

Company Registration No. 5283026

TAG Farnborough Enterprises Limited

Report and Financial Statements

31 December 2006

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TAG Farnborough Enterprises Limited

Report and financial statements 2006

Contents	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	4
Independent auditors' report	5
Profit and loss account	7
Balance sheet	8
Notes to the accounts	9

TAG Farnborough Enterprises Limited

Report and financial statements 2006

Officers and professional advisers

Directors

The directors of the Company, who served throughout the year are as follows

F Kamal	(Swedish)	(Chairman)
R Bradley	(American)	
J Rosset	(Swiss)	
S Young	(American)	
R Hedges	(British)	

Secretary

R Hedges (British)

Registered Office

Business Aviation Centre
Farnborough Airport
Farnborough
Hampshire
GU14 6XA

Bankers

Lloyds TSB Bank Plc

Solicitors

Trowers & Hamlins
Sceptre Court
40 Tower Hill
London
EC3N 4DX

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 year ended 31 December 2006

Business review and principal activities

The company was incorporated on 10 November 2004. The company's principal activity during the year 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. There have not been any significant changes in the company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely changes in the company's activities in the next year.

As shown in the company's profit and loss account on page 7, the company has returned its first profit of £28,775, this is reflected in the improvement in net assets as shown in the balance sheet on page 8 of the financial statements.

There are no significant events since the balance sheet date.

Principal risks and uncertainties

The company takes a long term view of its activities and responsibilities. Environmental considerations are therefore an important factor and the company seeks to minimise its environmental impact in its activities and to make a positive contribution to sustainable development.

Environment

The company manages its risk profiles on a pro-active basis and these are reviewed periodically to ensure that the company is not exposed to any significant uncertainties in its operations.

Employees

Details of the number of employees and related costs can be found in note 3 to the financial statements on page 9.

Results and dividend

The profit after taxation for the year amounted to £28,775 for the year (2005: £nil). The directors do not propose the payment of a dividend (2005: £nil).

Directors

The directors who served throughout the year are set out on page 1. The directors held no beneficial interests in the ordinary shares of the company at 31 December 2006 and at 1 January 2006 or date of appointment. The directors had no interests in the shares of any other group company incorporated in Great Britain.

TAG Farnborough Enterprises Limited

Directors' report

Statement as to disclosure of information to auditors

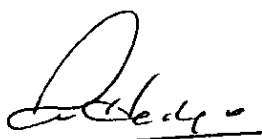
Having made the requisite enquiries, so far as each of the directors is aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the Company's auditors are unaware, and each of the directors has taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

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

The directors present their annual report and the audited financial statements for the 31 December 2006

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



R Hedges
Secretary

5 June 2007

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 that 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 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 2006 which comprise the profit and loss account, the balance sheet and the related notes 1 to 13. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant 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 and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 consider the implications for our report if we become aware of any apparent misstatements within it.

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 judgments 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.

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

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 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

5th June 2007

TAG Farnborough Enterprises Limited

Profit and loss account **Year ended 31 December 2006**

		Year ended 31 December 2006 £	18 months ended 31 December 2005 £
	Notes		
Turnover	2	28,835	-
Gross profit		28,835	-
Administrative expenses		(30)	-
Operating profit	4	28,805	-
Interest payable and similar charges	5	(30)	-
Profit on ordinary activities before taxation		28,775	-
Taxation	6	-	-
Profit on ordinary activities after taxation and retained profit for the financial year		28,775	-
Profit and loss account carried forward		28,775	-

The company has no recognised gains or losses other than the profit as shown above. The results for the year are all from continuing operating activities.

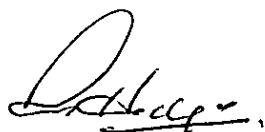
TAG Farnborough Enterprises Limited

Balance sheet **31 December 2006**

	Notes	2006 £	2005 £
Fixed assets			
Tangible assets	6	1,200,000	1,476,802
Current assets			
Debtors	7	823,893	11,999
Cash at bank and in hand		179,140	-
		<u>1,003,033</u>	<u>11,999</u>
Creditors: amounts falling due within one year	8	<u>(2,174,257)</u>	<u>(1,488,800)</u>
Net current liabilities		<u>(1,171,224)</u>	<u>(1,476,801)</u>
Total assets less current liabilities being total net assets		<u>28,776</u>	<u>1</u>
Capital and reserves			
Called up share capital	9	1	1
Profit and loss account		<u>28,775</u>	<u>-</u>
Equity shareholders' funds	10	<u>28,776</u>	<u>1</u>

These financial statements were approved by the Board of Directors on *5 June* 2007

Signed on behalf of the Board of Directors



Director

TAG Farnborough Enterprises Limited

Notes to the accounts 31 December 2006

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

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

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

2. Turnover

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of value added tax. The turnover and pre-tax profit, all of which arises in the United Kingdom, is attributable to one activity, the design and construction of a hotel

3. 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

4. Operating profit

	2006	2005
	£	£
Auditors' remuneration – audit fee	<u>200</u>	<u>200</u>

The audit fee of the company was borne by TAG Farnborough Airport Ltd in the current and prior year

TAG Farnborough Enterprises Limited - - - - - - - -

Notes to the accounts **31 December 2006**

5. Interest payable and similar charges

	Year ended 31 December 2006 £	18 months ended 31 December 2005 £
Bank loans and overdrafts repayable within five years	<u>30</u>	<u>-</u>

6. Tax on profit on ordinary activities

The company has no liability to UK corporation tax for the year. The company has brought forward tax losses, subject to Inland Revenue agreement, to cover the potential tax liability arising.

	Year ended 31 December 2006 £	18 months ended 31 December 2005 £
Profit on ordinary activities before tax	<u>28,775</u>	<u>-</u>
Tax on profit on ordinary activities at standard rate of 30%	8,633	-
Timing differences		
Group relief	<u>(8,633)</u>	<u>-</u>
Total actual amount of current tax for the year	<u>-</u>	<u>-</u>

TAG Farnborough Enterprises Limited

Notes to the accounts 31 December 2006

7. Tangible fixed assets

	Land and buildings £	Assets in the course of construction £	Total £
Cost			
At 1 January 2006	1,200,000	276,802	1,476,802
Additions	-	224,191	224,191
Disposals	-	(500,993)	(500,993)
At 31 December 2006	1,200,000	-	1,200,000
Accumulated depreciation			
At 1 January 2006	-	-	-
Charge for the period	-	-	-
Disposals	-	-	-
At 31 December 2006	-	-	-
Net book value			
At 31 December 2006	1,200,000	-	1,200,000
At 31 December 2005	1,200,000	276,802	1,476,802

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

8. Debtors

	2006 £	2005 £
Trade debtors	714,392	-
Amounts owed by group undertakings	1	1,849
Other debtors	109,500	10,150
	<u>823,893</u>	<u>11,999</u>

9. Creditors: amounts falling due within one year

	2006 £	2005 £
Trade creditors	108,521	-
Loan	1,200,000	1,400,000
Accruals and deferred income	780,115	88,800
Other creditors	85,621	-
	<u>2,174,257</u>	<u>1,488,800</u>

TAG Farnborough Enterprises Limited

Notes to the accounts 31 December 2006

10. Called up share capital

	2006 £	2005 £
Authorised:		
1,000,000 ordinary shares of £1 each	1,000,000	1,000,000
Called up and allotted:		
1 ordinary share of £1	1	1

11. Reconciliation of movements in shareholders' funds

	2006 £	2005 £
Profit for the financial year	28,775	-
Increase in shareholders' funds	28,775	-
Opening shareholders' funds	1	-
Closing shareholders' funds	28,776	1

12. 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, Mandy, Cardiff, CF14 3UZ.

13. 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.