Registration number 03646321

IAG Holdings Limited

Director's report and financial statements

for the year ended 31 October 2003



IAG Holdings Limited

Company information

Director	T Davey
Secretary	J F Brown
Company number	03646321
Registered office	Bolney Place Cowfold Road Bolney Haywards Heath, West Sussex. RH17 5QT.
Auditors	Hacker Young 168 Church Road Hove East Sussex BN3 2DL
Business address	Bolney Place Cowfold Road Bolney Haywards Heath, West Sussex RH17 5QT.

IAG Holdings Limited

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IAG Holdings Limited

Director's report
for the year ended 31 October 2003

The director presents her report and the financial statements for the year ended 31 October 2003.

Principal activity and review of the business
The principal activity of the company was the letting of property space.

Results and dividends
The results for the year are set out on page 4.

The director does not recommend payment of a final dividend.

Director and her interest
The director who served during the year and her interest in the company are as stated below:

	Class of share	At 31 October 2003	At 1 November 2002
T Davey	**B Ordinary**	**3,221**	**3,221**
	C Ordinary	**39,682**	**39,682**
	A Preference	**176,460**	**176,460**
	B Preference	**19,259**	**19,259**

Director's responsibilities
Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the director is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable her to ensure that the financial statements comply with the Companies Act 1985. She is 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
In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Hacker Young be reappointed as auditors of the company will be put to the Annual General Meeting.
The director recommends that Hacker Young remain in office until further notice.

This report was approved by the Board on 19/02/04 and signed on its behalf by

J F Brown
Secretary

IAG Holdings Limited

Independent auditors' report to the shareholders of IAG Holdings Limited

We have audited the financial statements of IAG Holdings Limited for the year ended 31 October 2003 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditors

As described in the statement of director's responsibilities the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the director's report is not consistent with the financial statements, if 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 director's remuneration and transactions with the company is not disclosed.

We read the director's 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 United Kingdom 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 director 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 shareholders of IAG Holdings Limited continued

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 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Hacker Young
Chartered Accountants and
Registered auditors

19/2/04

168 Church Road
Hove
East Sussex

BN3 2DL

Profit and loss account
for the year ended 31 October 2003

	Notes	Continuing operations 2003 £	2002 £
Turnover	2	109,892	107,008
Administrative expenses		(113,499)	(110,162)
Operating loss	3	(3,607)	(3,154)
Other interest receivable and similar income	4	200	571
Loss on ordinary activities before taxation		(3,407)	(2,583)
Tax on loss on ordinary activities	5	-	(13)
Loss on ordinary activities after taxation		(3,407)	(2,596)
Loss for the year		(3,407)	(2,596)
Retained profit brought forward		1,771	4,367
Accumulated (loss)/profit carried forward		(1,636)	1,771

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 7 to 11 form an integral part of these financial statements.

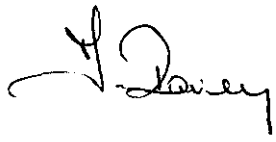
IAG Holdings Limited

Balance sheet
as at 31 October 2003

	Notes	2003 £	2003 £	2002 £	2002 £
Fixed assets					
Investments	6		306,332		306,332
Current assets					
Debtors	7	54,193		48,489	
Cash at bank and in hand		17,553		9,667	
		71,746		58,156	
Creditors: amounts falling due within one year	8	(73,382)		(56,385)	
Net current (liabilities)/assets			(1,636)		1,771
Net assets			304,696		308,103
Capital and reserves					
Called up share capital	9		306,332		306,332
Profit and loss account			(1,636)		1,771
Shareholders' funds	10		304,696		308,103

The financial statements were approved by the Board on 19.02.04 and signed on its behalf by

T Davey
Director



The notes on pages 7 to 11 form an integral part of these financial statements.

IAG Holdings Limited

Cash flow statement
for the year ended 31 October 2003

	Notes	2003 £	2002 £
Reconciliation of operating loss to net cash inflow from operating activities			
Operating loss		(3,607)	(3,154)
(Increase) in debtors		(5,704)	(23,761)
Increase in creditors		16,997	(43,528)
Net cash inflow from operating activities		7,686	(70,443)
Cash flow statement			
Net cash inflow from operating activities		7,686	(70,443)
Returns on investments and servicing of finance	**13**	200	571
Taxation	**13**	-	(13)
Increase in cash in the year		7,886	(69,885)
Reconciliation of net cash flow to movement in net funds (Note 14)			
Increase in cash in the year		7,886	(69,885)
Net funds at 1 November 2002		9,667	79,552
Net funds at 31 October 2003		17,553	9,667

Notes to the financial statements for the year ended 31 October 2003

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention .

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of rent received during the year.

1.3. Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.4. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.5. Group accounts

The company is entitled to the exemption under Section 248 of the Companies Act 1985 from the obligation to prepare group accounts.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3. Operating loss

	2003	2002
	£	£
Auditors' remuneration	1,500	1,500

4. Interest receivable and similar income

	2003	2002
	£	£
Bank interest	200	571

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5. Tax on loss on ordinary activities

Analysis of charge in period	2003 £	2002 £
Current tax		
Adjustments in respect of previous periods	-	13

Factors affecting tax charge for period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (19 per cent). The differences are explained below:

	2003 £	2002 £
Loss on ordinary activities before taxation	(3,407)	(2,583)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (31 October 2002 : 19%)	(647)	(491)
Effects of:		
Utilisation of tax losses	647	491
Current tax charge for period	-	-

6. Fixed asset investments

	Subsidiary undertakings shares £	Total £
Cost		
At 1 November 2002		
At 31 October 2003	306,332	306,332
Net book values		
At 31 October 2003	306,332	306,332
At 31 October 2002	306,332	306,332

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6.1. Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies:

Company	Country of registration or incorporation	Nature of business	Shares held class	Proportion of shares held
Subsidiary undertaking				
Independent Aviation Group Ltd	England	Aircraft seat wholesaler	Ordinary	100%
Independent Airlines Ltd	England	Dormant	Ordinary	100%

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
	£	£
Independent Aviation Group Ltd	650,572	34,651
Independent Airlines Ltd	2	-

7. Debtors

	2003	2002
	£	£
Trade debtors	12,441	17,647
Amounts owed by group undertakings	32,925	21,820
Prepayments and accrued income	8,827	9,022
	54,193	48,489

8. Creditors: amounts falling due within one year

	2003	2002
	£	£
Trade creditors	6,978	8,313
Other taxes and social security costs	5,935	-
Other creditors	13,742	39,092
Accruals and deferred income	46,727	8,980
	73,382	56,385

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9. Share capital	2003 £	2002 £
Authorised equity		
12,542 B Ordinary shares of £1 each	12,542	12,542
39,682 C Ordinary shares of £1 each	39,682	39,682
176,460 A Preference shares of £1 each	176,460	176,460
77,648 B Preference shares of £1 each	77,648	77,648
	306,332	306,332
Allotted, called up and fully paid equity		
12,542 B Ordinary shares of £1 each	12,542	12,542
39,682 C Ordinary shares of £1 each	39,682	39,682
176,460 A Preference shares of £1 each	176,460	176,460
77,648 B Preference shares of £1 each	77,648	77,648
	306,332	306,332

10. Reconciliation of movements in shareholders' funds	2003 £	2002 £
Loss for the year	(3,407)	(2,596)
Opening shareholders' funds	308,103	310,699
Closing shareholders' funds	304,696	308,103

11. Related party transactions

Rent payable totalling £26,660 (2002 £29,074) was paid during the year to Independent Aviation Group Limited a subsidiary undertaking of the company.

12. Controlling interest

IAG Holdings Limited is ultimately controlled by the sole director of the company, Ms T Davey.

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13. Gross cash flows

	2003 £	2002 £
Returns on investments and servicing of finance		
Interest received	200	571
Taxation		
Corporation tax paid	-	(13)

14. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	9,667	7,886	17,553
Net funds	9,667	7,886	17,553

IAG Holdings Limited

The following pages do not form part of the statutory accounts.

IAG Holdings Limited

Detailed trading profit and loss account and expenses schedule for the year ended 31 October 2003

	2003		2002	
	£	£	£	£
Sales				
Rent receivable		109,892		107,008
		109,892		107,008
Administrative expenses				
Rent payable	26,660		29,074	
Rates	21,379		19,802	
Insurance	871		3,480	
Light and heat	4,881		4,254	
Cleaning	8,203		6,980	
Repairs and maintenance	42,326		37,428	
Legal and professional	769		-	
Audit	1,500		1,500	
Bank charges	209		184	
Garden maintenance	6,686		7,444	
General expenses	15		16	
		113,499		110,162
Operating loss	3%	(3,607)	3%	(3,154)
Other income and expenses				
Interest receivable				
Bank deposit interest	200		571	
		200		571
Net loss for the year		(3,407)		(2,583)