

FARNBOROUGH SERVICES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
Year ended 31 March 2011

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Registered no. 5311343

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FARNBOROUGH SERVICES LIMITED
DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2011

The Directors present their report and the Financial Statements of the Company for the year ended 31 March 2011

Principal Activity

The Company's principal activity during the period was to act as a holding company and it is intended that it will continue to be so for the foreseeable future

Business review - results and dividends

The Company did not trade during the year and therefore reported a £nil profit / (loss) (2010 £nil)
The Directors have not proposed a dividend for the year (2010 £nil)

The net assets of the Company at 31 March 2011 amounted to £105,330,103 (2010 £105,330,103)

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of Hogg Robinson Group plc, (the ultimate parent company and together with direct and indirect subsidiaries and associates, the Group), and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include those of the Company, are discussed in the Hogg Robinson Group plc annual report for the year ended 31 March 2011, which does not form part of this report

Key performance indicators ("KPIs")

Given the straightforward nature of the business, the Company's Directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business

Directors

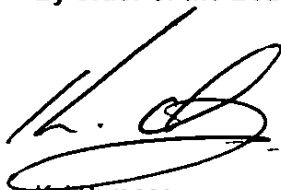
The Directors of the Company during the year ended 31 March 2011 and up to the date of signing the Financial Statements were as follows

D J C Radcliffe
J A Steadman

Auditors

The Company is entitled to the exemption under Section 480 of the Companies Act 2006 and is consequently exempt from the requirement to have its financial statements audited in respect of the current financial year

By order of the Board



K J Burgess
Company Secretary
29 July 2011

FARNBOROUGH SERVICES LIMITED
BALANCE SHEET AS AT 31 MARCH 2011

| | Notes | 2011 £ | 2010 £ |
|--|-------|--------------------|---------------|
| Fixed assets | | | |
| Investments in subsidiary companies | 5 | 240,290,847 | 240,290,847 |
| Total assets | | 240,290,847 | 240,290,847 |
| Creditors amounts falling due after one year | 6 | (134,960,744) | (134,960,744) |
| Net assets | | 105,330,103 | 105,330,103 |
| Capital and reserves attributable to equity holders | | | |
| Share capital | 7 | 102 | 102 |
| Share premium | 8 | 105,290,745 | 105,290,745 |
| Profit and loss account | 9 | 39,256 | 39,256 |
| Equity shareholders' funds | 10 | 105,330,103 | 105,330,103 |

The Company did not trade during the current or preceding year and accordingly no profit and loss account has been prepared. The Company has not received any income or incurred any expense or recognised any other gains or losses during the current or preceding year.


For the year ended 31 March 2011, the Company was entitled to the exemption from audit under Section 480 of the Companies Act 2006 relating to dormant companies.

The members have not required the Company to obtain an audit of its Financial Statements for the year in question in accordance with section 476.

The Directors acknowledge their responsibility for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These Financial Statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The Financial Statements on pages 2 to 5 were approved by the Board of Directors and signed on its behalf by



J A Steadman
 Director
 29 July 2011

Registered number: 5311343

The notes on pages 3 to 5 form part of these Financial Statements

1 Accounting Policies

These Financial Statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and conform with applicable United Kingdom accounting standards. The Directors consider that the accounting policies set out below are suitable, have been consistently applied and are supported by reasonable and prudent judgements and estimates. The Company has taken advantage of the exemption provided by section 400 of the United Kingdom Companies Act 2006 from producing consolidated financial statements as it is consolidated within the financial statements of Hogg Robinson Group plc.

Cash flow

The Company is a wholly owned subsidiary of the Hogg Robinson Group plc, and the cash flows of the Company are included in the consolidated cash flow statement of Hogg Robinson Group plc. Consequently, the Company is exempt under the terms of FRS 1 'Cash flow statements' from publishing a cash flow statement. The consolidated financial statements of Hogg Robinson Group plc are publicly available.

Related party transactions

The Company is a wholly owned subsidiary of the Hogg Robinson Group plc and under the terms of FRS 8 'Related party transactions', has taken advantage of the exemption not to disclose transactions with other wholly owned group.

Taxation and deferred taxation

Any charge for taxation is based on the profit / (loss) for the period and takes into account deferred taxation. Full provision is made where required by FRS 19 'Deferred Taxation' for deferred taxation on all timing differences, which have arisen but have not reversed at the balance sheet date.

Investments in subsidiary companies

Investments in subsidiary companies are stated at cost less any provisions for impairment in value.

Management judgement

In the process of applying the Company's accounting policies, management has made a number of judgements, none of which are considered to have a significant effect on the amounts recognised in the financial statements.

2 Profit on ordinary activities before taxation

Staff costs

The Company has no employees (2010 nil).

3 Directors' emoluments

No Director received any emoluments from the Company (2010 £nil). The Directors' duties in relation to Farnborough Services Limited are merely incidental to those of the Group as a whole.

The emoluments of Mr D J C Radcliffe and Mr J A Steadman are disclosed in the accounts of Hogg Robinson Group plc.

Retirement benefits are accruing to no Directors (2010 nil) under a defined benefit scheme.

FARNBOROUGH SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011 (Continued)

4 Taxation

| | 2011 | 2010 |
|---------------------------|----------|----------|
| | £ | £ |
| Current | | |
| UK Corporation tax at 28% | - | - |
| | <u>-</u> | <u>-</u> |

Factors affecting the tax charge were

| | 2011 | 2010 |
|---|-----------|-----------|
| | £ | £ |
| Factors affecting the tax charge in the period: | | |
| Profit / (loss) on ordinary activities before tax | - | - |
| | <u>-</u> | <u>-</u> |
| Profit on ordinary activities multiplied by the standard rate in the UK of 28% (2010 28%) | - | - |
| Group relief not paid for | 995,162 | 869,147 |
| Imputed interest under UK - UK transfer pricing regulations | (995,162) | (869,147) |
| Current tax charge for the period | <u>-</u> | <u>-</u> |

5 Investments in subsidiary companies

| | 2011 | 2010 |
|-------------------------|-------------|-------------|
| | £ | £ |
| Cost: | | |
| At 1 April and 31 March | 240,290,847 | 240,290,847 |

The Company holds the ordinary share capital of the following unlisted company

| Name of company | Principal activity | Country of Incorporation | Class of shares held | Proportion of nominal value of shares held |
|-------------------|--------------------|--------------------------|----------------------|--|
| Hogg Robinson plc | Services company | England | Ordinary | 100% |

The Directors consider that the fair value of investments is not less than the carrying value

Details of any indirect investments are disclosed the consolidated financial statements of Hogg Robinson Group plc

6 Creditors. amounts falling due after one year

| | 2011 | 2010 |
|---------------------------|--------------------|--------------------|
| | £ | £ |
| Due to parent company | 301,852 | 69,910,744 |
| Due to subsidiary company | 134,658,892 | 65,050,000 |
| | <u>134,960,744</u> | <u>134,960,744</u> |

Amounts owed to group companies are unsecured, interest free and have no fixed date of repayment

FARNBOROUGH SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011 (Continued)****7 Share capital**

| | 2011 £ | 2010 £ |
|---|------------------|------------------|
| Authorised (1,000,000 ordinary shares of £1 each) | | |
| At 1 April and 31 March | <u>1,000,000</u> | <u>1,000,000</u> |
| Issued and fully paid (102 ordinary shares of £1 each) | | |
| At 1 April and 31 March | <u>102</u> | <u>102</u> |

8 Share Premium

| | 2011 £ | 2010 £ |
|-------------------------|--------------------|--------------------|
| At 1 April and 31 March | <u>105,290,745</u> | <u>105,290,745</u> |

9 Profit and loss account

| | £ |
|-----------------------------------|---------------|
| At 1 April 2010 and 31 March 2011 | <u>39,256</u> |

10 Reconciliation of the movements in equity shareholders' funds

| | 2011 £ | 2010 £ |
|---|--------------------|--------------------|
| Equity shareholders' funds at 1 April and 31 March | <u>105,330,103</u> | <u>105,330,103</u> |

11 Immediate and ultimate parent company

The immediate parent company is Farnborough Limited

The ultimate parent company and controlling party is Hogg Robinson Group plc, which is the only company to consolidate Farnborough Services Limited. Copies of the Hogg Robinson Group plc Consolidated Financial Statements can be obtained from the Company Secretary at Hogg Robinson Group plc, Global House, Victoria Street, Basingstoke, Hampshire RG21 3BT