

COMPANY REGISTRATION NUMBER 5125108

SHANTI HOSPITALITY GROUP LIMITED
FINANCIAL STATEMENTS
31 MARCH 2015

FRIDAY



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COMPANIES HOUSE

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

SHANTI HOSPITALITY GROUP LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

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SHANTI HOSPITALITY GROUP LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

B Choudhrie
C P Thomas
C Montepeque
S Kapur
D Choudhrie

Company secretary

S Pudaruth

Registered office

1 Vincent Square
London
SW1P 2PN

Auditor

Slaven Jeffcote LLP
Chartered Certified Accountants
& Statutory Auditor
1 Lumley Street
Mayfair
London
W1K 6TT

Bankers

Royal Bank of Scotland
St Johns House
East Street
Leicester
LE1 6NB

SHANTI HOSPITALITY GROUP LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2015

The directors present their report and the financial statements of the company for the year ended 31 March 2015.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of an investment company.

The company holds investments related to hospitality and leisure businesses. This includes Spa (Maurice) Limited which fully owns a Mauritian company investing in a luxury resort. The company also holds asset investments including Shanti Hospitality (UK) with a hotel in Edinburgh. In addition to hotel related activity, the company invested in to restaurant, food and beverage, Bunny Chow Limited, The company also owns land banks and hotels through its sub subsidiaries in India.

DIRECTORS

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

B Choudhrie
C P Thomas
C Montepeque
S Kapur
D Choudhrie

DIRECTORS' RESPONSIBILITIES

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

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

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

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

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

AUDITOR

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

SHANTI HOSPITALITY GROUP LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2015

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

SMALL COMPANY PROVISIONS

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

Registered office:
1 Vincent Square
London
SW1P 2PN

Signed by order of the directors



S PUDARUTH
Company Secretary

Approved by the directors on ...21/1/2016...

SHANTI HOSPITALITY GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SHANTI HOSPITALITY GROUP LIMITED (continued)

YEAR ENDED 31 MARCH 2015

We have audited the financial statements of Shanti Hospitality Group Limited for the year ended 31 March 2015. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

EMPHASIS OF MATTER

Without qualifying our opinion we draw to your attention Note 2 to the financial statements which indicates the Company's ability to continue as a going concern. As detailed in note 2 to the financial statements, Company's ability to continue as a going concern is dependent upon the long term success of the Company's underlying investments in subsidiary undertakings and in the short term is dependent upon the continuing support of the shareholder and ultimate parent company. The financial statements do not include any adjustments if the going concern basis is no longer appropriate. Without qualifying our opinion we would also draw to your attention the recoverability of an amount of £25,023,972 (2014 £34,501,061) included in investments (see note 7), due from the company's subsidiary, Spa (Maurice) Limited. Spa (Maurice) Limited has used these funds to make a loan to their 100% subsidiary, Spa on the Shores Limited, which owns a 5 star luxury hotel known as , Shanti Maurice. Both companies are registered in Mauritius. The directors have assessed the recoverability of the loan to Spa on the Shores Limited and they believe that the full amount will be recoverable and hence no impairment charge is deemed necessary in either the financial statements of Spa (Maurice) Limited or in these financial statements. The financial statements do not included any adjustments that would be deemed necessary if the loan of £25,023,972 (2014 - £34,501,061) becomes impaired.

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

YEAR ENDED 31 MARCH 2015

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



NICHOLAS JOHN PALING (FCCA)
(Senior Statutory Auditor)
For and on behalf of
SLAVEN JEFFCOTE LLP
Chartered Certified Accountants
& Statutory Auditor

1 Lumley Street
Mayfair
London
W1K 6TT

29/1/16

SHANTI HOSPITALITY GROUP LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2015

	Note	2015 £	2014 £
TURNOVER		42,193	38,819
Administrative expenses		(2,647,839)	7,282,340
Other operating income	3	(249,299)	—
OPERATING PROFIT/(LOSS)	4	2,939,331	(7,243,521)
Attributable to:			
Operating profit/(loss) before exceptional items		2,690,032	(7,243,521)
Exceptional items	4	249,299	—
		<u>2,939,331</u>	<u>(7,243,521)</u>
Interest receivable		1,021	1,210
Amounts written off investments	6	(249,299)	—
Interest payable and similar charges		(20,675)	(19,022)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		2,670,378	(7,261,333)
Tax on profit/(loss) on ordinary activities	7	—	—
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>2,670,378</u>	<u>(7,261,333)</u>

All of the activities of the company are classed as continuing.

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

The notes on pages 9 to 18 form part of these financial statements.

SHANTI HOSPITALITY GROUP LIMITED

BALANCE SHEET

31 MARCH 2015

	Note	2015 £	2014 £
FIXED ASSETS			
Tangible assets	8	3,777	3,545
Investments	9	121,543,800	108,847,738
		<u>121,547,577</u>	<u>108,851,283</u>
CURRENT ASSETS			
Debtors	10	925,125	942,092
Cash at bank and in hand		45,008	1,723,581
		<u>970,133</u>	<u>2,665,673</u>
CREDITORS: Amounts falling due within one year	12	<u>1,710,813</u>	<u>241,476</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(740,680)</u>	<u>2,424,197</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>120,806,897</u>	<u>111,275,480</u>
CREDITORS: Amounts falling due after more than one year	13	<u>121,104,785</u>	<u>114,243,746</u>
		<u>(297,888)</u>	<u>(2,968,266)</u>
CAPITAL AND RESERVES			
Called-up equity share capital	15	1,000	1,000
Profit and loss account	16	(298,888)	(2,969,266)
DEFICIT	17	<u>(297,888)</u>	<u>(2,968,266)</u>

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

These accounts were approved by the directors and authorised for issue on 29/11/2016, and are signed on their behalf by:


D CHOUDHRIE

Company Registration Number: 5125108

The notes on pages 9 to 18 form part of these financial statements.

SHANTI HOSPITALITY GROUP LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2015

	Note	2015 £	2014 £
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	18	4,427,234	(6,250,035)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	18	(19,654)	(17,812)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	18	(5,858,191)	(15,990,572)
ACQUISITIONS AND DISPOSALS	18	(10,361,770)	(47,483)
CASH OUTFLOW BEFORE FINANCING		(11,812,381)	(22,305,902)
FINANCING	18	10,133,808	24,017,807
(DECREASE)/INCREASE IN CASH	18	<u>(1,678,573)</u>	<u>1,711,905</u>

The notes on pages 9 to 18 form part of these financial statements.

SHANTI HOSPITALITY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable UK accounting standards.

Consolidation

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts.

Turnover

Turnover represents the amounts receivable, excluding VAT, by the company for goods supplied and services provided during the year.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

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

Equipment - 10%-33% straight line

Operating lease agreements

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

Foreign currencies

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

The Company has made loans to its investments undertakings. These loans have been made on a long term basis and are included as part of the carrying value of the investment. In April 2012, loan agreements were formalised in connection with these loans and the loans have been formalised in foreign currencies. As a result, the Company has started to convert these loans to sterling at the exchange rates prevailing at the balance sheet date in accordance with SSAP20. Unrealised exchange gains and losses in respect of the movement in foreign currency are recognised in the Company's profit and loss account for the year.

SHANTI HOSPITALITY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES *(continued)*

Financial instruments

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

2. GOING CONCERN

The accounts have been prepared on a going concern basis which is dependent upon both the continuing support of other member of the C&C Alpha group and on the success of the company's subsidiaries. The directors have confirmed that they are confident that the company's subsidiaries will be a success and that the hotels owned by the subsidiaries will generate future income sufficient to recover the monies advanced to them.

3. OTHER OPERATING INCOME

	2015 £	2014 £
Exceptional other operating income	<u>249,299</u>	<u>—</u>

Exceptional other operating income relates to write off of the loan of £249,299 due to C&C Alpha Group Limited.

4. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging/(crediting):

	2015 £	2014 £
Staff pension contributions	4,156	13,291
Depreciation of owned fixed assets	1,599	1,321
Operating lease costs:		
- Other	22,102	22,540
Net (profit)/loss on foreign currency translation	(3,115,632)	6,560,414
Auditor's remuneration	5,500	5,500
Exceptional other operating income	<u>(249,299)</u>	<u>—</u>

	2015 £	2014 £
Auditor's remuneration - audit of the financial statements	<u>5,500</u>	<u>5,500</u>

SHANTI HOSPITALITY GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

5. DIRECTORS' REMUNERATION

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

	2015	2014
	£	£
Aggregate remuneration	<u>91,728</u>	<u>101,040</u>

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

	2015	2014
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

During the year retirement benefits were accruing to 1 director (2014- One) in respect of defined contribution pension scheme.

The highest paid director received remuneration of £91,728 (2014- £101,040).

The Value of the company's contribution paid to a defined contribution pension scheme in respect of the highest paid amounted to £5,103 (2014-£5,040).

6. AMOUNTS WRITTEN OFF INVESTMENTS

	2015	2014
	£	£
Amount written off investments	<u>249,299</u>	<u>—</u>

Amount written off investment relates to loan of £249,299 (2014- Nil), due from H Hotel Global Limited.

7. TAXATION ON ORDINARY ACTIVITIES

A deferred tax provision has not been made in respect of unrealised foreign exchange gains and losses arising from movements in foreign exchange rates as management have reviewed the tax position of the group and are of the opinion that there are sufficient tax losses which would mitigate any potential future tax liability. This position will be reviewed each year to ensure that this opinion continues to be appropriate.

SHANTI HOSPITALITY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

7. TAXATION ON ORDINARY ACTIVITIES *(continued)*

Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 21% (2014 - 23%).

	2015 £	2014 £
Profit/(loss) on ordinary activities before taxation	<u>2,670,378</u>	<u>(7,261,333)</u>
Profit/(loss) on ordinary activities by rate of tax	560,779	(1,670,107)
Expenses not deductible for tax purposes	362	296
Tax losses carried forward	88,700	160,783
Unrealised gain on exchange differences	<u>(649,841)</u>	<u>1,509,028</u>
Total current tax	<u>-</u>	<u>-</u>

8. TANGIBLE FIXED ASSETS

	Equipment £
COST	
At 1 April 2014	5,034
Additions	<u>1,831</u>
At 31 March 2015	<u>6,865</u>
DEPRECIATION	
At 1 April 2014	1,489
Charge for the year	<u>1,599</u>
At 31 March 2015	<u>3,088</u>
NET BOOK VALUE	
At 31 March 2015	<u>3,777</u>
At 31 March 2014	<u>3,545</u>

SHANTI HOSPITALITY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

9. INVESTMENTS

	Shares in group companies brought forward £	Loans to group companies brought forward £	Total £
Cost			
Balance brought forward	2,883,297	105,964,441	108,847,738
Additions - group shares	10,361,770	—	10,361,770
New loans to group companies	—	12,989,897	12,989,897
Repayment of group loans	—	(10,406,306)	(10,406,306)
Balance carried forward	<u>13,245,067</u>	<u>108,548,032</u>	<u>121,793,099</u>
Amounts provided			
Written off for the year	—	249,299	249,299
Balance carried forward	<u>—</u>	<u>249,299</u>	<u>249,299</u>
Net book value			
Balance carried forward	<u>13,245,067</u>	<u>108,298,733</u>	<u>121,543,800</u>
Balance brought forward	<u>2,883,297</u>	<u>105,964,441</u>	<u>108,847,738</u>

SHANTI HOSPITALITY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

9. INVESTMENTS *(continued)*

The company owns 97% of the issued share capital of Spa (Maurice) Limited (formerly Ananda Maurice Limited), a company registered in Mauritius. The company owns 90% of the issued share capital of Shanti Hospitality (Mauritius) Limited, a company registered in Mauritius. The company owns 75% of the issued share capital of Nira Hospitality Limited, a company registered in England. The company also owns 100% of the issued share capital of Shanti Hotel Ventures Limited, Shanti Prime Hotels Limited, Amritara Holdings Limited and Nidra Holdings Limited, all companies registered in Mauritius, company also owns 100% share capital of Shanti Hospitality (UK) Limited, a company registered in England and Wales, 75% share capital of H Hotel Global Limited a company registered in England and Wales, 100% share capital of Shanti Hospitality (US) Inc a company registered in Delaware, 100% share capital of Shanti Hospitality II (US) Inc a company registered in Delaware and 100% share capital of Alpine Hospitality (Switzerland) AG a company registered in Switzerland. The company also owns 100% of share capital of Spa Hospitality Limited, a company registered in Mauritius, 100% of share capital of Bunny Chow Limited, a company registered in England & Wales, 100% share capital of Restaurant Kama Limited, a company registered in England & Wales, 100% share capital of Urubamba Private Limited a company registered in England & Wales and 50% share capital of Street Dots Limited a company registered in England & Wales.

All loans to subsidiaries are considered to be long term loans and the recoverability of these loans is dependent upon the future success of the investments. No adjustments have been made to the financial statements should the investments be unsuccessful.

Aggregate capital and reserves

Shanti Hospitality (Mauritius) Limited	(15,196,261)	(5,322,012)
Spa Maurice Limited	(12,661,850)	(24,029,130)
Nira Hospitality Limited	(1,771,779)	(1,748,620)
Shanti Hotel Ventures Limited	263,318	834,736
Shanti Prime Hotels Limited	(181,618)	(19,940)
Amritara Holdings Limited	(215,387)	80,838
Nidra Holdings Limited	(443,534)	(48,013)
Shanti Hospitality (UK) Limited	(1,405,636)	(1,113,530)
H Hotel Global Limited	(2,850)	(248,290)
Shanti Hospitality US Inc	296,231	44,256
Alpine Hospitality (Switzerland) AG	(10,837,682)	(8,136,957)
Bunny Chow Limited	(1,529,849)	(619,941)
Restaurant Kama Limited	(14,404)	(11,225)
Spa Hospitality Limited	(100,782)	(5,362)
Street Dots Limited	(28,412)	—
Shanti Hospitality US II Inc	4,344	—
Urubamba Private Limited	(12,662)	(12,622)

Profit and (loss) for the year

Shanti Hospitality (Mauritius) Limited	(5,625,347)	515,541
Spa Maurice Limited	(2,036,205)	(2,788,201)
Nira Hospitality Limited	(23,159)	(167,350)
Shanti Hotel Ventures Limited	(14,129)	(14,426)
Shanti Prime Hotels Limited	(16,147)	(12,125)
Amritara Holdings Limited	(165,416)	24,646

SHANTI HOSPITALITY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

9. INVESTMENTS *(continued)*

Nidra Holdings Limited	(78,756)	(1,075,993)
Shanti Hospitality (UK) Limited	(292,106)	(515,361)
H Hotel Global Limited	245,440	11,606
Shanti Hospitality US Inc	(2)	(13,733)
Alpine Hospitality (Switzerland) AG	(2,203,196)	(2,725,901)
Bunny Chow Limited	(899,908)	(553,699)
Restaurant Kama Limited	(3,179)	(3,145)
Spa Hospitality Limited	(10,752)	(11,516)
Street Dots Limited	(26,162)	—
Shanti Hospitality US II Inc	(1,718)	—
Urubamba Private Limited	—	(12,722)

10. DEBTORS

	2015	2014
	£	£
Trade debtors	—	327,473
Amounts owed by group undertakings	431,737	—
VAT recoverable	4,957	3,599
Other debtors	488,431	611,020
	<u>925,125</u>	<u>942,092</u>

Included in other debtors balance of £431,737 (2014- Nil) due from SBBM Group LLC, this amount is receivable in more than one year.

11. CASH AT BANK

Included in cash at bank there is an amount of £15,000 held by the Royal Bank of Scotland as a security deposit for facilitating the corporate credit cards.

12. CREDITORS: Amounts falling due within one year

	2015	2014
	£	£
Trade creditors	27,146	18,335
Amounts owed to group undertakings	—	24,001
Other taxation and social security	6,753	6,873
Other creditors	1,676,914	192,267
	<u>1,710,813</u>	<u>241,476</u>

Included in creditors amount falling due within one year there is an amount of £181,599 due to Bhanu Choudhrie director of the company.

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

	2015	2014
	£	£
Amounts owed to group undertakings	<u>121,104,785</u>	<u>114,243,746</u>

SHANTI HOSPITALITY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

14. RELATED PARTY TRANSACTIONS

There was no one controlling party at the balance sheet date.

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

Included in creditors amount falling due after more than one year there is a sum of £545,565 (2014- £485,815) due to Shanti Hospitality Holdings Corporation and £883,680 (2014- £786,900) due to Shanti Real Estate Corporations, both entities are incorporated in Philippines and C&C Alpha Group Limited has participating interest on them.

Included in creditors amount falling due within one year there is an amount of £181,599 due to Bhanu Choudhrie director of the company. (2014-£181,599) was included in creditors amount falling due after more than one year.

15. SHARE CAPITAL

Allotted, called up and fully paid:

	2015		2014	
	No	£	No	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

16. PROFIT AND LOSS ACCOUNT

	2015	2014
	£	£
Balance brought forward	(2,969,266)	4,292,067
Profit/(loss) for the financial year	<u>2,670,378</u>	<u>(7,261,333)</u>
Balance carried forward	<u>(298,888)</u>	<u>(2,969,266)</u>

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2015	2014
	£	£
Profit/(Loss) for the financial year	2,670,378	(7,261,333)
Opening shareholders' (deficit)/funds	<u>(2,968,266)</u>	<u>4,293,067</u>
Closing shareholders' deficit	<u>(297,888)</u>	<u>(2,968,266)</u>

SHANTI HOSPITALITY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

18. NOTES TO THE CASH FLOW STATEMENT

RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2015 £	2014 £
Operating profit/(loss)	2,939,331	(7,243,521)
Depreciation	1,599	1,321
Decrease in debtors	16,967	884,461
Increase in creditors	1,469,337	107,704
Net cash inflow/(outflow) from operating activities	<u>4,427,234</u>	<u>(6,250,035)</u>

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2015 £	2014 £
Interest received	1,021	1,210
Interest paid	<u>(20,675)</u>	<u>(19,022)</u>
Net cash outflow from returns on investments and servicing of finance	<u>(19,654)</u>	<u>(17,812)</u>

CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2015 £	2014 £
Payments to acquire tangible fixed assets	(1,831)	(475)
Receipts from sale of fixed assets	–	216
Loans to group undertakings	(16,262,666)	(16,028,602)
Repayment of loans by group undertakings	10,406,306	38,289
Net cash outflow for capital expenditure and financial investment	<u>(5,858,191)</u>	<u>(15,990,572)</u>

ACQUISITIONS AND DISPOSALS

	2015 £	2014 £
Acquisition of shares in group undertakings	<u>(10,361,770)</u>	<u>(47,483)</u>
Net cash outflow from acquisitions and disposals	<u>(10,361,770)</u>	<u>(47,483)</u>

FINANCING

	2015 £	2014 £
Repayment of long-term amounts owed to group undertakings	10,133,808	24,199,406
Net outflow from other long-term creditors	–	(181,599)
Net cash inflow from financing	<u>10,133,808</u>	<u>24,017,807</u>

SHANTI HOSPITALITY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

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

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2015	2014
	£	£
(Decrease)/increase in cash in the period	(1,678,573)	1,711,905
Net cash (inflow) from long-term amounts owed to group undertakings	(6,861,039)	(17,568,444)
Net cash outflow from other long-term creditors	—	181,599
	<u>(8,539,612)</u>	<u>(15,674,940)</u>
Change in net debt	(8,539,612)	(15,674,940)
Net debt at 1 April 2014	(112,520,165)	(96,845,225)
Net debt at 31 March 2015	<u>(121,059,777)</u>	<u>(112,520,165)</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Apr 2014	Cash flows	At 31 Mar 2015
	£	£	£
Net cash:			
Cash in hand and at bank	<u>1,723,581</u>	<u>(1,678,573)</u>	<u>45,008</u>
Debt:			
Debt due after 1 year	(114,243,746)	(6,861,039)	(121,104,785)
	<u>(112,520,165)</u>	<u>(8,539,612)</u>	<u>(121,059,777)</u>
Net debt	<u>(112,520,165)</u>	<u>(8,539,612)</u>	<u>(121,059,777)</u>

19. ULTIMATE PARENT COMPANY

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

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

1 Vincent Square
London
SW1P 2PN

SHANTI HOSPITALITY GROUP LIMITED
MANAGEMENT INFORMATION
YEAR ENDED 31 MARCH 2015

**The following pages do not form part of the statutory financial statements
which are the subject of the independent auditor's report on pages 4 to 5.**