

**Company Registration No. 5283026**

**TAG Farnborough Enterprises Limited**

**Report and Financial Statements**

**31 December 2007**

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# **TAG Farnborough Enterprises Limited**

## **Report and financial statements 2007**

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# **TAG Farnborough Enterprises Limited**

## **Report and financial statements 2007**

### **Officers and professional advisers**

#### **Directors**

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

F Kamal	(Swedish)	(Chairman)	Resigned 30/03/2007
R Bradley	(American)		
J Rosset	(Swiss)		
S Young	(American)		
R Hedges	(British)		
J Milne	(British)		Appointed 30/03/2007

#### **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 (continued)**

The directors present their annual report and the audited financial statements for the year ended 31 December 2007

### **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 summer 2008, will have approximately 169 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 a profit of £136,524 (2006 £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 £136,524 (2006 £28,775). The directors do not propose the payment of a dividend (2006 £nil).

### **Directors**

The directors who served during the year are set out on page 1. The directors held no beneficial interests in the ordinary shares of the company at 31 December 2007 and at 1 January 2007 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 (continued)**

### **Statement as to disclosure of information to auditors**

Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

### **Auditors**

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them 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

31st October 2008

# **TAG Farnborough Enterprises Limited**

## **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, 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 to 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **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 2007 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 2007 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

*31st October* 2008



# **TAG Farnborough Enterprises Limited**

## **Profit and loss account Year ended 31 December 2007**

	<b>Notes</b>	<b>2007 £</b>	<b>2006 £</b>
<b>Turnover</b>	<b>2</b>	<b>180,367</b>	<b>28,835</b>
<b>Gross profit</b>		<b>180,367</b>	<b>28,835</b>
Administrative expenses		(43,823)	(30)
<b>Operating profit</b>	<b>4</b>	<b>136,544</b>	<b>28,805</b>
Interest payable and similar charges	<b>5</b>	(20)	(30)
<b>Profit on ordinary activities before taxation</b>		<b>136,524</b>	<b>28,775</b>
Taxation	<b>6</b>	-	-
<b>Profit on ordinary activities after taxation and retained profit for the financial year</b>		<b>136,524</b>	<b>28,775</b>
<b>Profit and loss account brought forward</b>		<b>28,775</b>	<b>-</b>
<b>Profit and loss account carried forward</b>		<b>165,299</b>	<b>28,775</b>

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**

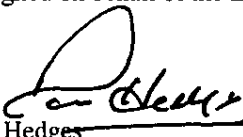
## **Balance sheet** **31 December 2007**

	Notes	2007 £	2006 £
<b>Fixed assets</b>			
Tangible assets	7	1,200,000	1,200,000
<b>Current assets</b>			
Debtors	8	735,176	823,893
Cash at bank and in hand		1,148,194	179,140
		1,833,370	1,003,033
<b>Creditors: amounts falling due within one year</b>	9	(2,918,070)	(2,174,257)
<b>Net current liabilities</b>		(1,034,700)	(1,171,224)
<b>Total assets less current liabilities being total net assets</b>		165,300	28,776
<b>Capital and reserves</b>			
Called up share capital	10	1	1
Profit and loss account		165,299	28,775
<b>Shareholders' funds</b>	11	165,300	28,776

These financial statements were approved and authorised for issue by the Board of Directors on

31 October 2008

Signed on behalf of the Board of Directors

  
R Hedges  
Director

# **TAG Farnborough Enterprises Limited**

## **Notes to the accounts 31 December 2007**

### **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**

	2007 £	2006 £
<b>Directors' emoluments</b>		
Total directors remuneration	<u>42,500</u>	<u>-</u>

There were no employees other than the directors who worked for the company in the year. One of the directors received remuneration from the company during the year for their qualifying services as director (2006: nil). Details of directors' remuneration paid by the immediate parent company are disclosed in that company's financial statements.

### **4. Operating profit**

The audit fee of the company of £1,000 (2006: £200) was borne by TAG Farnborough Airport Ltd in the current and prior year and not recharged.

# TAG Farnborough Enterprises Limited

## Notes to the accounts 31 December 2007

### 5. Interest payable and similar charges

	2007 £	2006 £
Bank loans and overdrafts repayable within five years	20	30

### 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.

	2007 £	2006 £
<b>Current tax</b>		
Profit on ordinary activities before tax	136,524	28,775
Tax on profit on ordinary activities at standard rate of 30%	40,957	8,633
<b>Timing differences</b>		
Group relief	(40,957)	(8,633)
Total current tax for the year	-	-

A number of changes to the UK corporation tax system were enacted in the 2007 Finance Act. These included the decrease in the corporation tax rate from 30% to 28% effective from 1 April 2008.

### 7. Tangible fixed assets

	Land and buildings £	Total £
<b>Cost and net book value</b>		
At 31 December 2007	1,200,000	1,200,000
At 31 December 2006	1,200,000	1,200,000

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

### 8. Debtors

	2007 £	2006 £
Amounts owed by affiliated undertaking	633,208	714,392
Amounts owed by parent undertaking	1	1
Other debtors	101,967	109,500
	735,176	823,893

# TAG Farnborough Enterprises Limited

## Notes to the accounts 31 December 2007

### 9. Creditors: amounts falling due within one year

	2007 £	2006 £
Trade creditors	184,377	108,521
Amounts owed to affiliated undertaking	1,200,000	1,200,000
Accruals and deferred income	1,470,983	780,115
Amounts owed to group undertakings	62,710	-
Other creditors	-	85,621
	<u>2,918,070</u>	<u>2,174,257</u>

### 10 Called up share capital

	2007 £	2006 £
<b>Authorised:</b>		
1,000,000 ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
<b>Called up and allotted:</b>		
1 ordinary share of £1	<u>1</u>	<u>1</u>

### 11. Reconciliation of movements in shareholders' funds

	2007 £	2006 £
Profit for the financial year	<u>136,524</u>	<u>28,775</u>
Increase in shareholders' funds	136,524	28,775
Opening shareholders' funds	<u>28,776</u>	<u>1</u>
Closing shareholders' funds	<u>165,300</u>	<u>28,776</u>

### 12. Ultimate parent company

In the opinion of the directors, the company's ultimate parent company 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 Aviation Group (UK) Limited are available from Companies House, Crown Way, Mandy, Cardiff, CF14 3UZ.

## **TAG Farnborough Enterprises Limited**

### **Notes to the accounts 31 December 2007**

#### **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

During the year the group received net income in the ordinary course of business from TAG Farnborough Hotel Limited, an affiliated undertaking, for a total of £180,367 (2006 £28,835) Amounts owed by and to affiliated undertakings are disclosed in notes 8 and 9 These amounts all relate to trading balances except for the short term loan from TAG Farnborough Hotel Limited of £1,200,000 (2006 £1,200,000) included in creditors