year ended 31 March 2020

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 2020

3. Accounting policies *(continued)*

Going concern

The directors have assessed the company's ability to continue to adopt the going concern basis of accounting. Notwithstanding that the group generated an operating loss for the year of £168K, its ability to continue as a going concern is dependent upon the continued support of the Shareholders, the directors are of the opinion it is appropriate to prepare the financial statements on a going concern basis.

The director's opinion is based on improving results across the group over the previous years, which is expected to continue into future years. Future forecasts, that have been adjusted to reflect the plausible adverse economic effects of the COVID-19 pandemic, show that that groups subsidiaries should generate positive cash flows enabling loans to be repaid. In the short term, the directors have taken all possible steps to support the businesses including, reducing labour and other costs, postponement of capital expenditure, taking advantage of job support schemes, government grants and deferment of loan interest and loan repayments. The directors are of the opinion that funding requirements will reduce in the coming year and that support will continue to be provided by the Shareholders 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 2020

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 2020

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.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

C&C Alpha Group Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

3. Accounting policies *(continued)*

Intangible assets *(continued)*

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

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 |
| Development costs | - | Over 5 years |

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

Tangible assets

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

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

Depreciation

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

| | | |
|---------------------------------|---|-----------------------|
| Freehold property | - | 2% straight line |
| Leasehold 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

C&C Alpha Group Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

3. Accounting policies *(continued)*

Investments

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

Investments in associates

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

Investments in joint ventures

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

Impairment of fixed assets

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

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

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

Stocks

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

C&C Alpha Group Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

3. Accounting policies *(continued)*

Finance leases and hire purchase contracts *(continued)*

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.

Provisions

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

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

Financial instruments

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

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

Debt instruments are subsequently measured at amortised cost.

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

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

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

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

C&C Alpha Group Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

3. Accounting policies *(continued)*

Defined contribution plans

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

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

4. Turnover

Turnover arises from:

| | 2020 £ | 2019 £ |
|-----------------------|-------------------|-------------------|
| Rendering of services | <u>41,187,957</u> | <u>50,620,985</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

| | 2020 £ | 2019 £ |
|--------------------------|-------------------|-------------------|
| United Kingdom | 17,285,886 | 17,490,390 |
| Philippines | 13,189,534 | 11,853,943 |
| United Arab Emirates | 10,712,537 | 10,001,450 |
| India | - | 3,902,857 |
| Mauritius | - | 2,923,098 |
| Switzerland | - | 1,549,595 |
| United States of America | - | 1,071,614 |
| Others | - | 1,828,038 |
| | <u>41,187,957</u> | <u>50,620,985</u> |

Business classes

| | 2020 £ | 2019 £ |
|-------------|-------------------|-------------------|
| Hospitality | - | 9,957,181 |
| Healthcare | 10,698,414 | 10,250,607 |
| Aviation | 22,160,913 | 19,739,049 |
| Real estate | 4,077,969 | 5,633,207 |
| Others | 4,250,661 | 5,040,941 |
| | <u>41,187,957</u> | <u>50,620,985</u> |

C&C Alpha Group Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

5. Other operating income

In the current year other operating income includes a sum of £927,031 represents admission fees & simulator rental in the books of Alpha Aviation Academy UAE LLC and £231,970 represents the proceeds of an insurance claim due to the aircraft related damages in the books of Alpha Aviation Group Philippines Inc.

In the prior year other operating income of £85.7 million represents the excess of the disposal value over the net assets of Shanti Hospitality Group Limited.

6. Operating profit

Operating profit or loss is stated after charging:

| | 2020 | 2019 |
|-------------------------------------|-----------|-----------|
| | £ | £ |
| Amortisation of intangible assets | 714,837 | 871,032 |
| Depreciation of tangible assets | 4,355,551 | 3,746,179 |
| Loss on disposal of tangible assets | 30,813 | — |
| Impairment of trade debtors | 436,853 | 53,673 |
| Operating lease rentals | 26,113 | 1,205,875 |
| Foreign exchange differences | 607,628 | 797,243 |

7. Auditor's remuneration

| | 2020 | 2019 |
|--|--------|--------|
| | £ | £ |
| Fees payable for the audit of the financial statements | 18,494 | 15,000 |
| Fees payable to the company's auditor and its associates for other services: | | |
| Audit of the financial statements of associates | 34,500 | 36,000 |
| Taxation advisory services | 40,000 | 40,000 |
| | 74,500 | 76,000 |

8. Staff costs

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

| | 2020 | 2019 |
|----------------------|------|-------|
| | No. | No. |
| Production staff | 360 | 349 |
| Administrative staff | 253 | 712 |
| Management staff | 2 | 1 |
| | 615 | 1,062 |

C&C Alpha Group Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

8. Staff costs *(continued)*

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

| | 2020 | 2019 |
|-----------------------|-------------------|-------------------|
| | £ | £ |
| Wages and salaries | 13,744,386 | 14,452,865 |
| Social security costs | 744,176 | 708,340 |
| Other pension costs | 220,216 | 192,103 |
| | <u>14,708,778</u> | <u>15,353,308</u> |

9. Directors' remuneration

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

| | 2020 | 2019 |
|---|------------------|------------------|
| | £ | £ |
| Remuneration | 1,136,224 | 1,136,224 |
| Company contributions to defined contribution pension plans | 5,000 | 5,000 |
| | <u>1,141,224</u> | <u>1,141,224</u> |

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

| | 2020 | 2019 |
|----------------------------|----------|----------|
| | No. | No. |
| Defined contribution plans | <u>1</u> | <u>1</u> |

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

| | 2020 | 2019 |
|---|------------------|------------------|
| | £ | £ |
| Aggregate remuneration | 1,136,224 | 1,136,224 |
| Company contributions to defined contribution pension plans | 5,000 | 5,000 |
| | <u>1,141,224</u> | <u>1,141,224</u> |

10. Other interest receivable and similar income

| | 2020 | 2019 |
|---------------------------------------|----------------|----------------|
| | £ | £ |
| Interest on loans and receivables | 132,285 | 134,458 |
| Interest on cash and cash equivalents | 43,249 | 27,677 |
| | <u>175,534</u> | <u>162,135</u> |

11. Amounts written off investments

| | 2020 | 2019 |
|---|------------------|---------------|
| | £ | £ |
| Impairment of other fixed asset investments | <u>(677,662)</u> | <u>11,347</u> |

C&C Alpha Group Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

11. Amounts written off investments *(continued)*

In the year under review the company transferred its entire holdings in C&C Estates International LLC and its subsidiary Sudo Imports, companies incorporated in Russia, to Marchwood Investments Ltd (a company incorporated in Mauritius). Hence a negative impairment losses of £677,662 (2019: Nil) has been recognised.

12. Interest payable and similar expenses

| | 2020 | 2019 |
|--|------------------|------------------|
| | £ | £ |
| Interest on banks loans and overdrafts | 1,159,733 | 964,251 |
| Interest on obligations under finance leases and hire purchase contracts | 7,787 | – |
| Other interest payable and similar charges | 41,519 | 510,597 |
| | <u>1,209,039</u> | <u>1,474,848</u> |

13. Tax on loss

Major components of tax income

| | 2020 | 2019 |
|--|----------------|----------------|
| | £ | £ |
| Current tax: | | |
| UK current tax income | 192,613 | 251,953 |
| Adjustments in respect of prior periods | – | (26,186) |
| Total current tax | <u>192,613</u> | <u>225,767</u> |
| Deferred tax: | | |
| Origination and reversal of timing differences | (187,629) | (175,605) |
| Tax on loss | <u>4,984</u> | <u>50,162</u> |

Reconciliation of tax expense

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

| | 2020 | 2019 |
|--|--------------|---------------|
| | £ | £ |
| (Loss)/profit on ordinary activities before taxation | (523,655) | 81,287,215 |
| (Loss)/profit on ordinary activities by rate of tax | (99,494) | 15,444,570 |
| Adjustment to tax charge in respect of prior periods | 11,794 | 6,377 |
| Effect of expenses not deductible for tax purposes | 700,312 | 347,346 |
| Effect of capital allowances and depreciation | (74,647) | 6,181 |
| Effect of revenue exempt from tax | (91,147) | (15,608,183) |
| Utilisation of tax losses | (441,834) | – |
| Increase in deferred tax on investment property | – | (146,129) |
| Tax on loss | <u>4,984</u> | <u>50,162</u> |

C&C Alpha Group Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2020

14. Intangible assets

| Group | Goodwill £ | Development costs £ | Total £ |
|---|-------------------|---------------------------|-------------------|
| Cost | | | |
| At 1 April 2019 | 21,978,837 | – | 21,978,837 |
| Additions | – | 64,265 | 64,265 |
| Disposals of previously acquired businesses | (536,000) | – | (536,000) |
| At 31 March 2020 | 21,442,837 | 64,265 | 21,507,102 |
| Amortisation | | | |
| At 1 April 2019 | 21,288,859 | – | 21,288,859 |
| Charge for the year | 689,978 | 24,859 | 714,837 |
| Disposals of previously acquired businesses | (536,000) | – | (536,000) |
| At 31 March 2020 | 21,442,837 | 24,859 | 21,467,696 |
| Carrying amount | | | |
| At 31 March 2020 | – | 39,406 | 39,406 |
| At 31 March 2019 | 689,978 | – | 689,978 |

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 £ |
|------------------------|----------------------------|-----------------------------|---|------------------------|--------------------------------------|--------------------|
| Cost | | | | | | |
| At 1 Apr 2019 | 38,932,230 | 4,647,319 | 26,900,713 | 660,750 | 14,573,644 | 85,714,656 |
| Additions | 1,869,418 | 10,049 | 1,814,576 | 51,651 | 8,795,347 | 12,541,041 |
| Disposals | (175,345) | (2,143,919) | (930,996) | (180,678) | – | (3,430,938) |
| Transfers | 948,317 | – | 8,589,372 | – | (9,537,690) | (1) |
| At 31 Mar 2020 | 41,574,620 | 2,513,449 | 36,373,665 | 531,723 | 13,831,301 | 94,824,758 |
| Depreciation | | | | | | |
| At 1 Apr 2019 | 14,899,002 | 2,290,785 | 9,717,900 | 385,947 | – | 27,293,634 |
| Charge for the year | 1,355,694 | 154,933 | 2,784,939 | 59,985 | – | 4,355,551 |
| Disposals | (175,263) | (593,617) | (573,450) | (83,974) | – | (1,426,304) |
| At 31 Mar 2020 | 16,079,433 | 1,852,101 | 11,929,389 | 361,958 | – | 30,222,881 |
| Carrying amount | | | | | | |
| At 31 Mar 2020 | 25,495,187 | 661,348 | 24,444,276 | 169,765 | 13,831,301 | 64,601,877 |
| At 31 Mar 2019 | 24,033,228 | 2,356,534 | 17,182,813 | 274,803 | 14,573,644 | 58,421,022 |

C&C Alpha Group Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

15. Tangible assets *(continued)*

| Company | Plant and machinery £ | Fixtures and fittings £ | Equipment £ | Total £ |
|-------------------------|-----------------------------|-------------------------------|----------------|------------------|
| Cost | | | | |
| At 1 April 2019 | 917,868 | 438,112 | 649,254 | 2,005,234 |
| Additions | — | 82 | 3,549 | 3,631 |
| At 31 March 2020 | 917,868 | 438,194 | 652,803 | 2,008,865 |
| Depreciation | | | | |
| At 1 April 2019 | 180,374 | 233,371 | 595,458 | 1,009,203 |
| Charge for the year | 91,787 | 41,313 | 26,180 | 159,280 |
| At 31 March 2020 | 272,161 | 274,684 | 621,638 | 1,168,483 |
| Carrying amount | | | | |
| At 31 March 2020 | 645,707 | 163,510 | 31,165 | 840,382 |
| At 31 March 2019 | 737,494 | 204,741 | 53,796 | 996,031 |

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 2020

15. Tangible assets *(continued)*

On September 9, 2019, Alpha Aviation Group (Philippines) Inc entered into a Purchase Agreement with ALSIM Simulators for the acquisition of one unit of AL172 MKII Flight Training Device for a total purchase price of \$0.29 million. The purchase price is payable in three instalments based on key milestones. The simulator was financed through internally generated funds. 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 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.

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 construction of desalination plant in Kalba. Alpha Utilities Project FZE utilised \$8.78 million of the loan facility against the \$10 million approved. Repayment of loan is scheduled to start from February 2021 in 32 structured quarterly instalments.

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.

Plant and machinery and other assets of the sister concern (Alpha Utilities FZE) are 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 2020

16. Investments

| Group | | Interests in associates £ | Other investments other than loans £ | Total £ | |
|---------------------------------|--------------------------------------|-------------------------------------|--|---|--------------------|
| Share of net assets/cost | | | | | |
| At 1 April 2019 | | 6,834,848 | 606,894 | 7,441,742 | |
| Additions | | – | 15,447 | 15,447 | |
| Revaluations | | 3,460 | – | 3,460 | |
| At 31 March 2020 | | 6,838,308 | 622,341 | 7,460,649 | |
| Impairment | | | | | |
| At 1 April 2019 | | 901,238 | 605,010 | 1,506,248 | |
| Impairment losses | | – | 137 | 137 | |
| At 31 March 2020 | | 901,238 | 605,147 | 1,506,385 | |
| Carrying amount | | | | | |
| At 31 March 2020 | | 5,937,070 | 17,194 | 5,954,264 | |
| At 31 March 2019 | | 5,933,610 | 1,884 | 5,935,494 | |
| Company | | | | | |
| | Shares in group undertakings £ | Loans to group undertakings £ | Shares in participating interests £ | Loans to participating interests £ | Total £ |
| Cost | | | | | |
| At 1 April 2019 | 41,796,455 | 100,674,727 | 1,453,024 | 143,015 | 144,067,221 |
| Additions | 428,851 | 1,439,699 | – | – | 1,868,550 |
| Revaluations | – | (86,096) | – | 3,460 | (82,636) |
| Other movements | – | 45,703 | – | – | 45,703 |
| At 31 March 2020 | 42,225,306 | 102,074,033 | 1,453,024 | 146,475 | 145,898,838 |
| Impairment | | | | | |
| At 1 April 2019 | 14,107,561 | 74,251,868 | 987,791 | 68,201 | 89,415,421 |
| Impairment losses | 2,258,090 | 785,445 | – | – | 3,043,535 |
| At 31 March 2020 | 16,365,651 | 75,037,313 | 987,791 | 68,201 | 92,458,956 |
| Carrying amount | | | | | |
| At 31 March 2020 | 25,859,655 | 27,036,720 | 465,233 | 78,274 | 53,439,882 |
| At 31 March 2019 | 27,688,894 | 26,422,859 | 465,233 | 74,814 | 54,651,800 |

C&C Alpha Group Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2020

16. Investments (continued)

| | Country of incorporation | Holding | Proportion of voting rights | Nature of business |
|--|-----------------------------|-----------------|-----------------------------------|---|
| Subsidiary undertakings | | | | |
| Held directly by the company: | | | | |
| 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 |
| Held indirectly by the company: | | | | |
| 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 |
| Margot Holdings Limited | England | Ordinary shares | 58% | Hotels and Hospitality |
| One Vincent Square Limited | England | Ordinary shares | 100% | Holding\Investment company |
| Alpha Utilities FZE | UAE | Ordinary shares | 100% | Holding\Investment company |
| Alpha Utilities Project FZE | UAE | Ordinary shares | 100% | Holding\Investment company |
| Alpha Health Care Ltd | England | Ordinary shares | 100% | Residential and care Homes |

C&C Alpha Group Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2020

16. Investments (continued)

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 | |
|-------------------------------|------------------|----------------|----------|----------|
| | 2020 | 2019 | 2020 | 2019 |
| | £ | £ | £ | £ |
| Raw materials and consumables | <u>1,487,989</u> | <u>654,778</u> | <u>-</u> | <u>-</u> |

18. Debtors

| | Group | | Company | |
|--|-------------------|-------------------|------------------|------------------|
| | 2020 | 2019 | 2020 | 2019 |
| | £ | £ | £ | £ |
| Trade debtors | <u>4,963,849</u> | 1,848,984 | <u>122,464</u> | 155,012 |
| Amounts owed by group undertakings | - | 135,721 | <u>213,712</u> | 179,330 |
| Assets held under finance leases and hire purchase contracts | <u>2,301,000</u> | 2,336,123 | - | - |
| Prepayments and accrued income | <u>1,148,905</u> | 1,268,038 | <u>471,239</u> | 517,367 |
| Other debtors | <u>10,532,506</u> | 10,911,751 | <u>8,095,660</u> | 7,910,577 |
| | <u>18,946,260</u> | <u>16,500,617</u> | <u>8,903,075</u> | <u>8,762,286</u> |

Included in other debtors is an amount equal to the net investment of finance lease of £2.30 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 nil (2019: £2,167,133)

C&C Alpha Group Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

19. Creditors: amounts falling due within one year

| | Group | | Company | |
|--|-------------------|-------------------|-------------------|-------------------|
| | 2020 | 2019 | 2020 | 2019 |
| | £ | £ | £ | £ |
| Bank loans and overdrafts | 1,428,124 | 6,795,437 | – | – |
| Trade creditors | 6,291,014 | 3,379,899 | 2,669,262 | 2,016,018 |
| Amounts owed to group undertakings | 36,726,904 | 29,777,507 | 51,940,080 | 45,092,940 |
| Accruals and deferred income | 19,191,284 | 15,009,984 | 523,273 | 511,060 |
| Corporation tax | 80,321 | 52,668 | – | – |
| Social security and other taxes | 366,510 | 222,150 | 185,410 | 87,191 |
| Obligations under finance leases and hire purchase contracts | 349,919 | 22,175 | – | – |
| Director loan accounts | 3,496,056 | 3,496,056 | 3,496,056 | 3,496,056 |
| Other creditors | 6,352,519 | 8,800,746 | 3,541,159 | 3,573,314 |
| | <u>74,282,651</u> | <u>67,556,622</u> | <u>62,355,240</u> | <u>54,776,579</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% repriceable 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). As of March 31, 2020, loans payable from BPICTL amounted to \$8.29 million.

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

| | Group | | Company | |
|--|-------------------|-------------------|----------|----------|
| | 2020 | 2019 | 2020 | 2019 |
| | £ | £ | £ | £ |
| Bank loans and overdrafts | 28,815,204 | 18,812,017 | – | – |
| Obligations under finance leases and hire purchase contracts | 1,205,498 | 176,575 | – | – |
| Other creditors | 59,908 | – | – | – |
| | <u>30,080,610</u> | <u>18,988,592</u> | <u>–</u> | <u>–</u> |

C&C Alpha Group Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

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 £30,243,328 (2019: £25,607,455). 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 £64 million (2019: £58 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 2020 loans payable to BDOLFI amounted to \$7.67 million (2019: \$8.52 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 \$6.58 million (2019: \$7.26 million). In June 2018, MPI and the Group agreed to terminate the loan and all the rights, obligations, and liabilities of both parties, including any liens associated on the chattel mortgage. In consideration of the aforesaid termination and release of the loan, the Group paid MPI the sum of \$7,035 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 construction of desalination plant in Kalba. Alpha Utilities Project FZE utilised \$8.78 million of the loan facility against the \$10 million approved. Repayment of loan is scheduled to start from February 2021 in 32 structured quarterly instalments.

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.

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 2020

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 | |
|--|------------------|----------------|----------|----------|
| | 2020 | 2019 | 2020 | 2019 |
| | £ | £ | £ | £ |
| Not later than 1 year | 349,919 | 22,175 | – | – |
| Later than 1 year and not later than 5 years | 1,108,330 | – | – | – |
| Later than 5 years | 97,168 | 176,575 | – | – |
| | <u>1,555,417</u> | <u>198,750</u> | <u>–</u> | <u>–</u> |

As lessor

| | Group | | Company | |
|---|------------------|------------------|----------|----------|
| | 2020 | 2019 | 2020 | 2019 |
| | £ | £ | £ | £ |
| Gross investment in finance leases | 2,337,559 | 2,404,512 | – | – |
| Less : unearned finance income | (36,559) | (68,389) | – | – |
| Present value of minimum lease payments | <u>2,301,000</u> | <u>2,336,123</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 | |
|--|------------------|------------------|---|------------------|
| | 2020 | 2019 | 2020 | 2019 |
| | £ | £ | £ | £ |
| Not later than 1 year | 2,337,559 | 237,379 | 2,301,000 | 226,075 |
| Later than 1 year and not later than 5 years | – | 2,167,133 | – | 2,110,048 |
| | <u>2,337,559</u> | <u>2,404,512</u> | <u>2,301,000</u> | <u>2,336,123</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 was passed to Quadrant System Limited after receiving the consideration payment and the final rental amount in August 2020.

22. Provisions

Group

| | Deferred tax (note 23) £ |
|------------------|--------------------------------|
| At 1 April 2019 | 1,252,276 |
| Additions | (187,629) |
| At 31 March 2020 | <u>1,064,647</u> |

The company does not have any provisions.

C&C Alpha Group Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

23. Deferred tax

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

| | Group | | Company | |
|----------------------------------|------------------|------------------|----------------|-------------|
| | 2020 | 2019 | 2020 | 2019 |
| | £ | £ | £ | £ |
| Included in provisions (note 22) | <u>1,064,647</u> | <u>1,252,276</u> | <u>-</u> | <u>-</u> |

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

| | Group | | Company | |
|--|------------------|------------------|----------------|-------------|
| | 2020 | 2019 | 2020 | 2019 |
| | £ | £ | £ | £ |
| Accelerated capital allowances | (5,875) | 66,661 | - | - |
| Revaluation of tangible assets | - | 146,129 | - | - |
| Fair value adjustment of investment property | <u>1,070,522</u> | <u>1,039,486</u> | <u>-</u> | <u>-</u> |
| | <u>1,064,647</u> | <u>1,252,276</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 £220,216 (2019: £192,103).

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 | |
|---|------------------|------------------|
| | 2020 | 2019 |
| | £ | £ |
| Financial assets that are debt instruments measured at amortised cost | <u>4,364,600</u> | <u>7,548,984</u> |

Financial liabilities measured at amortised cost

| | Group | |
|--|-------------------|-------------------|
| | 2020 | 2019 |
| | £ | £ |
| Financial liabilities measured at amortised cost | <u>21,291,554</u> | <u>21,193,317</u> |

26. Called up share capital

Issued, called up and fully paid

| | 2020 | | 2019 | |
|----------------------------|-------------------|-------------------|-------------------|-------------------|
| | 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 2020

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, Ebene 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:

| | Group | | Company | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | 2020 | 2019 | 2020 | 2019 |
| | £ | £ | £ | £ |
| Not later than 1 year | 1,454,628 | 1,015,677 | 472,421 | 519,351 |
| Later than 1 year and not later than 5 years | 4,674,151 | 2,875,367 | 1,889,684 | 1,889,684 |
| Later than 5 years | 1,994,684 | 1,732,263 | 944,842 | 1,417,263 |
| | <u>8,123,463</u> | <u>5,623,307</u> | <u>3,306,947</u> | <u>3,826,298</u> |

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 £73,102 (2019:£101,577)

C&C Alpha Group Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

30. Events after the end of the reporting period

COVID-19

The Group has taken measures to respond to the economic fallout and disruption caused by the COVID-19 outbreak. The pandemic is affecting most countries in which the Group operates and management are closely monitoring developments in an attempt to mitigate any long term adverse economic impact on the Group. The extent of any adverse impact on the Group will be determined by how long the COVID-19 pandemic lasts on a global basis and how long it takes the Group to stabilize and recover. Given the nature of the outbreak and its ongoing developments there is a high degree of uncertainty and it not possible at this time to predict the overall impact on the Group's operations.

The Group has concluded that the developments in the global markets after the year end did not provide evidence of conditions that existed at the balance sheet date and as such they have assessed that any impact caused by the pandemic is non-adjusting.

Brexit

The UK officially left the EU on 31 January 2020. The transition period that was in place - during which nothing changed - ended on 31 December 2020. The rules governing the new relationship between the EU and UK took effect on 1 January 2021.

Neither COVID -19 or Brexit have led the directors into making any adjustments in these financial statements for the year ended 31st March 2020.

31. Directors' advances, credits and guarantees

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

| | Balance brought forward and outstanding | |
|-------------|--|--------------------|
| | 2020 | 2019 |
| | £ | £ |
| B Choudhrie | (2,993,451) | (2,993,451) |
| D Choudhrie | (502,605) | (502,605) |
| | <u>(3,496,056)</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 2020

32. 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 Holdings Limited on 5 Sep 2018, therefore the loan to Harberry Investments Holdings Limited was reduced by the same amount.

At the balance sheet date Shanti Hospitality Group Limited owed £5,536,970 (2019: £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 £1,766,724 (2019: £1,512,982) to Enfranchise 421 Limited.

Bhanu Choudhrie is also beneficial owner of Lion Southeast Asia PTE Limited, at the balance sheet date C&C Alpha Group Limited owed £1,944,803 (2019: £1,858,831) to Lion Southeast Asia PTE Limited.

Included in the carrying value of investments is an amount of £471,385 (2019: £470,877) due from Shanti Hospitality Holdings Philippines Limited a company registered in the 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 £72,122 (2019: £69,171) due from Shanti Hospitality Real Estate Corporation a company registered in the Philippines.

At the balance sheet date C&C Alpha Group Limited owed £3,943,970 (2019: £5,609,525) to Harberry Investments Holdings Limited.

During the year under review C&C Alpha Group Limited received management income of £1,662,926 (2019: £2,393,268) from Harberry Investments Holdings Limited.

At the balance sheet date C&C Alpha Group Limited owed £32,782,933 (2019: £24,167,970) to Harberry Investments Limited, a company registered in Mauritius.

At the balance sheet date C&C Alpha Group Limited owed £15,213,176 (2019: £15,315,456) 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 £1,980,000 (2019: £1,954,995).

C&C Alpha Group Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

33. Controlling party

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