

Registered number: 03405105

COCKPIT HOTEL (LONDON) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

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COCKPIT HOTEL (LONDON) LIMITED

COMPANY INFORMATION

Directors	Teo Kok Woon Teo Cheng Woon
Company secretary	Tan Shang Teow
Registered number	03405105
Registered office	47 Lillie Road London SW6 1UD
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU
Bankers	National Westminster Bank Plc 9th Floor 280 Bishopsgate London EC2M 4RB
Solicitors	Baker & McKenzie 100 New Bridge Street London EC4V 6JA

COCKPIT HOTEL (LONDON) LIMITED

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COCKPIT HOTEL (LONDON) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

Introduction

The directors present their report and the financial statements for the year ended 31 December 2014

Business review

The company has continued to operate a hotel in London in the year

Principal risks and uncertainties

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 directors review the company's exposures to these risks regularly.

Key performance indicators

Turnover has increased by 4% over the past year. The company's EBITDA, as a measure of its key performance indicator for the year was £785,055 (2013 - £642,959).

The company's other key performance indicators include hotel occupancy, average achieved room rates and profit margins.

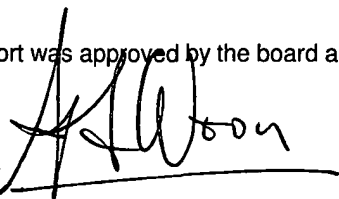
The directors consider the results of the year to be satisfactory.

Future Outlook

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

This report was approved by the board and signed on its behalf.

Director



Date: 29th Apr 2015

COCKPIT HOTEL (LONDON) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

The directors present their report and the financial statements for the year ended 31 December 2014.

Principal activities

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

Results

The profit for the year, after taxation, amounted to £934,379 (2013 - £373,296).

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

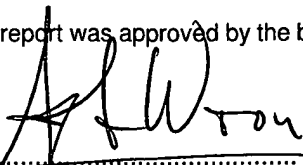
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- 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 his report and to establish that the company's auditor is aware of that information.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.


.....
Teo Kok Woon
Director

Date: 19th Sep 2015

COCKPIT HOTEL (LONDON) LIMITED

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 accounting estimates that are reasonable and prudent; and
- 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 2014 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 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 auditors

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

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 2014 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

COCKPIT HOTEL (LONDON) LIMITED

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

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.

BDO LLP

Stuart Collins (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor

London

United Kingdom

Date: **29 September 2015**

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

COCKPIT HOTEL (LONDON) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £	2013 £
TURNOVER	2	14,508,731	13,910,870
Cost of sales		<u>(918,501)</u>	<u>(887,305)</u>
GROSS PROFIT		13,590,230	13,023,565
Administrative expenses		(13,141,958)	(13,022,648)
Exceptional administrative expenses - discount recovered		-	300,000
Total administrative expenses		(13,141,958)	(12,722,648)
Other operating income	3	<u>72,039</u>	<u>72,109</u>
OPERATING PROFIT	4	520,311	373,026
Interest receivable and similar income		2,185	270
Interest payable and similar charges		<u>(117)</u>	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		522,379	373,296
Tax on profit on ordinary activities	7	<u>412,000</u>	-
PROFIT FOR THE FINANCIAL YEAR	16	<u>934,379</u>	<u>373,296</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account.

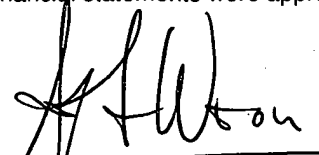
The notes on pages 9 to 17 form part of these financial statements.

COCKPIT HOTEL (LONDON) LIMITED
REGISTERED NUMBER: 03405105

BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Intangible assets	8		4		4
Tangible assets	9		889,558		1,059,647
			<u>889,562</u>		<u>1,059,651</u>
CURRENT ASSETS					
Stocks	10	27,038		26,511	
Debtors: amounts falling due after more than one year	11	324,092		-	
Debtors: amounts falling due within one year	11	2,356,697		2,404,369	
Cash at bank		1,767,078		1,118,295	
		<u>4,474,905</u>		<u>3,549,175</u>	
CREDITORS: amounts falling due within one year	12	<u>(1,955,362)</u>		<u>(2,134,100)</u>	
NET CURRENT ASSETS			<u>2,519,543</u>		<u>1,415,075</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,409,105</u>		<u>2,474,726</u>
CREDITORS: amounts falling due after more than one year	13		<u>(8,525,079)</u>		<u>(8,525,079)</u>
NET LIABILITIES			<u>(5,115,974)</u>		<u>(6,050,353)</u>
CAPITAL AND RESERVES					
Called up share capital	15		1,000,000		1,000,000
Profit and loss account	16		<u>(6,115,974)</u>		<u>(7,050,353)</u>
SHAREHOLDERS' DEFICIT	17		<u>(5,115,974)</u>		<u>(6,050,353)</u>

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



Teo Kok Woon
 Director

Date: 29th Apr 2015

The notes on pages 9 to 17 form part of these financial statements.

COCKPIT HOTEL (LONDON) LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £	2013 £
Net cash flow from operating activities	18	667,732	809,235
Returns on investments and servicing of finance	19	2,068	270
Taxation		73,638	-
Capital expenditure and financial investment	19	(94,655)	(268,123)
INCREASE IN CASH IN THE YEAR		648,783	541,382

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2014**

		2014 £	2013 £
Increase in cash in the year		648,783	541,382
MOVEMENT IN NET DEBT IN THE YEAR		648,783	541,382
Net debt at 1 January 2014	20	(7,406,784)	(7,948,166)
NET DEBT AT 31 DECEMBER 2014		(6,758,001)	(7,406,784)

The notes on pages 9 to 17 form part of these financial statements.

COCKPIT HOTEL (LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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 £5,115,974. 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 £8,525,079 before, at the earliest, 1 January 2016.

The company made a profit after tax for the financial year of £934,379 (2013 - £373,296).

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 for the foreseeable future. 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 during the year, 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 at a constant rate of return over the lease term.

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 2014

1. ACCOUNTING POLICIES (continued)

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

1.9 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

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

	2014 £	2013 £
Rents receivable	72,039	72,109

COCKPIT HOTEL (LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the company	264,744	269,933
Operating lease rentals:		
- other operating leases	5,059,942	5,055,391
Difference on foreign exchange	477	133
	<u> </u>	<u> </u>

During the year, no director received any emoluments (2013 - £NIL).

5. AUDITOR'S REMUNERATION

	2014 £	2013 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	18,500	17,600
	<u> </u>	<u> </u>

6. STAFF COSTS

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	2,302,289	2,087,726
Social security costs	185,808	177,284
Other pension costs	18,625	8,666
	<u> </u>	<u> </u>
	<u>2,506,722</u>	<u>2,273,676</u>

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

	2014 No.	2013 No.
Operational	100	99
Administrative	12	8
	<u> </u>	<u> </u>
	<u>112</u>	<u>107</u>

COCKPIT HOTEL (LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

7. TAXATION

	2014 £	2013 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	-	-
Deferred tax		
Origination and reversal of timing differences	(73,000)	-
Brought forward tax losses	(339,000)	-
	<hr/>	<hr/>
Total deferred tax (see note 14)	(412,000)	-
	<hr/>	<hr/>
Tax on profit on ordinary activities	(412,000)	-
	<hr/>	<hr/>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	522,379	373,296
	<hr/>	<hr/>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%)	112,276	86,791
Effects of:		
Expenses not deductible for tax purposes	9,863	914
Capital allowances for year less than/(in excess of) depreciation	34,251	(45,599)
Tax losses brought forward	(156,390)	(42,106)
	<hr/>	<hr/>
Current tax charge for the year (see note above)	-	-
	<hr/>	<hr/>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

COCKPIT HOTEL (LONDON) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

8. INTANGIBLE FIXED ASSETS

	Goodwill £
Cost	
At 1 January 2014 and 31 December 2014	4
Net book value	
At 31 December 2014	4
At 31 December 2013	4

9. TANGIBLE FIXED ASSETS

	Furniture, fittings and equipment £
Cost	
At 1 January 2014	11,392,468
Additions	94,655
At 31 December 2014	11,487,123
Depreciation	
At 1 January 2014	10,332,821
Charge for the year	264,744
At 31 December 2014	10,597,565
Net book value	
At 31 December 2014	889,558
At 31 December 2013	1,059,647

10. STOCKS

	2014 £	2013 £
Food and beverage	27,038	26,511

COCKPIT HOTEL (LONDON) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

11. DEBTORS

	2014 £	2013 £
Due after more than one year		
Amounts owed by group undertakings	324,092	-
	<u>324,092</u>	<u>-</u>
Due within one year		
Trade debtors	493,208	397,761
Amounts owed by group undertakings	684,219	901,424
Other debtors	52,058	489,969
Prepayments and accrued income	715,212	615,215
Deferred tax asset (see note 14)	412,000	-
	<u>2,356,697</u>	<u>2,404,369</u>

**12. CREDITORS:
Amounts falling due within one year**

	2014 £	2013 £
Trade creditors	439,136	351,177
Other taxation and social security	255,117	432,120
Other creditors	13,133	16,596
Accruals and deferred income	1,247,976	1,334,207
	<u>1,955,362</u>	<u>2,134,100</u>

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

	2014 £	2013 £
Amounts owed to group undertakings	8,525,079	8,525,079
	<u>8,525,079</u>	<u>8,525,079</u>

14. DEFERRED TAXATION

	2014 £	2013 £
At 1 January 2014	-	-
Other movement	412,000	-
	<u>412,000</u>	<u>-</u>
At 31 December 2014	412,000	-

COCKPIT HOTEL (LONDON) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

14. DEFERRED TAXATION (continued)

The deferred taxation balance is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	73,000	-
Tax losses	339,000	-
	<u>412,000</u>	<u>-</u>

A deferred tax asset has been recognised for the anticipated utilisation of tax losses as the directors now believe it is more likely than not that sufficient taxable profits will be generated over the foreseeable future.

15. SHARE CAPITAL

	2014 £	2013 £
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 2014	(7,050,353)
Profit for the year	934,379
At 31 December 2014	<u>(6,115,974)</u>

17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2014 £	2013 £
Opening shareholders' deficit	(6,050,353)	(6,423,649)
Profit for the financial year	934,379	373,296
Closing shareholders' deficit	<u>(5,115,974)</u>	<u>(6,050,353)</u>

COCKPIT HOTEL (LONDON) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

18. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Operating profit	520,311	373,026
Depreciation of tangible fixed assets	264,744	269,933
Increase in stocks	(526)	(4,638)
Decrease/(increase) in debtors	61,942	(236,867)
(Decrease)/increase in creditors	(178,739)	407,781
Net cash inflow from operating activities	667,732	809,235

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

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	2,185	270
Interest paid	(117)	-
Net cash inflow from returns on investments and servicing of finance	2,068	270
	2014 £	2013 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(94,655)	(268,123)

20. ANALYSIS OF CHANGES IN NET DEBT

	1 January 2014 £	Cash flow £	31 December 2014 £
Cash at bank and in hand	1,118,295	648,783	1,767,078
Debts falling due after more than one year	(8,525,079)	-	(8,525,079)
Net debt	(7,406,784)	648,783	(6,758,001)

COCKPIT HOTEL (LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

21. OTHER COMMITMENTS

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2014	2013
	£	£
Expiry date:		
Within 1 year	-	120,000
Between 2 and 5 years	5,100,000	-
After more than 5 years	-	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 being £8,525,079 (2013 - £8,525,079). There were no transactions in the year.

The company leases the hotel property from Lillie Investments Limited, a fellow group undertaking. During the year the company was charged rent of £5,014,136 (2013 - £4,935,391) by Lillie Investments Limited. The year end balance due from Lillie Investments Limited was £466,509 (2013 - £451,309). Other movements in this balance represented net loans to Lillie Investments Limited.

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 £45,806 (2013 - £120,000). Loans made to Favour Well Limited during the year were £40,992 (2013 - Nil). Loans totalling £205,351 were transferred from Favor Well Limited to Goodearth Hotels Limited during the year. As a result, the year end balance due from Favor Well Limited was £Nil (2013 - £164,359).

During the year, the company lent Goodearth Hotels Limited £205,351, a fellow group undertaking (2013 - the company received a repayment of £4,851). The year end balance due from Goodearth Hotels Limited was £217,710 (2013 - £12,359).

The company loaned £50,695 (2013 - £37,515) to Kozan Investments Limited, a fellow group undertaking. The year end balance due from Kozan Investments Limited was £324,092 (2013 - £273,397).

23. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate and ultimate parent undertaking are Tambusu Holdings Limited (incorporated 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.