

Company Registration No. 5283026

TAG Farnborough Enterprises Limited

Report and Financial Statements

14 month period ended 31 December 2005



TAG Farnborough Enterprises Limited

Report and financial statements 2005

Contents	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	3
Independent auditors' report	4
Balance sheet	6
Notes to the accounts	7

TAG Farnborough Enterprises Limited

Report and financial statements 2005

Officers and professional advisers

Directors

The directors of the Company, who served throughout the year unless otherwise indicated, are as follows:

	Appointed	Resigned
S Gillibrand (British)	10/11/2004	30/09/2005
D P Trezise (American)	10/11/2004	14/07/2005
F Kamal (Swedish) (Chairman)	14/07/2005	
R Bradley (American)	14/07/2005	
J Rosset (Swiss)	14/07/2005	
S Young (American)	14/07/2005	
R Hedges (British)	14/07/2005	

Secretary

D P Trezise (American)	10/11/2004	14/07/2005
R Hedges (British)	14/07/2005	

Registered Office

Business Aviation Centre
Farnborough Airport
Farnborough
Hampshire
GU14 6XA

Bankers

Lloyds TSB Bank Plc

Solicitors

Denton Wilde Sapte
1 Fleet Place
London
EC4M 7WS

Auditors

Deloitte & Touche LLP
Chartered Accountants
London

TAG Farnborough Enterprises Limited

Directors' report

The directors present their annual report and the audited financial statements for the 14 month period ended 31 December 2005.

Principal activity and business review

The company was incorporated on 10 November 2004. The company's principal activity during the period was that of being involved in the design and construction of a hotel. The hotel which is planned for completion in 2008, will have approximately 180 bedrooms and serve the needs of the local community.

Results and dividend

The company reported neither a profit nor a loss for the period. The directors do not propose the payment of a dividend.

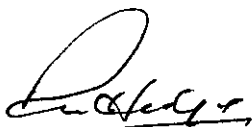
Directors

The directors who served throughout the period are set out on page 1. The directors held no beneficial interests in the ordinary shares of the company at 31 December 2005. The directors had no interests in the shares of any other group company incorporated in Great Britain.

Auditors

A resolution to re-appoint Deloitte & Touche LLP will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



R Hedges

Secretary

4th September 2006

TAG Farnborough Enterprises Limited

Statement of directors' responsibilities

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those 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;
- state whether applicable accounting standards have been followed; 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 proper accounting records which 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 1985. They are also responsible for the system of internal control, safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of TAG Farnborough Enterprises Limited

We have audited the financial statements of TAG Farnborough Enterprises Limited for the year ended 31 December 2005 which comprise the profit and loss account, the balance sheet and the related notes 1 to 9. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with the relevant financial reporting framework, and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its result for the period then ended and the financial statements have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP

*Chartered Accountants and Registered Auditors
London*

4th September 2006

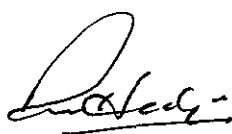
TAG Farnborough Enterprises Limited

Balance sheet **31 December 2005**

	Note	2005 £
Fixed assets		
Tangible assets	3	1,476,802
		<u>1,476,802</u>
Current assets		
Debtors	4	11,999
Creditors: amounts falling due within one year	5	(1,488,800)
Net current liabilities		<u>(1,476,801)</u>
Total assets less current liabilities being total net assets		<u><u>1</u></u>
Capital and reserves		
Called up share capital	6	1
Profit and loss account		-
Equity shareholders' funds	7	<u><u>1</u></u>

These financial statements were approved by the Board of Directors on *4th September* 2006.

Signed on behalf of the Board of Directors

Director 

TAG Farnborough Enterprises Limited

Notes to the accounts

14 month period ended 31 December 2005

1. Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards.

The principal accounting policies are summarised below. They have all been applied consistently throughout the period.

Tangible fixed assets

Freehold land is not depreciated and no depreciation is provided on assets in the course of construction until the asset is brought into use. The company capitalises directly attributable interest and finance costs on all tangible fixed assets in the course of construction.

Cash flow statement

Under FRS 1 (Revised), the company is exempt from preparing a cash flow statement as it is a subsidiary of an EU parent company which prepares consolidated financial statements.

Profit and loss account

The company has had no recognised gains or losses since incorporation and therefore no profit and loss account has been prepared. The fee for the company's audit has been borne by its immediate parent company.

TAG Farnborough Enterprises Limited

Notes to the accounts

14 month period ended 31 December 2005

2. Information regarding directors and employees

There were no employees other than the directors who worked for the company in the year. None of the directors received any remuneration from the company in the year. Details of directors' remuneration paid by the immediate parent company are disclosed in that company's financial statements.

3. Tangible fixed assets

	Land and buildings £	Assets in the course of construction £	Total £
Cost			
Additions	1,200,000	276,802	1,476,802
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2005	1,200,000	276,802	1,476,802
	<hr/>	<hr/>	<hr/>
Accumulated depreciation			
Charge for the period	-	-	-
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2005	-	-	-
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2005	1,200,000	276,802	1,476,802
	<hr/>	<hr/>	<hr/>

The net book value of land and buildings relates to freehold land.

TAG Farnborough Enterprises Limited

Notes to the accounts

14 month period ended 31 December 2005

4. Debtors

	2005
	£
Amounts owed by group undertakings	1,849
Other debtors	10,150
	<u>11,999</u>

5. Creditors: amounts falling due within one year

	2005
	£
Loan	1,400,000
Accruals and deferred income	88,800
	<u>1,488,800</u>

6. Called up share capital

	2005
	£
Authorised:	
1,000,000 ordinary shares of £1 each	<u>1,000,000</u>
Called up and allotted:	
1 ordinary share of £1	<u>1</u>

7. Reconciliation of movements in shareholders' funds

	2005
	£
Share capital issued	<u>1</u>
Increase in shareholders' funds	1
Opening shareholders' funds	<u>-</u>
Closing shareholders' funds	<u>1</u>

TAG Farnborough Enterprises Limited

Notes to the accounts

14 month period ended 31 December 2005

8. Ultimate parent company

In the opinion of the directors, the company's ultimate parent company and controlling party is TAG Group (Holdings) SA, a company incorporated in Luxembourg. This is also the parent undertaking of the largest group which includes the company and for which group accounts are prepared. The parent undertaking and controlling party of the smallest such group is TAG Aviation Group (UK) Limited, a company registered in England and Wales and incorporated in Great Britain, and is also the immediate parent company. Copies of the group financial statements of TAG Group (Holdings) SA are available from TAG Group (Holdings) SA, 1 rue du St Esprit, L-1475 Luxembourg. Copies of the group financial statements of TAG Aviation Group (UK) Limited are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

9. Related party transactions

Pursuant to the exemption granted by Financial Reporting Standard 8, 'Related Party Disclosures', transactions with other undertakings within, and related parties of, the TAG Aviation Group (UK) Limited group have not been disclosed within these financial statements.