

Registered number. 03405105

COCKPIT HOTEL (LONDON) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

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COCKPIT HOTEL (LONDON) LIMITED

COMPANY INFORMATION

Directors	Teo Kok Woon Teo Cheng Woon
Company secretary	Tan Shang Teow
Company number	03405105
Registered office	47 Lillie Road London SW6 1UD
Auditor	PKF (UK) LLP Farringdon Place 20 Farringdon Road London EC1M 3 AP
Bankers	National Westminster Bank Plc 9th Floor 280 Bishopsgate London EC2M 4RB
Solicitors	Kilpatrick & Lockhart Nicholson Graham LLP 110 Cannon Street London EC4R 6AR

COCKPIT HOTEL (LONDON) LIMITED

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COCKPIT HOTEL (LONDON) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

The directors present their report and the financial statements for the year ended 31 December 2010

Principal activities and review of business

The principal activity of the company during the year was that of hotel operators

Business review, performance measure and future developments

The company has continued to operate a hotel in London and the directors report that turnover has increased by 3.7% over the past year, in line with similar trends with other hotels in the London area. Apart from the settling and monitoring of budgets, other key performance indicators include hotel occupancy, average achieved room rates and profits margins.

The hotel is operating in a competitive market environment and is subject to business risks facing other hoteliers in London. The company's key risks identified by the directors are the general economy, attractiveness of the UK as a visitor location, its competitiveness against its main rivals and the maintenance of high standards including complying with all laws and regulations.

The company will continue to maintain the hotel's high standards to maintain its trading levels.

Results

The loss for the year, after taxation, amounted to £328,030 (2009 - loss £782,929)

Directors

The directors who served during the year were

Teo Kok Woon
Teo Cheng Woon

Financial instruments

The company does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. The nature of its financial instruments means that they are not subject to price risk or liquidity risk.

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

COCKPIT HOTEL (LONDON) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010**

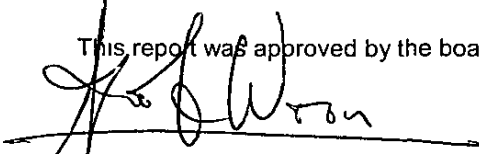
Auditor

Under section 487 of the Companies Act 2006, PKF (UK) LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

This report was approved by the board on

8 July 2011

and signed on its behalf


Teo Kok Woon
Director

COCKPIT HOTEL (LONDON) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

COCKPIT HOTEL (LONDON) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COCKPIT HOTEL (LONDON) LIMITED

We have audited the financial statements of Cockpit Hotel (London) Limited for the year ended 31 December 2010 which comprise the profit and loss account, the balance sheet, the cashflow statement and the related notes. 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).

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.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit 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

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. 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 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.



Nick Whitaker (Senior statutory auditor)
for and on behalf of PKF (UK) LLP, Statutory auditors
London, UK

22 July 2011

COCKPIT HOTEL (LONDON) LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 £	2009 £
TURNOVER	1	12,112,258	11,682,314
Cost of sales		<u>(747,630)</u>	<u>(721,625)</u>
GROSS PROFIT		11,364,628	10,960,689
Administrative expenses		<u>(11,810,667)</u>	<u>(11,812,700)</u>
Other operating income	3	<u>112,259</u>	<u>68,333</u>
OPERATING LOSS	4	(333,780)	(783,678)
Interest receivable	7	<u>357</u>	<u>749</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(333,423)	(782,929)
Tax on loss on ordinary activities	8	<u>5,393</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		<u>(328,030)</u>	<u>(782,929)</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2010 or 2009 other than those included in the profit and loss account

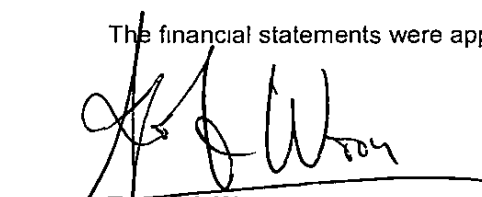
The notes on pages 8 to 15 form part of these financial statements

COCKPIT HOTEL (LONDON) LIMITED
REGISTERED NUMBER 03405105

BALANCE SHEET
AS AT 31 DECEMBER 2010

	Note	£	2010 £	£	2009 £
FIXED ASSETS					
Intangible fixed assets	9		4		4
Tangible fixed assets	10		<u>1,413,722</u>		<u>1,739,383</u>
			<u>1,413,726</u>		<u>1,739,387</u>
CURRENT ASSETS					
Stocks	11	24,967		25,430	
Debtors	12	900,806		798,892	
Cash at bank and in hand		<u>600,622</u>		<u>581,252</u>	
		1,526,395		1,405,574	
CREDITORS amounts falling due within one year	13	<u>(1,268,190)</u>		<u>(1,145,000)</u>	
NET CURRENT ASSETS			<u>258,205</u>		<u>260,574</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,671,931</u>		<u>1,999,961</u>
CREDITORS amounts falling due after more than one year	14		<u>(8,225,079)</u>		<u>(8,225,079)</u>
NET LIABILITIES			<u>(6,553,148)</u>		<u>(6,225,118)</u>
CAPITAL AND RESERVES					
Called up share capital	15		<u>1,000,000</u>		<u>1,000,000</u>
Profit and loss account	16		<u>(7,553,148)</u>		<u>(7,225,118)</u>
SHAREHOLDERS' DEFICIT	17		<u>(6,553,148)</u>		<u>(6,225,118)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on


Teo Kok Woon
 Director

8 July 2011

The notes on pages 8 to 15 form part of these financial statements

COCKPIT HOTEL (LONDON) LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Note	2010 £	2009 £
Net cash flow from operating activities	18	359,892	263,600
Returns on investments and servicing of finance	19	357	749
Taxation	19	5,393	-
Capital expenditure and financial investment	19	(346,272)	(470,482)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		19,370	(206,133)
Financing	19	-	(359,421)
INCREASE/(DECREASE) IN CASH IN THE YEAR		19,370	(565,554)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010 £	2009 £
Increase/(Decrease) in cash in the year	19,370	(565,554)
Cash outflow from decrease in debt and lease financing	-	359,421
MOVEMENT IN NET DEBT IN THE YEAR	19,370	(206,133)
Net debt at 1 January 2010	(7,643,827)	(7,437,694)
NET DEBT AT 31 DECEMBER 2010	(7,624,457)	(7,643,827)

The notes on pages 8 to 15 form part of these financial statements

COCKPIT HOTEL (LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

The balance sheet shows that liabilities exceed assets by £6,553,148. Tambusu Holdings Limited has indicated its willingness to provide support to the company for the foreseeable future, being a period of at least 12 months from the date of authorisation of these financial statements and has confirmed to the company that it will not seek repayment of the amount due to it of £8,225,079 before, at the earliest, 1 January 2012.

The company made a profit before tax for the financial year, prior to the charging of depreciation of £331,687 (2009: £350,345).

Taking the above matters into account, the directors are of the view that the company will be able to meet its liabilities as they fall due over the 12 months from the date of authorisation of these financial statements. Accordingly, the financial statements have been prepared on the going concern basis.

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

1.3 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Furniture, fittings and equipment - 5-33% straight line

1.5 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

COCKPIT HOTEL (LONDON) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

2 TURNOVER

The whole of the turnover is attributable to one class of business

All turnover arose within the United Kingdom

3 OTHER OPERATING INCOME

	2010 £	2009 £
Other operating income	72,908	68,333
Insurance claims receivable	39,351	-
	<u>112,259</u>	<u>68,333</u>

4 OPERATING LOSS

The operating loss is stated after charging

	2010 £	2009 £
Depreciation of tangible fixed assets		
- owned by the company	665,110	1,133,274
Operating lease rentals		
- other operating leases	4,826,501	4,752,588
	<u>4,826,501</u>	<u>4,752,588</u>

During the year, no director received any emoluments (2009 - £NIL)

5 AUDITOR'S REMUNERATION

	2010 £	2009 £
Fees payable to the company's auditor for the audit of the company's annual accounts	15,350	14,450
	<u>15,350</u>	<u>14,450</u>

COCKPIT HOTEL (LONDON) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

6 STAFF COSTS

Staff costs were as follows

	2010 £	2009 £
Wages and salaries	1,549,017	1,482,840
Social security costs	146,739	142,712
	<u>1,695,756</u>	<u>1,625,552</u>

The average monthly number of employees, excluding the directors, during the year was as follows

	2010 No.	2009 No
Operational	99	92
Administrative	8	8
	<u>107</u>	<u>100</u>

7 INTEREST RECEIVABLE

	2010 £	2009 £
Other interest receivable	<u>357</u>	<u>749</u>

COCKPIT HOTEL (LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

8. TAXATION

	2010 £	2009 £
Adjustments in respect of prior periods	(5,393)	-
Tax on loss on ordinary activities	(5,393)	-

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2009 - higher than) the standard rate of corporation tax in the UK (28%). The differences are explained below

	2010 £	2009 £
Loss on ordinary activities before tax	(333,423)	(782,929)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 - 28%)	(93,358)	(219,220)
Effects of		
Expenses not deductible for tax purposes	32,848	117,995
Depreciation for year in excess of capital allowances	36,137	101,225
Tax losses carried forward	24,373	-
Adjustments to tax charge in respect of prior periods	(5,393)	-
Current tax (credit)/charge for the year (see note above)	(5,393)	-

Factors that may affect future tax charges

There were no factors that may affect future tax charges

The company has trading losses of approximately £3,100,000 (2009 £3,100,000) that are available for offset against future trading profits under current legislation. The potential deferred taxation asset of approximately £980,000 (2009 £980,000) relating to trading losses and timing differences between capital allowances and depreciation has not been recognised as the recoverability of the asset is not sufficiently certain.

9. INTANGIBLE FIXED ASSETS

	Goodwill £
Cost	
At 1 January 2010 and 31 December 2010	4
Net book value	
At 31 December 2010	4
At 31 December 2009	4

COCKPIT HOTEL (LONDON) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

10 TANGIBLE FIXED ASSETS

	Furniture, fittings and equipment £
Cost	
At 1 January 2010	11,213,221
Additions	346,272
Disposals	(207,325)
	<u>11,352,168</u>
At 31 December 2010	11,352,168
Depreciation	
At 1 January 2010	9,473,838
Charge for the year	665,110
On disposals	(200,502)
	<u>9,938,446</u>
At 31 December 2010	9,938,446
Net book value	
At 31 December 2010	<u>1,413,722</u>
At 31 December 2009	<u>1,739,383</u>

11 STOCKS

	2010 £	2009 £
Food and beverage	<u>24,967</u>	<u>25,430</u>

12. DEBTORS

	2010 £	2009 £
Trade debtors	473,483	415,913
Amounts owed by group undertakings	99,412	81,285
Other debtors	145,959	13,481
Prepayments and accrued income	181,952	288,213
	<u>900,806</u>	<u>798,892</u>

COCKPIT HOTEL (LONDON) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

13 CREDITORS

Amounts falling due within one year

	2010 £	2009 £
Trade creditors	403,995	297,134
Amounts owed to group undertakings	100,870	-
Social security and other taxes	104,484	37,916
Other creditors	6,770	10,887
Accruals and deferred income	652,071	799,063
	<u>1,268,190</u>	<u>1,145,000</u>

14 CREDITORS.

Amounts falling due after more than one year

	2010 £	2009 £
Amounts owed to group undertakings	<u>8,225,079</u>	<u>8,225,079</u>

15 SHARE CAPITAL

	2010 £	2009 £
Allotted, called up and fully paid 1,000,000 ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

16 RESERVES

	Profit and loss account £
At 1 January 2010	(7,225,118)
Loss for the year	(328,030)
At 31 December 2010	<u>(7,553,148)</u>

17 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2010 £	2009 £
Opening shareholders' deficit	(6,225,118)	(5,442,189)
Loss for the year	(328,030)	(782,929)
Closing shareholders' deficit	<u>(6,553,148)</u>	<u>(6,225,118)</u>

COCKPIT HOTEL (LONDON) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

18. NET CASH FLOW FROM OPERATING ACTIVITIES

	2010	2009
	£	£
Operating loss	(333,780)	(783,678)
Depreciation of tangible fixed assets	665,110	1,133,274
Loss on disposal of tangible fixed assets	6,823	-
Decrease in stocks	463	6,393
Increase in debtors	(101,914)	(145,627)
Increase in creditors	123,190	53,238
Net cash inflow from operations	359,892	263,600

19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2010	2009
	£	£
Returns on investments and servicing of finance		
Interest received	357	749
	2010	2009
	£	£
Taxation		
Corporation tax	5,393	-
	2010	2009
	£	£
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(346,272)	(470,482)
	2010	2009
	£	£
Financing		
Net repayment of loans	-	(359,421)

COCKPIT HOTEL (LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

20. ANALYSIS OF CHANGES IN NET DEBT

	1 January 2010 £	Cash flow £	Other non-cash changes £	31 December 2010 £
Cash at bank and in hand	581,252	19,370	-	600,622
Debt:				
Debts falling due after more than one year	(8,225,079)	-	-	(8,225,079)
Net debt	(7,643,827)	19,370	-	(7,624,457)

21. OTHER COMMITMENTS

At 31 December 2010 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2010	2009
	£	£
Expiry date.		
Within 1 year	120,000	120,000
After more than 5 years	5,100,000	5,100,000

22. RELATED PARTY TRANSACTIONS

The following are related party transactions by virtue of the other party to the transaction being in the same group. No amounts due from any related parties have been written off during the year.

Tambusu Holdings Limited has provided an interest free loan to the company with the balance outstanding at the year end was £8,225,079 (2009 £8,225,079). The net movement in the year related to repayments

The company leases the hotel property from Lille Investments Limited, a fellow group undertaking. During the year the company was charged rent of £4,706,501 (2009 £4,632,588) by Lille Investments Limited. The year end balance due to Lille Investments Limited was £100,870 (2009 £nil).

The company leases the land adjacent to the hotel from Favor Well Limited, a fellow group undertaking. The rent charged and paid during the year was £120,000 (2009 £120,000). The year end balance due from Favor Well Limited was £99,412 (2009 £81,285).

23. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate and ultimate parent undertaking are Tambusu Holdings Limited (incorporate in the British Virgin Islands) and Tambusu Group Holdings Limited (incorporated in the Cayman Islands) respectively.

Mr Teo Kok Woon is the ultimate controlling party.