

**IAG HOLDINGS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR**  
**31 OCTOBER 2000**



**Company Registration Number 03646321**

**HURST MORRISON THOMSON**  
Chartered Accountants & Registered Auditors  
5 Fairmile  
Henley-on-Thames  
Oxon  
RG9 2JR

# **IAG HOLDINGS LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 OCTOBER 2000**

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# **IAG HOLDINGS LIMITED**

## **THE DIRECTORS' REPORT**

### **YEAR ENDED 31 OCTOBER 2000**

The directors present their report and the financial statements of the company for the year ended 31 October 2000.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the company during the year was the letting of property space.

#### **THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY**

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

|         |              | At<br>31 October 2000 | At<br>1 November 1999 |
|---------|--------------|-----------------------|-----------------------|
| T Davey | C Ordinary   | 19,841                | 19,841                |
|         | A Preference | 88,230                | 88,230                |
|         | B Preference | 5,824                 | 5,824                 |
| D Smith | C Ordinary   | 19,841                | 19,841                |
|         | A Preference | 88,230                | 88,230                |
|         | B Preference | <u>5,824</u>          | <u>5,824</u>          |

#### **DIRECTORS' RESPONSIBILITIES**

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 6, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors 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.

#### **AUDITORS**

A resolution to re-appoint Hurst Morrison Thomson as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

# IAG HOLDINGS LIMITED

## THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 OCTOBER 2000

### SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:

Bolney Place

Cowfold Road

Bolney

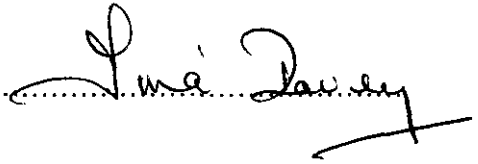
Haywards Heath

West Sussex

RH17 5QT

Signed on behalf of the directors

.....  
Director



Approved by the directors on ..... 30.04.2001

# Hurst Morrison Thomson

Chartered Accountants

5 Fairmile  
Henley-on-Thames  
Oxfordshire  
RG9 2JR

Tel: 01491 579866  
Fax: 01491 573397  
Email: hmt@hmtgroup.co.uk  
Direct Line:

## IAG HOLDINGS LIMITED

### AUDITORS' REPORT TO THE SHAREHOLDERS

#### YEAR ENDED 31 OCTOBER 2000

We have audited the financial statements on pages 4 to 7 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out on page 6.

#### RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on page 1, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

#### BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards 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 of the state of the company's affairs as at 31 October 2000 and of the loss of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

5 Fairmile  
Henley-on-Thames  
Oxon  
RG9 2JR

HURST MORRISON THOMSON  
Chartered Accountants  
& Registered Auditors

**IAG HOLDINGS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 OCTOBER 2000**

|                                    | Note | 2000<br>£     | 1999<br>£ |
|------------------------------------|------|---------------|-----------|
| <b>TURNOVER</b>                    |      | 77,393        | -         |
| Administrative expenses            |      | <u>77,752</u> | <u>-</u>  |
| <b>OPERATING LOSS</b>              | 2    | (359)         | -         |
| Tax on loss on ordinary activities |      | -             | -         |
| <b>LOSS FOR THE FINANCIAL YEAR</b> |      | <u>(359)</u>  | <u>-</u>  |

The notes on pages 6 to 7 form part of these financial statements.

# IAG HOLDINGS LIMITED

## BALANCE SHEET

31 OCTOBER 2000

|                                                       | Note | 2000<br>£       | 1999<br>£      |
|-------------------------------------------------------|------|-----------------|----------------|
| <b>FIXED ASSETS</b>                                   |      |                 |                |
| Investments                                           | 3    | <u>306,332</u>  | <u>306,332</u> |
| <b>CURRENT ASSETS</b>                                 |      |                 |                |
| Debtors                                               | 4    | 13,146          | -              |
| Cash at bank                                          |      | <u>22,950</u>   | <u>-</u>       |
|                                                       |      | 36,096          | -              |
| <b>CREDITORS: Amounts falling due within one year</b> | 5    | <u>(36,455)</u> | <u>-</u>       |
| <b>NET CURRENT LIABILITIES</b>                        |      | (359)           | -              |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>          |      | <u>305,973</u>  | <u>306,332</u> |
| <b>CAPITAL AND RESERVES</b>                           |      |                 |                |
| Called-up equity share capital                        | 7    | 306,332         | 306,332        |
| Profit and Loss Account                               |      | <u>(359)</u>    | <u>-</u>       |
| <b>SHAREHOLDERS' FUNDS</b>                            |      | <u>305,973</u>  | <u>306,332</u> |

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

These financial statements were approved by the directors on the 30.04.2001, and are signed on their behalf by:

.....  
Director

The notes on pages 6 to 7 form part of these financial statements.

# IAG HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2000

### 1. ACCOUNTING POLICIES

#### Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

#### Turnover

The turnover shown in the Profit and Loss Account represents amounts invoiced during the year, exclusive of Value Added Tax.

### 2. OPERATING LOSS

Operating loss is stated after charging:

|                | 2000         | 1999     |
|----------------|--------------|----------|
|                | £            | £        |
| Auditors' fees | <u>2,000</u> | <u>-</u> |

### 3. INVESTMENTS

#### Shares in subsidiary undertakings

##### COST

|                                        |                |
|----------------------------------------|----------------|
| At 1 November 1999 and 31 October 2000 | <u>306,332</u> |
|----------------------------------------|----------------|

##### NET BOOK VALUE

|                    |                |
|--------------------|----------------|
| At 31 October 2000 | <u>306,332</u> |
|--------------------|----------------|

|                    |                |
|--------------------|----------------|
| At 31 October 1999 | <u>306,332</u> |
|--------------------|----------------|

The company owns 100% of the issued share capital of Independent Aviation Group Limited, a company registered in England. This company has issued share capital of £83,858 and total reserves of £181,751. This company trades as an aircraft seat wholesaler.

### 4. DEBTORS

|               | 2000          | 1999     |
|---------------|---------------|----------|
|               | £             | £        |
| Trade debtors | <u>13,146</u> | <u>-</u> |

### 5. CREDITORS: Amounts falling due within one year

|                                    | 2000          | 1999     |
|------------------------------------|---------------|----------|
|                                    | £             | £        |
| Trade creditors                    | 8,195         | -        |
| Amounts owed to group undertakings | 14,181        | -        |
| Other creditors                    | 4,033         | -        |
| Accruals and deferred income       | 10,046        | -        |
|                                    | <u>36,455</u> | <u>-</u> |

# IAG HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2000

### 6. RELATED PARTY TRANSACTIONS

IAG Holdings Limited has taken advantage of the exemptions available with regards to the disclosure of transactions with other group companies.

### 7. SHARE CAPITAL

#### Authorised share capital:

|                                           | 2000           | 1999           |
|-------------------------------------------|----------------|----------------|
|                                           | £              | £              |
| 49,965 B Ordinary shares of £1.00 each    | 49,965         | 49,965         |
| 39,682 C Ordinary shares of £1.00 each    | 39,682         | 39,682         |
| 176,460 A Preference shares of £1.00 each | 176,460        | 176,460        |
| 40,225 B Preference shares of £1.00 each  | 40,225         | 40,225         |
|                                           | <u>306,332</u> | <u>306,332</u> |

#### Allotted, called up and fully paid:

|                     | 2000           |                | 1999           |                |
|---------------------|----------------|----------------|----------------|----------------|
|                     | No.            | £              | No.            | £              |
| B Ordinary shares   | 49,965         | 49,965         | 49,965         | 49,965         |
| C Ordinary shares   | 39,682         | 39,682         | 39,682         | 39,682         |
| A Preference shares | 176,460        | 176,460        | 176,460        | 176,460        |
| B Preference shares | 40,225         | 40,225         | 40,225         | 40,225         |
|                     | <u>306,332</u> | <u>306,332</u> | <u>306,332</u> | <u>306,332</u> |