

Cockpit Hotel (London) Limited

Annual Report and Financial Statements

Year Ended

31 December 2018

Company Number 03405105



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 HSBC Bank Plc 8 Canada Square London E14 5HQ
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 2018

Introduction

The directors present their report and the financial statements for the year ended 31 December 2018.

Principal activity and business review

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

The business has generally been affected by the general UK business tourism industry and the UK economy. However, the directors are confident that business will recover in the near future and are satisfied with the key performance indicators which include hotel occupancy and average room rates.

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 10% over the past year. The company's EBITDA, as a measure of its key performance indicator for the year was £1,031,713 (2017 - loss of £86,664).

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.

Results and dividends

The profit for the year, after taxation, amounted to £728,596 (2017 - loss of £756,443).

The directors do not recommend the payment of a dividend (2017 - £nil).

Cockpit Hotel (London) Limited

Strategic report (continued)
For the year ended 31 December 2018

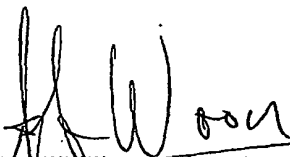
Financial instruments

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 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.

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.


.....
Ted Kok Woon
Director

Date: 30-09-19

Cockpit Hotel (London) Limited

Directors' report For the year ended 31 December 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Directors' responsibilities

The directors are responsible for preparing the strategic report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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;
- 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 to 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.

Results and dividends

The profit for the year, after taxation, amounted to £728,596 (2017 - loss of £756,443).

Directors

The directors who served during the year were:

Teo Kok Woon
Teo Cheng Woon

Matters covered in the strategic report

As permitted by paragraph 1A of schedule 7 to the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008, certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the strategic report on page 1 - 2. These matters relate to the principal activity of the company, the principal risks that it faces and future developments.

Cockpit Hotel (London) Limited

Directors' report (continued) For the year ended 31 December 2018

Disclosure 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 the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

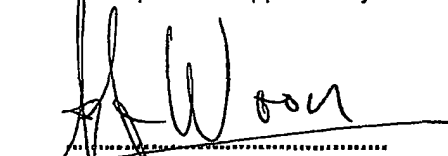
Financial instruments

There have been no significant events affecting the company since the year end.

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: 30-09-19

Cockpit Hotel (London) Limited

Independent auditor's report to the members of Cockpit Hotel (London) Limited

Opinion

We have audited the financial statements of Cockpit Hotel (London) Limited ("the company") for the year ended 31 December 2018 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 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.

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 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Cockpit Hotel (London) Limited

Independent auditor's report to the members of Cockpit Hotel (London) Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and directors' report have 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 strategic report and director's 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.

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.

Cockpit Hotel (London) Limited

Independent auditor's report to the members of Cockpit Hotel (London) Limited (continued)

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.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

BDO LLP

Stuart Collins (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date: 30 September 2019

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

Cockpit Hotel (London) Limited

Statement of comprehensive income For the year ended 31 December 2018

	Note	2018 £	2017 £
Turnover	4	15,631,693	14,252,941
Cost of sales		(862,853)	(905,721)
Gross profit		14,768,840	13,347,220
Administrative expenses		(14,001,593)	(13,792,180)
Other operating income	5	53,941	137,839
Operating profit/(loss)	6	821,188	(307,121)
Interest receivable and similar income	9	21	150
Interest payable	10	(44,958)	(491,472)
Profit/(loss) before tax		776,251	(798,443)
Tax on profit/(loss)	11	(47,655)	42,000
Profit/(loss) for the financial year		728,596	(756,443)
Other comprehensive income/(loss) for the year		-	-
Total comprehensive income/(loss) for the year		728,596	(756,443)

The notes on pages 12 to 23 form part of these financial statements.

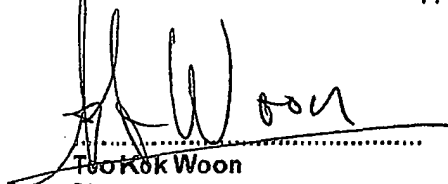
Cockpit Hotel (London) Limited

Registered number: 03405105

Statement of financial position As at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	12	4	4
Tangible fixed assets	13	457,537	617,304
		<u>457,541</u>	<u>617,308</u>
Current assets			
Stocks	14	30,496	26,784
Debtors: amounts falling due within one year	15	3,073,767	2,964,599
Cash at bank and in hand		1,808,145	1,448,401
		<u>4,912,408</u>	<u>4,439,784</u>
Creditors: amounts falling due within one year	16	(2,355,872)	(2,087,915)
Net current assets		<u>2,556,536</u>	<u>2,351,869</u>
Total assets less current liabilities		<u>3,014,077</u>	<u>2,969,177</u>
Creditors: amounts falling due after more than one year	17	(773,611)	(1,457,307)
Net assets		<u><u>2,240,466</u></u>	<u><u>1,511,870</u></u>
Capital and reserves			
Share capital	20	8,000,000	8,000,000
Accumulated losses	21	(5,759,534)	(6,488,130)
		<u><u>2,240,466</u></u>	<u><u>1,511,870</u></u>

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


To Kok Woon

Director

Date: 30-09-19

The notes on pages 12 to 23 form part of these financial statements.

Cockpit Hotel (London) Limited

Statement of changes in equity For the year ended 31 December 2018

	Share capital £	Accumulated losses £	Total equity £
At 1 January 2018	8,000,000	(6,488,130)	1,511,870
Comprehensive income for the year			
Profit for the year	-	728,596	728,596
At 31 December 2018	8,000,000	(5,759,534)	2,240,466

Statement of changes in equity For the year ended 31 December 2017

	Share capital £	Accumulated losses £	Total equity £
At 1 January 2017	1,000,000	(5,731,687)	(4,731,687)
Comprehensive loss for the year			
Loss for the year	-	(756,443)	(756,443)
Shares issued during the year	7,000,000	-	7,000,000
At 31 December 2017	8,000,000	(6,488,130)	1,511,870

The notes on pages 12 to 23 form part of these financial statements.

Cockpit Hotel (London) Limited

Statement of cash flows For the year ended 31 December 2018

	2018 £	2017 £
Cash flows from operating activities		
Profit/(loss) for the financial year	728,596	(756,443)
Adjustments for:		
Depreciation of tangible assets	210,528	220,457
Interest paid	44,958	491,472
Interest received	(21)	(150)
Taxation charge/(credit)	47,655	(42,000)
Increase in stocks	(3,712)	(1,659)
Increase in debtors	(156,822)	(20,426)
Increase in creditors	267,956	388,708
Net cash generated from operating activities	1,139,138	279,959
Cash flows from investing activities		
Purchase of tangible fixed assets	(50,761)	(56,844)
Interest received	21	150
Net cash from investing activities	(50,740)	(56,694)
Cash flows from financing activities		
Repayment of borrowings	(728,653)	-
Net cash used in financing activities	(728,653)	-
Net increase in cash and cash equivalents	359,745	223,265
Cash and cash equivalents at beginning of year	1,448,401	1,225,136
Cash and cash equivalents at the end of year	1,808,145	1,448,401
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,808,145	1,448,401
	1,808,145	1,448,401

The notes on pages 12 to 23 form part of these financial statements.

Cockpit Hotel (London) Limited

Notes to the financial statements For the year ended 31 December 2018

1. General information

Cockpit Hotel (London) Limited is a private limited company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the strategic report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Turnover

Hotel and leisure turnover, including rental income, represents amounts receivable for accommodation, food and beverage sales and ancillary services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. Turnover is recognised at the point at which goods and services are delivered to the customer.

2.3 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the statement of comprehensive income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Cockpit Hotel (London) Limited

Notes to the financial statements For the year ended 31 December 2018

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Furniture, fittings and building renovations - 5 - 33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

2.5 Operating leases

Rentals paid under operating leases are charged to the statement of comprehensive income 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 lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

In the statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

Cockpit Hotel (London) Limited

Notes to the financial statements For the year ended 31 December 2018

2. Accounting policies (continued)

2.9 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each year end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.12 Finance costs

Finance costs are charged to the income statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.14 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

Cockpit Hotel (London) Limited

Notes to the financial statements For the year ended 31 December 2018

2. Accounting policies (continued)

2.15 Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the year in which they are incurred.

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

4. Turnover

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

All turnover arose within the United Kingdom.

Cockpit Hotel (London) Limited

Notes to the financial statements For the year ended 31 December 2018

5. Other operating income

	2018 £	2017 £
Rentals receivable	46,007	44,148
Sundry income	-	79,871
Exchange gains	7,934	13,820
	<u>53,941</u>	<u>137,839</u>

6. Operating profit/(loss)

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

	2018 £	2017 £
Depreciation of tangible fixed assets	210,528	220,457
Exchange differences	2,269	1,625
Operating lease rentals	5,154,000	5,542,520
Defined contribution pension cost	33,840	19,461
	<u>5,399,637</u>	<u>5,784,063</u>

7. Auditor's remuneration

	2018 £	2017 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	<u>20,000</u>	<u>20,000</u>

Cockpit Hotel (London) Limited

Notes to the financial statements For the year ended 31 December 2018

8. Employees

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	2,289,911	2,339,541
Social security costs	205,152	208,829
Cost of defined contribution scheme	33,840	19,461
	<u>2,528,903</u>	<u>2,567,831</u>

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

	2018 No.	2017 No.
Operational	79	78
Administrative	19	19
	<u>98</u>	<u>97</u>

9. Interest receivable

	2018 £	2017 £
Interest receivable	<u>21</u>	<u>150</u>

10. Interest payable and similar charges

	2018 £	2017 £
Other loan interest payable	44,958	491,472
	<u>44,958</u>	<u>491,472</u>

On 3 May 2017 the company issued 7,000,000 of shares at par value of £1 to reduce the balance owed to Tambusu Holdings Limited. As a consequence of this there was a finance charge of £491,472 in 2017 as a fair value adjustment to the loan being repaid.

Cockpit Hotel (London) Limited

Notes to the financial statements For the year ended 31 December 2018

11. Taxation

	2018 £	2017 £
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	136,843	(42,000)
Adjustment in respect of prior periods	(89,188)	-
Total deferred tax	47,655	(42,000)
Taxation on profit/(loss) on ordinary activities	47,655	(42,000)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19.00% (2017 - 20.00%). The differences are explained below:

	2018 £	2017 £
Profit/(loss) on ordinary activities before tax	776,251	(798,443)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2017 - 20.00%)	147,488	(159,689)
Effects of:		
Expenses not deductible for tax purposes	1,730	102,114
Capital allowances for year in excess of depreciation	3,725	4,240
Effect of tax rate changes	(16,100)	11,335
Adjustment in respect of prior periods - deferred tax	(89,188)	-
Total tax charge/(credit) for the year	47,655	(42,000)

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 2018

12. Intangible assets

	Goodwill £
Cost	
At 1 January 2018	4
At 31 December 2018	<u>4</u>
Net book value	
At 31 December 2018	<u>4</u>
At 31 December 2017	<u>4</u>

13. Tangible fixed assets

	Furniture, fittings and building renovation £
Cost or valuation	
At 1 January 2018	11,826,356
Additions	50,761
At 31 December 2018	<u>11,877,117</u>
Depreciation	
At 1 January 2018	11,209,052
Charge for the year	210,528
At 31 December 2018	<u>11,419,580</u>
Net book value	
At 31 December 2018	<u>457,537</u>
At 31 December 2017	<u>617,304</u>

Cockpit Hotel (London) Limited

Notes to the financial statements For the year ended 31 December 2018

14. Stocks

	2018 £	2017 £
Food and beverage	<u>30,496</u>	<u>26,784</u>

Stock recognised in cost of sales during the year amounted to £763,392 (2017 - £839,199).

15. Debtors

	2018 £	2017 £
Trade debtors	301,123	470,263
Amounts owed by group undertakings	2,197,500	1,795,945
Other debtors	53,064	129,494
Prepayments and accrued income	167,735	166,897
Deferred taxation	354,345	402,000
	<u>3,073,767</u>	<u>2,964,599</u>

16. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	453,197	288,105
Other taxation and social security	327,904	357,425
Other creditors	21,367	20,808
Accruals and deferred income	1,553,404	1,421,577
	<u>2,355,872</u>	<u>2,087,915</u>

17. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Amounts owed to group undertakings	<u>773,611</u>	<u>1,457,307</u>

Cockpit Hotel (London) Limited

Notes to the financial statements For the year ended 31 December 2018

18. Financial instruments

	2018 £	2017 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	4,359,832	3,844,103
	<u>4,359,832</u>	<u>3,844,103</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(2,801,581)	(3,187,797)
	<u>(2,801,581)</u>	<u>(3,187,797)</u>

Financial assets that are measured at amortised cost comprise cash at bank and in hand, amounts owed by group undertakings and trade and other debtors.

Financial liabilities measured at amortised cost comprise trade and other creditors, intercompany loans and accrued expenses.

19. Deferred taxation

	2018 £	2017 £
At beginning of year	402,000	360,000
Charged/(utilised) in year	(47,655)	42,000
At end of year	<u>354,345</u>	<u>402,000</u>

The deferred tax asset is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	136,935	155,000
Tax losses	217,410	247,000
	<u>354,345</u>	<u>402,000</u>

Cockpit Hotel (London) Limited

Notes to the financial statements For the year ended 31 December 2018

20. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
8,000,000 Ordinary Shares shares of £1 each	<u>8,000,000</u>	<u>8,000,000</u>

21. Reserves

Accumulated losses

Accumulated losses represent cumulative profits and losses, net of dividends paid and other adjustments.

22. Commitments under operating leases

At 31 December 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Within 1 year	5,100,000	5,154,000
Between 1 and 5 years	20,400,000	20,427,000
Later than 5 years	5,100,000	10,200,000
	<u>30,600,000</u>	<u>35,781,000</u>

Cockpit Hotel (London) Limited

Notes to the financial statements For the year ended 31 December 2018

23. 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 £773,612 (2017 - £1,457,306). On 3 May 2017 the company issued 7,000,000 of shares at par value of £1 to reduce the balance owed to Tambusu Holdings Limited. As a consequence of this there was a finance charge of £Nil (2017 - £491,472) as a fair value adjustment to the loan being repaid.

The company leases the hotel property from Lillie Investments Limited, a fellow group undertaking. During the year the company was charged rent of £5,154,000 (2017 - £5,100,000) by Lillie Investments Limited. The year end balance due from Lillie Investments Limited was £731,979 (2017 - £580,160). Other movements in this balance represented net loans to Lillie Investments Limited.

Loans made to Favor Well Limited, a fellow group undertaking, during the year were £242,383 (2017 - £280,341). The year end balance due from Favor Well Limited was £687,418 (2017 - £469,819).

The year end balance due from Goodearth Hotels Limited, a fellow group undertaking, was £219,705 (2017 - £217,710).

The company loaned £30,142 (2017 - £35,962) to Kozan Investments Limited, a fellow group undertaking. The year end balance due from Kozan Investments Limited was £557,873 (2017 - £527,731).

The registered addresses of Lillie Investments Limited, Favor Well Limited and Kozan Investments Limited are at Vistra Corporate Services Centre, Wickham Cay 11, Road Town, Tortola, British Virgin Islands.

The registered addresses of Tambusu Holdings Limited and Goodearth Hotels Limited are at Craigmuir Chambers, Road Town, Tortola, British Virgin Islands.

24. Contingent liabilities

In May 2017, the company provided a guarantee to the lenders of Lillie Investments Limited in respect of bank facilities, which had outstanding balances as at 31 December 2018 of £50,000,000. Those facilities were also secured by fixed and floating charges over the company's assets.

25. 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.