

Registered number: 03405105

## **COCKPIT HOTEL (LONDON) LIMITED**

### **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2009**

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## **COCKPIT HOTEL (LONDON) LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	Teo Kok Woon Teo Cheng Woon
<b>Company secretary</b>	Tan Shang Teow
<b>Company number</b>	03405105
<b>Registered office</b>	47 Lillie Road London SW6 1UD
<b>Auditors</b>	PKF (UK) LLP Farringdon Place 20 Farringdon Road London EC1M 3 AP
<b>Bankers</b>	National Westminster Bank Plc 9th Floor 280 Bishopsgate London EC2M 4RB
<b>Solicitors</b>	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 2009**

The directors present their report and the financial statements for the year ended 31 December 2009

#### **Principal activities**

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 decreased by 4% over the past year, in line with similar trends with other hotels in the London area. Apart from the setting and monitoring of budgets, other key performance indicators include hotel occupancy, average achieved room rates and profit 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 £782,929 (2008 - loss £353,063)

#### **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 auditors**

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 auditors are 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 auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

**COCKPIT HOTEL (LONDON) LIMITED**

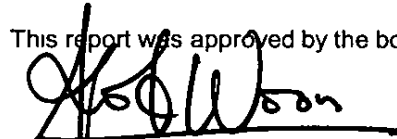
**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2009**

**Auditors**

The auditors, PKF (UK) LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on 15<sup>th</sup> Sept 2010

and signed on its behalf

A handwritten signature in black ink, appearing to read 'Teo Kok Woon', is written over a horizontal line.

**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 AUDITORS' REPORT TO THE MEMBERS OF COCKPIT HOTEL (LONDON) LIMITED

We have audited the financial statements of Cockpit Hotels (London) Limited for the year ended 31 December 2009 which comprise the profit and loss account, the balance sheet, the cash flow 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 auditors' 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 auditors

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 our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2009 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.

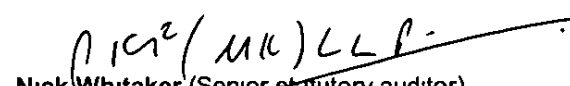
#### Opinion on other matter prescribed by the Companies Act 2006

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

27th September 2010

**COCKPIT HOTEL (LONDON) LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Note	2009 £	2008 £
<b>TURNOVER</b>	1	<b>11,682,314</b>	12,130,154
Cost of sales		<u>(721,625)</u>	<u>(759,619)</u>
<b>GROSS PROFIT</b>		<b>10,960,689</b>	11,370,535
Administrative expenses		<u>(11,812,700)</u>	<u>(11,882,277)</u>
Other operating income	3	<u>68,333</u>	<u>118,081</u>
<b>OPERATING LOSS</b>	4	<b>(783,678)</b>	(393,661)
Interest receivable	7	<u>749</u>	<u>40,598</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(782,929)</b>	(353,063)
Tax on loss on ordinary activities	8	<u>-</u>	<u>-</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>	16	<b><u>(782,929)</u></b>	<b><u>(353,063)</u></b>

All amounts relate to continuing operations

There were no recognised gains and losses for 2009 or 2008 other than those included in the profit and loss account

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



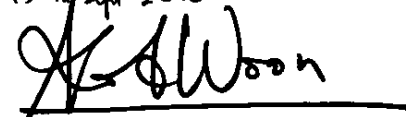
**COCKPIT HOTEL (LONDON) LIMITED**  
**REGISTERED NUMBER 03405105**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2009**

	Note	£	2009 £	£	2008 £
<b>FIXED ASSETS</b>					
Intangible fixed assets	9		4		4
Tangible fixed assets	10		1,739,383		2,402,175
			<u>1,739,387</u>		<u>2,402,179</u>
<b>CURRENT ASSETS</b>					
Stocks	11	25,430		31,823	
Debtors	12	798,892		653,265	
Cash at bank and in hand		581,252		1,146,806	
		<u>1,405,574</u>		<u>1,831,894</u>	
<b>CREDITORS: amounts falling due within one year</b>	13	<u>(1,145,000)</u>		<u>(1,726,262)</u>	
<b>NET CURRENT ASSETS</b>			<u>260,574</u>		<u>105,632</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,999,961</u>		<u>2,507,811</u>
<b>CREDITORS: amounts falling due after more than one year</b>	14		<u>(8,225,079)</u>		<u>(7,950,000)</u>
<b>NET LIABILITIES</b>			<u>(6,225,118)</u>		<u>(5,442,189)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	15		1,000,000		1,000,000
Profit and loss account	16		<u>(7,225,118)</u>		<u>(6,442,189)</u>
<b>SHAREHOLDERS' DEFICIT</b>	17		<u>(6,225,118)</u>		<u>(5,442,189)</u>

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

15th Sep 2010



**Teo Kok Woon**  
Director

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 2009**

	<b>Note</b>	<b>2009 £</b>	<b>2008 £</b>
Net cash flow from operating activities	18	263,600	371,362
Returns on investments and servicing of finance	19	749	40,598
Capital expenditure and financial investment	19	(470,482)	(368,165)
<b>CASH (OUTFLOW)/INFLOW BEFORE FINANCING</b>		<b>(206,133)</b>	<b>43,795</b>
Financing	19	(359,421)	(15,500)
<b>(DECREASE)/INCREASE IN CASH IN THE YEAR</b>		<b>(565,554)</b>	<b>28,295</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT  
FOR THE YEAR ENDED 31 DECEMBER 2009**

	<b>2009 £</b>	<b>2008 £</b>
(Decrease)/Increase in cash in the year	(565,554)	28,295
Cash outflow from decrease in debt and lease financing	359,421	15,500
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<b>(206,133)</b>	<b>43,795</b>
Net debt at 1 January 2009	(7,437,694)	(7,481,489)
<b>NET DEBT AT 31 DECEMBER 2009</b>	<b>(7,643,827)</b>	<b>(7,437,694)</b>

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 2009**

#### **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 £6,225,118. 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, 31 December 2011.

The company made a profit for the financial year, prior to the charging of depreciation of £350,345 (2008: £757,100).

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 2009**

### **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**

	2009 £	2008 £
Other operating income	<u>68,333</u>	<u>118,081</u>

### **4 OPERATING LOSS**

The operating loss is stated after charging

	2009 £	2008 £
Depreciation of tangible fixed assets		
- owned by the company	1,133,274	1,110,163
Operating lease rentals		
- other operating leases	<u>4,752,588</u>	<u>4,589,836</u>

During the year, no director received any emoluments (2008 - £NIL)

### **5 AUDITORS' REMUNERATION**

	2009 £	2008 £
Fees payable to the company's auditor for the audit of the company's annual accounts	<u>14,750</u>	<u>14,450</u>

**COCKPIT HOTEL (LONDON) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

**6 STAFF COSTS**

Staff costs were as follows

	2009 £	2008 £
Wages and salaries	1,482,840	1,543,453
Social security costs	142,712	160,387
	<u>1,625,552</u>	<u>1,703,840</u>

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

	2009 No	2008 No
Operational	92	96
Administrative	8	8
	<u>100</u>	<u>104</u>

**7 INTEREST RECEIVABLE**

	2009 £	2008 £
Other interest receivable	<u>749</u>	<u>40,598</u>

# **COCKPIT HOTEL (LONDON) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009**

### **8 TAXATION**

#### **Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2008 - higher than) the standard rate of corporation tax in the UK (28%) The differences are explained below

	2009 £	2008 £
Loss on ordinary activities before tax	<u>(782,929)</u>	<u>(353,063)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 - 28%)	(219,220)	(98,858)
<b>Effects of</b>		
Expenses not deductible for tax purposes	117,995	(13,240)
Depreciation for year in excess of capital allowances	101,225	81,514
Losses in year carried forward	-	30,584
	<u>-</u>	<u>-</u>
<b>Current tax charge for the year (see note above)</b>	<u>-</u>	<u>-</u>

#### **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 (2008 £3,100,000) that are available for offset against future trading profits under current legislation The potential deferred taxation asset of approximately £980,000 (2008 £940,000) 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**

	<b>Goodwill</b> £
<b>Cost</b>	
At 1 January 2009 and 31 December 2009	<u>4</u>
<b>Net book value</b>	
At 31 December 2009	<u>4</u>
At 31 December 2008	<u>4</u>

**COCKPIT HOTEL (LONDON) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

**10. TANGIBLE FIXED ASSETS**

	<b>Furniture, fittings and equipment £</b>
<b>Cost</b>	
At 1 January 2009	10,742,739
Additions	470,482
	<u>11,213,221</u>
At 31 December 2009	<u>11,213,221</u>
<b>Depreciation</b>	
At 1 January 2009	8,340,564
Charge for the year	1,133,274
	<u>9,473,838</u>
At 31 December 2009	<u>9,473,838</u>
<b>Net book value</b>	
At 31 December 2009	<u>1,739,383</u>
At 31 December 2008	<u>2,402,175</u>

**11. STOCKS**

	<b>2009 £</b>	<b>2008 £</b>
Food and beverage	<u>25,430</u>	<u>31,823</u>

**12. DEBTORS**

	<b>2009 £</b>	<b>2008 £</b>
Trade debtors	415,913	428,292
Amounts owed by group undertakings	81,285	8,863
Other debtors	13,481	399
Prepayments and accrued income	288,213	215,711
	<u>798,892</u>	<u>653,265</u>

**COCKPIT HOTEL (LONDON) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

**13 CREDITORS**

**Amounts falling due within one year**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>297,134</b>	330,122
Amounts owed to group undertakings	-	634,500
Social security and other taxes	<b>37,916</b>	4,761
Other creditors	<b>10,887</b>	6,266
Accruals and deferred income	<b>799,063</b>	750,613
	<u><b>1,145,000</b></u>	<u><b>1,726,262</b></u>

**14. CREDITORS**

**Amounts falling due after more than one year**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Amounts owed to group undertakings	<u><b>8,225,079</b></u>	<u><b>7,950,000</b></u>

**15 SHARE CAPITAL**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
1,000,000 ordinary shares of £1 each	<u><b>1,000,000</b></u>	<u><b>1,000,000</b></u>

**16 RESERVES**

	<b>Profit and loss account £</b>
At 1 January 2009	<b>(6,442,189)</b>
Loss for the year	<b>(782,929)</b>
At 31 December 2009	<u><b>(7,225,118)</b></u>

**17 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Opening shareholders' deficit	<b>(5,442,189)</b>	<b>(5,089,126)</b>
Loss for the year	<b>(782,929)</b>	<b>(353,063)</b>
Closing shareholders' deficit	<u><b>(6,225,118)</b></u>	<u><b>(5,442,189)</b></u>



**COCKPIT HOTEL (LONDON) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

**18 NET CASH FLOW FROM OPERATING ACTIVITIES**

	2009 £	2008 £
Operating loss	(783,678)	(393,661)
Depreciation of tangible fixed assets	1,133,274	1,110,163
Profit on disposal of tangible fixed assets	-	(49,996)
Decrease/(increase) in stocks	6,393	(2,500)
(Increase)/decrease in debtors	(145,627)	35,630
Increase/(decrease) in creditors	53,238	(328,274)
<b>Net cash inflow from operations</b>	<b>263,600</b>	<b>371,362</b>

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

	2009 £	2008 £
<b>Returns on investments and servicing of finance</b>		
Interest received	749	40,598
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(470,482)	(418,165)
Sale of tangible fixed assets	-	50,000
<b>Net cash outflow from capital expenditure</b>	<b>(470,482)</b>	<b>(368,165)</b>
<b>Financing</b>		
Net repayment of loans	(359,421)	(15,500)

**20 ANALYSIS OF CHANGES IN NET DEBT**

	1 January 2009 £	Cash flow £	Other non-cash changes £	31 December 2009 £
Cash at bank and in hand	1,146,806	(565,554)	-	581,252
<b>Debt:</b>				
Debts due within one year	(634,500)	634,500	-	-
Debts falling due after more than one year	(7,950,000)	(275,079)	-	(8,225,079)
<b>Net debt</b>	<b>(7,437,694)</b>	<b>(206,133)</b>	<b>-</b>	<b>(7,643,827)</b>

# **COCKPIT HOTEL (LONDON) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009**

### **21 OTHER COMMITMENTS**

At 31 December 2009 the company had annual commitments under non-cancellable operating leases as follows

	<b>Land and buildings</b>	
	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
<b>Expiry date</b>		
Within 1 year	<b>120,000</b>	90,000
After more than 5 years	<b>5,100,000</b>	4,650,000

### **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 (2008 £8,584,500). 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 £4,632,588 (2008 £4,559,836) by Lille Investments Limited. The year end balance due to Lille Investments Limited was £nil (2008 £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 (2008 £30,000). The year end balance due from Favor Well Limited was £81,285 (2008 £8,863).

### **23 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

Until 7 October 2009, the immediate and ultimate parent undertaking was Tambusu Holdings Limited, a company incorporated in British Virgin Islands. On 7 October 2009, the shares in Tambusu Holdings Limited were transferred to Tambusu Group Holdings Limited, a company incorporated in Cayman Islands, and which became the ultimate parent undertaking.

Mr Teo Kok Woon is the ultimate controlling party.