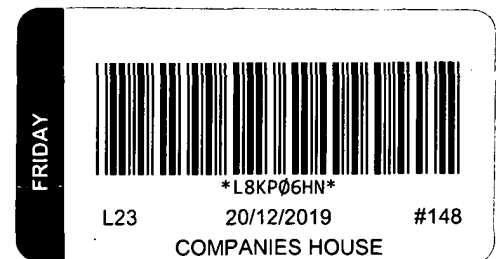


COMPANY REGISTRATION NUMBER: 07432896

Shanti Hospitality (UK) Limited
Financial Statements
31 March 2019



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

Shanti Hospitality (UK) Limited

Financial Statements

Year ended 31 March 2019

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Shanti Hospitality (UK) Limited

Directors' Report

Year ended 31 March 2019

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

Directors

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

Mr B Choudhrie
Mr D Choudhrie
Mrs C Montepeque

Directors' responsibilities statement

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

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

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

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

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

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.

Statement of disclosure to auditor

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

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

Shanti Hospitality (UK) Limited

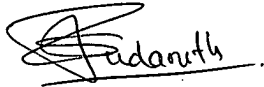
Directors' Report *(continued)*

Year ended 31 March 2019

Small company provisions

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

This report was approved by the board of directors on 9/12/2019 and signed on behalf of the board by:



Satyabhama Pudaruth
Company Secretary

Registered office:
23 Buckingham Gate
London
United Kingdom
SW1E 6LB

Shanti Hospitality (UK) Limited

Independent Auditor's Report to the Members of Shanti Hospitality (UK) Limited

Year ended 31 March 2019

Opinion

We have audited the financial statements of Shanti Hospitality (UK) Limited (the 'company') for the year ended 31 March 2019 which comprise the statement of income and retained earnings, statement of financial position 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 company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company 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 the provisions available for small entities, in the circumstances set out below, 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.

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

In common with many other businesses of our size and nature we use our auditors to provide tax advice and to represent us, as necessary, at tax tribunals.

Conclusions relating to going concern

Without qualifying our opinion we draw your attention to note 4 of the financial statements which indicates that the Company's ability to continue as going concern. The Company's total liabilities exceeded the total assets by £1,180,603. The shareholder has undertaken to provide financial support to the Company so as to enable it to meet its obligations as they fall due for the foreseeable future. Accordingly, the financial statements have been prepared on the going concern basis and the financial statements do not include any adjustments if the going concern basis is no longer appropriate.

Shanti Hospitality (UK) Limited

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

Year ended 31 March 2019

Other information

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

In common with many other businesses of our size and nature we use our auditors to provide tax advice and to represent us, as necessary, at tax tribunals.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements. And the directors' report has 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in 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, 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' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

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 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 company or to cease operations, or have no realistic alternative but to do so.

Shanti Hospitality (UK) Limited

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

Year ended 31 March 2019

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Shanti Hospitality (UK) Limited

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

Year ended 31 March 2019

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Joanne Louise Denman (FCCA) (Senior Statutory Auditor)

For and on behalf of
Slaven Jeffcote LLP
Chartered Certified Accountants & statutory auditor
1 Lumley Street
Mayfair
London
W1K 6TT

9 December 2019

Shanti Hospitality (UK) Limited
Statement of Income and Retained Earnings
Year ended 31 March 2019

	Note	2019 £	2018 £
Turnover		1,224,041	1,153,601
Cost of sales		<u>369,377</u>	<u>226,887</u>
Gross profit		854,664	926,714
Administrative expenses		<u>825,234</u>	848,023
Other operating income		<u>229,540</u>	512
Operating profit		258,970	79,203
Other interest receivable and similar income		<u>—</u>	<u>7</u>
Profit before taxation	7	258,970	79,210
Tax on profit	8	<u>—</u>	<u>—</u>
Profit for the financial year and total comprehensive income		<u>258,970</u>	<u>79,210</u>
Retained losses at the start of the year		(1,440,573)	(1,519,783)
Retained losses at the end of the year		<u>(1,181,603)</u>	<u>(1,440,573)</u>

All the activities of the company are from continuing operations.

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

Shanti Hospitality (UK) Limited

Statement of Financial Position

31 March 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	9	85,000	102,000
Tangible assets	10	<u>5,843,440</u>	<u>5,951,662</u>
		5,928,440	6,053,662
Current assets			
Stocks		6,432	3,168
Debtors	11	80,374	96,984
Cash at bank and in hand		<u>599,510</u>	<u>360,940</u>
		686,316	461,092
Creditors: amounts falling due within one year	12	<u>7,795,359</u>	<u>7,954,327</u>
Net current liabilities		7,109,043	7,493,235
Total assets less current liabilities		(1,180,603)	(1,439,573)
Net liabilities		(1,180,603)	(1,439,573)
Capital and reserves			
Called up share capital	13	1,000	1,000
Profit and loss account		<u>(1,181,603)</u>	<u>(1,440,573)</u>
Shareholders deficit		(1,180,603)	(1,439,573)

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 31/03/2019, and are signed on behalf of the board by:


Mr D Choudhrie
Director

Company registration number: 07432896

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

Shanti Hospitality (UK) Limited

Notes to the Financial Statements

Year ended 31 March 2019

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 23 Buckingham Gate, London, SW1E 6LB, United Kingdom.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Business review

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

In August 2017 a section of building suffered a major fire and water damage. There were no injuries during this incident. The damage to the building was significant and 14 out of 28 rooms were out of service for 8 months. A substantial reconstruction of the building completed by May 2018 when the hotel building was brought fully back to service. The building re-instatement and business interruption has been fully covered by insurance.

4. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The directors have assessed the company's ability to continue to adopt the going concern basis of accounting. The directors of the company are of the opinion that the company will continue to generate sufficient income and will also have the support of its parent undertaking for at least another 12 month from the date of signing the accounts and therefore make it appropriate to prepare the financial statement on a going concern basis.

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.

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.

Shanti Hospitality (UK) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

4. Accounting policies *(continued)*

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.

Amortisation

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

Goodwill	-	Over 10 years
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If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

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

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

Depreciation

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

Freehold property	-	Over 50 years
Fixtures & Fittings	-	Over 10 years
Equipment	-	Over 3 years

Impairment of fixed assets

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

Shanti Hospitality (UK) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

4. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

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.

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.

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.

5. Auditor's remuneration

	2019	2018
	£	£
Fees payable for the audit of the financial statements	<u>5,500</u>	<u>5,000</u>

6. Staff costs

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

	2019	2018
	No.	No.
Production staff	22	16
Administrative staff	6	6
	<u>28</u>	<u>22</u>

Shanti Hospitality (UK) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

6. Staff costs *(continued)*

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

	2019	2018
	£	£
Wages and salaries	434,779	350,880
Social security costs	28,494	24,680
Other pension costs	4,813	2,066
	<u>468,086</u>	<u>377,626</u>

7. Profit before taxation

Profit before taxation is stated after charging:

	2019	2018
	£	£
Amortisation of intangible assets	17,000	17,000
Depreciation of tangible assets	<u>134,418</u>	<u>123,033</u>

8. Tax on profit

Reconciliation of tax income

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

	2019	2018
	£	£
Profit on ordinary activities before taxation	<u>258,970</u>	<u>79,210</u>
Profit on ordinary activities by rate of tax	49,204	15,050
Unused tax losses	<u>(49,204)</u>	<u>(15,050)</u>
Tax on profit	<u>-</u>	<u>-</u>

9. Intangible assets

	Goodwill £
Cost	
At 1 April 2018 and 31 March 2019	<u>200,000</u>
Amortisation	
At 1 April 2018	98,000
Charge for the year	<u>17,000</u>
At 31 March 2019	<u>115,000</u>
Carrying amount	
At 31 March 2019	<u>85,000</u>
At 31 March 2018	<u>102,000</u>

Shanti Hospitality (UK) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

10. Tangible assets

	Land and buildings £	Fixtures and fittings £	Equipment £	Assets under development £	Total £
Cost					
At 1 April 2018	4,857,983	483,234	66,790	1,328,312	6,736,319
Additions	13,739	11,886	571	–	26,196
Transfers	1,328,312	–	–	(1,328,312)	–
At 31 March 2019	6,200,034	495,120	67,361	–	6,762,515
Depreciation					
At 1 April 2018	530,492	208,040	46,125	–	784,657
Charge for the year	75,854	49,208	9,356	–	134,418
At 31 March 2019	606,346	257,248	55,481	–	919,075
Carrying amount					
At 31 March 2019	5,593,688	237,872	11,880	–	5,843,440
At 31 March 2018	4,327,491	275,194	20,665	1,328,312	5,951,662

11. Debtors

	2019 £	2018 £
Trade debtors	18,381	23,937
Other debtors	61,993	73,047
	80,374	96,984

12. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	77,600	34,500
Amounts owed to group undertakings	7,562,418	7,696,821
Accruals and deferred income	21,660	18,198
Social security and other taxes	17,703	4,956
Other creditors	115,978	199,852
	7,795,359	7,954,327

13. Called up share capital

Issued, called up and fully paid

	2019 No.	£	2018 No.	£
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

Shanti Hospitality (UK) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

14. Security charges with respect to metro bank plc

Metro Bank PLC provided the Company with a credit card facility of £5,000, the bank has a charge over the deposit account with Metro Bank PLC for this facility.

15. Related party transactions

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

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

16. Controlling party

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

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

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

23 Buckingham Gate
London
SW1E 6LB