

**Registered no. 3134468**

**ACONFLAG LTD**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**



**PARAM & CO**  
**REGISTERED AUDITORS & CHARTERED CERTIFIED ACCOUNTANTS**  
**44-50 THE BROADWAY SOUTHALL**  
**MIDDLESEX**  
**UB1 1QB**

# **ACONFLAG LTD**

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# **ACONFLAG LTD**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2007**

The directors present their report and the financial statements of the company for the year ended 31 December 2007.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 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 judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a 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 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.

Amounts are presented within items in the profit and loss account and balance sheet; the directors have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.

### **Directors**

Mr.G.Nawab  
Mrs. A. S. Nawab

### **Secretary**

Mrs.A.S.Nawab

### **Registered Office**

44-50 The Broadway  
Southall



# **ACONFLAG LTD**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2007 (CONT)**

Middlesex  
UB1 1QB

### **Principal Activity**

Aconflag Ltd ceased to trade as hotelier with effect from 1st April 2007.

### **Results and Dividends**

The results of the year's trading and the financial position of the company are shown in the annexed accounts.

The company's loss for the year, after taxation, amounted to £862,943 (2006 - £862,390).

The directors recommend that no dividend be paid.

### **Directors**

The present directors are as shown above. All served on the board throughout the year.

The company's Articles of Association do not require directors to retire by rotation.

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

The directors of the company who held office at the date of approval of this Annual Report as set out above each confirm that:

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

### **Auditors**

The auditors, PARAM & CO, have indicated their willingness to accept re-appointment under Section 385(2) of the Companies Act 1985.

ON BEHALF OF THE BOARD

## ACONFLAG LTD

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2007 (CONT)

ON BEHALF OF THE BOARD



MR.G.NAWAB - DIRECTOR

Date: 30/1/09

# **ACONFLAG LTD**

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ACONFLAG LTD**

We have audited the financial statements of ACONFLAG LTD for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses cash flow statement and the related notes. 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 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.

### **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 bylaw 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.

# **ACONFLAG LTD**

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ACONFLAG LTD (CONT)**

### **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 loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

The information given in the directors' report is consistent with the financial statements.

### **Emphasis of matter - going concern**

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in the Director's report and the notes to the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss of £1,724,750 during the year ended 31/12/2007 and at that date company's current liabilities exceeded the total assets by £5,995,352. The company has a total trade debtor's balance outstanding of £80,710. Neither the existence nor the recoverability of the debtors could be confirmed, as there were no post balance sheet receipts from the debtors.

These conditions along with other matters given in the notes to the financial statements indicate the existence of material uncertainty which may cast significant doubt about company's ability to continue as a going concern. The financial statements do not include adjustments that would result if the company was unable to continue as a going concern



Param & co

**Chartered Certified Accountants and Registered Auditors**

**44-50 The Broadway, Southall**

**Middlesex, UB1 1QB**

Date:.....30/1/09.....



# ACONFLAG LTD

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	2007 £	2006 £
<b>TURNOVER - CONTINUING OPERATIONS</b>	2	1,763,063	2,437,571
Cost of sales		665,180	1,473,578
<b>GROSS PROFIT</b>		1,097,883	963,993
Net operating expenses	3	801,113	1,809,540
<b>OPERATING PROFIT/(LOSS) - Continuing Operations</b>	4	296,770	(845,547)
(Loss)/profit on sale of fixed assets		(1,150,477)	17,261
<b>LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		(853,707)	(828,286)
Other interest receivable and similar income		12,785	-
Interest payable and similar charges	6	(22,021)	(34,104)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(862,943)	(862,390)
Tax on loss on ordinary activities	7	-	-
<b>RETAINED LOSS FOR THE FINANCIAL YEAR</b>		(862,943)	(862,390)
Retained loss brought forward		(4,270,702)	(3,408,312)
<b>RETAINED LOSS CARRIED FORWARD</b>		(5,133,645)	(4,270,702)

The company's turnover and expenses all relate to continuing operations.

The annexed notes form part of these financial statements.

# ACONFLAG LTD

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2007

	2007 £	2006 £
Loss for the financial year	(862,943)	(862,390)
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	(862,943)	(862,390)
	<hr/> <hr/>	<hr/> <hr/>

# ACONFLAG LTD

## BALANCE SHEET AT 31 DECEMBER 2007

	Note		2007 £	2006 £
<b>FIXED ASSETS</b>				
Tangible assets	8		-	1,948,122
<b>CURRENT ASSETS</b>				
Debtors	9	857,313	5,243,176	
Cash at bank and in hand		1,328	20,375	
		<u>858,641</u>	<u>5,263,551</u>	
<b>CREDITORS</b>				
Amounts falling due within one year	10	5,992,186	11,262,442	
<b>NET CURRENT LIABILITIES</b>			<u>(5,133,545)</u>	<u>(5,998,891)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>(5,133,545)</u>	<u>(4,050,769)</u>
<b>CREDITORS</b>				
Amounts falling due after more than one year	11		-	(219,833)
<b>NET LIABILITIES</b>			<u><u>(5,133,545)</u></u>	<u><u>(4,270,602)</u></u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	12		100	100
Profit and loss account			<u>(5,133,645)</u>	<u>(4,270,702)</u>
<b>SHAREHOLDERS' FUNDS</b>	13		<u><u>(5,133,545)</u></u>	<u><u>(4,270,602)</u></u>

These financial statements were approved by the board on  
ON BEHALF OF THE BOARD

  
MR.G.NAWAB-DIRECTOR

30/01/09

The annexed notes form part of these financial statements.

# ACONFLAG LTD

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	2007 £	2006 £
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	16	1,889	(1,904,326)
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Interest received	12,785	-	
Interest paid	(22,021)	(29,878)	
Interest element of finance lease rental payments	-	(4,226)	
		(9,236)	(34,104)
<b>CAPITAL EXPENDITURE</b>			
Payments to acquire fixed assets	(23,691)	(83,452)	
Receipts from sales of fixed assets	(1,150,477)	17,261	
		(1,174,168)	(66,191)
<b>INCREASE (DECREASE) IN CASH</b>	17	(1,181,515)	(2,004,621)

### Alternative Disclosures

#### Continuing Operations

All of the company's activities in the above two financial years derived from continuing operations.

#### Total Recognised Gains And Losses

The company has no recognised gains or losses other than the profit or loss for the period

#### Note of historical cost profits and losses

The difference between the results as disclosed in the profit and loss account and the result on an unmodified historical cost basis is not material.

The annexed notes form part of these financial statements.

# **ACONFLAG LTD**

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007**

### **1. ACCOUNTING POLICIES**

**The accounts have been prepared in accordance with applicable accounting standards. There were no material departures from those standards.**

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

#### **Basis of Preparation of Financial Statements**

The financial statements have been prepared under the historical cost convention.

The effect of events in relation to the year ended 31 December 2007 which occurred before the date of approval of the financial statements by the Board of Directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 31 December 2007 and of the results for the year ended on that date.

#### **Depreciation**

Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives using the following rates:

Freehold buildings	- 2 percent per annum of cost
Land & Buildings Leasehold	- Straight line over the life of the lease
Fixtures and fittings	- 15 percent per annum of NBV
Motor vehicles	- 25 percent per annum of NBV

#### **Deferred Taxation**

Deferred taxation is accounted for in accordance with the requirements of FRS19.

#### **Investment properties**

The company have no investment properties

# ACONFLAG LTD

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007 (CONT)

### 2. TURNOVER

The company's turnover represents the value, excluding Value Added Tax, of goods and services supplied to customers during the year.

### 3. NET OPERATING EXPENSES

	2007 £	2006 £
Administrative expenses	801,113	1,809,540

### 4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2007 £	2006 £
Directors' emoluments	35,000	78,000
Hire of plant and machinery - operating leases	993	807
Depreciation and amortisation of owned assets	-	105,355
Auditors' remuneration	3,600	3,600

# ACONFLAG LTD

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007 (CONT)

### 5. STAFF COSTS

The aggregate payroll costs of these persons were as follows:

	2007 £	2006 £
Wages and salaries	281,969	579,786
Social security	28,292	54,421
	<u>310,261</u>	<u>634,207</u>
	<u><u>310,261</u></u>	<u><u>634,207</u></u>

### 6. INTEREST PAYABLE AND SIMILAR CHARGES

	2007 £	2006 £
Bank loans and overdrafts	22,021	29,878
Finance charges payable - finance leases and hire purchase	-	4,226
	<u>22,021</u>	<u>34,104</u>
	<u><u>22,021</u></u>	<u><u>34,104</u></u>

### 7. TAXATION

There is no tax charge for the YEAR.

# ACONFLAG LTD

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007 (CONT)

### 8. TANGIBLE FIXED ASSETS

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2007	2,939,666	848,030	192,179	3,979,875
Additions	-	23,691	-	23,691
Disposals	(2,939,666)	(871,721)	(192,179)	(4,003,566)
At 31 December 2007	-	-	-	-
<b>Depreciation</b>				
At 1 January 2007	-	445,921	146,044	591,965
Elimination on disposals	-	(445,921)	(146,044)	(591,965)
At 31 December 2007	-	-	-	-
<b>Net book value</b>				
At 31 December 2007	-	-	-	-
At 31 December 2006	1,499,877	402,110	46,135	1,948,122



# ACONFLAG LTD

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007 (CONT)

### 9. DEBTORS

#### Receivable within one year:

	2007 £	2006 £
Trade debtors	395,710	446,557
Amounts owed by group undertakings	38,306	4,074,467
Other debtors	423,297	645,585
Prepayments and accrued income	-	76,567
	<u>857,313</u>	<u>5,243,176</u>

### 10. CREDITORS - AMOUNTS DUE WITHIN ONE YEAR

	2007 £	2006 £
Bank loans and overdrafts	26,201	581,447
Obligations under finance leases and hire purchase contracts	-	16,788
Trade creditors	5,636,472	532,004
Amounts owed to associated undertakings	-	7,728,689
Social security and other taxes	244,591	672,968
Other creditors	80,000	1,522,033
Corporation tax payable	-	190,809
Accruals and deferred income	4,922	17,704
	<u>5,992,186</u>	<u>11,262,442</u>

# ACONFLAG LTD

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007 (CONT)

### 11.CREDITORS - AMOUNTS DUE AFTER ONE YEAR

	2007 £	2006 £
Obligations under finance leases and hire purchase contracts	-	46,502
Other Creditors	-	173,331
	<u>-</u>	<u>219,833</u>

### Obligations under finance leases and hire purchase contracts

	2007 £	2006 £
Amounts payable:		
Within two to five years	-	46,502
After five years	-	-
	<u>-</u>	<u>46,502</u>

### 12.SHARE CAPITAL

	2007 £	2006 £
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

# ACONFLAG LTD

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007 (CONT)

### 13.RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007 £	2006 £
Loss for the financial year	(862,943)	(862,390)
Opening shareholders' funds	(4,270,602)	(3,408,212)
Closing shareholders' funds	<u>(5,133,545)</u>	<u>(4,270,602)</u>

### 14.RELATED PARTIES

*The company owed £38,305.95 to group companies as follows:*

*LYNTON PROPERTY INVESTMENTS LIMITED      £ 38,305.95*

### 15.CONTROLLING PARTY

The ultimate parent company is Eurogroup of Companies Limited, a company registered in England & Wales.

### 16.RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2007 £	2006 £
Operating profit/(loss)	296,770	(845,547)
Depreciation charge	-	87,145
Decrease in debtors	4,385,863	4,514,446
Decrease in creditors	(4,680,744)	(5,660,370)
Net cash inflow/outflow from operating activities	<u>1,889</u>	<u>(1,904,326)</u>

# ACONFLAG LTD

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007 (CONT)

### 17. ANALYSIS OF NET DEBT

	2006 £	Cash flow £	Other changes £	2007 £
Cash at bank and in hand	20,375	(19,047)	-	1,328
Overdraft	(399,606)	373,405	-	(26,201)
		<u>354,358</u>		
Debt due within 1 year	(181,841)	-	181,841	-
Finance leases	(63,290)	-	-	-
Total	<u>(624,362)</u>	<u>354,358</u>	<u>245,131</u>	<u>(24,873)</u>
	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>

## **ACONFLAG LTD**

### **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007 (CONT)**

#### **18.RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

	<b>2007</b> <b>£</b>	<b>2006</b> <b>£</b>
Increase/(decrease) in cash in the YEAR	(1,181,515)	(2,004,621)
Movement in net debt in the year	<u>599,489</u>	<u>(107,672)</u>
Net debt at 1 January 2007	(624,362)	(516,690)
Net debt at 31 December 2007	<u><u>(24,873)</u></u>	<u><u>(624,362)</u></u>