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IAN ALLAN GROUP LIMITED

REGISTERED NUMBER 00739567

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2000

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DIRECTORS AND ADVISORS

CHAIRMAN	Ian Allan OBE
DIRECTORS	M.E. Allan D.I. Allan E.P. Allan G.S. Allan J.B. Allan A.D. Watkins FCA
SECRETARY	D.A. Hart FCA
REGISTERED OFFICE	Terminal House Station Approach Shepperton Middlesex TW17 8AS
AUDITORS	Menzies Ashby House 64 High Street Walton-on-Thames Surrey KT12 1BW
PRINCIPAL BANKER	Barclays Bank plc 8-12 Church Street Walton-on-Thames Surrey KT12 2QS

CHAIRMAN'S STATEMENT

I am pleased to report that all Companies within our Group were in profit for the year ending 30 November 2000; a very satisfactory result which we shall endeavour to maintain and build on in the future.

Despite manifest changes in the industry, with commission rates varying with daunting frequency, our Travel Company pulled back to a profit of £144,000, after a poor year in 1999. Newly acquired Lysaker Travel Management Limited, at Bristol, turned in £139,000, which was an excellent achievement by our new West Country colleagues. "Motors" achieved a reasonable turn around in recovering a loss of £143,000 in 1998 to a £32,000 profit in the year under review. Our Woking garage did particularly well with its Peugeot franchise, whilst Virginia Water moved into forecast profitability with Saab.

All the "Graphics" Companies did well with profits swelled by the continuing success of our investment in Midland Publishing and Midland Counties, the results of both of which are combined with Ian Allan Publishing Limited to return a £367,000 bottom line. Chase Organics, our seed and fertilizer diversification has been giving steady increases in profitability and managed to reach a record profit in 2000.

One of our main developments during the year has been the acquisition of new and prestigious premises at Hinckley into which the "Graphics" Midlands operation has been moved, with further space available for greater concentration of our publishing distribution department in the future.

At Woking Peugeot we have commenced a major refurbishment scheme, which will provide greater show room facilities, better office accommodation and a modern car washing facility and it is hoped that this will all come on stream by April 2001.

Considerable investment has been and will be made in modern information technology requirements demanded by our Travel Company's customers and by current demands in the Printing Company, which constantly needs to update its equipment to compete in the market place.

I pay tribute to the skilful management of the operating companies within the Group and the efforts of the two Chairmen, their colleagues on their various boards and to our enthusiastic and dedicated staff who have carried us through the present year so well.

As regards the future, our policy is as usual, prudent expansion and cautious optimism. We do not know what economic blizzard may be around the corner, but at least we know that we are prepared for anything and are confident that we have the resources to meet any eventuality.

Ian Allan
March 2001

REPORT OF THE DIRECTORS**Financial statements**

The directors submit their report and the audited financial statements for the year ended 30 November 2000.

Review of business and future developments

The Group's principal activities during the year were the selling and servicing of new and used motor vehicles, publishing and retailing of books and magazines, printing, property management, business travel management, operating miniature railways and the marketing of organic seeds and horticultural products.

The directors are pleased to report that all the companies within the group have operated at a profit during the year.

The businesses of Midland Counties Publications (Aerophile) Ltd and Midland Publishing Ltd, acquired last year have been amalgamated with Ian Allan Publishing Ltd, and new freehold premises have been purchased in Hinckley to house the combined mail order operation.

Lysaker Travel Management Ltd, also acquired last year, has continued to trade as a separate entity. Both travel companies improved their levels of profitability and continued to meet the new lower methods of remuneration from airlines by moving to management fee and transaction fee pricing.

Ian Allan Motors Ltd will benefit in 2001 from a £200,000 investment in extending the showroom and service facilities at Woking.

Both the level of business and the year end position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

In the opinion of the directors, all companies within the group are 'close' companies.

Profits and dividend

The directors recommend a dividend of £103,315.

Fixed assets

The directors do not consider that there is any significant difference between the market value and net book value of the group's interest in land at 30 November 2000.

Charitable and political contributions

The Group made charitable contributions during the year of £3,901.

Employment of disabled persons

In accordance with its general policy of equal opportunity in employment practice the Group supports the employment of disabled persons wherever possible, both in recruitment and by retention of those who become disabled during their employment.

REPORT OF THE DIRECTORS

Directors

The directors' interests in the capital of the Group at 1 December 1999 and at 30 November 2000 as recorded in the register maintained by the Group in accordance with the provisions of the Companies Act 1985, were as follows:

	30 November 2000		1 December 1999	
	Ordinary Shares of £1 each	Founders Shares of 25p each	Ordinary Shares of £1 each	Founders Shares of 25p each
Ian Allan	190	-	190	-
M.E. Allan	116	-	116	-
D.I. Allan	6,407	25,725	6,407	25,725
E.P. Allan	6,407	25,725	6,407	25,725
G.S. Allan	-	-	-	-
J.B. Allan	-	-	-	-
N.W. Miles	-	-	-	-
A.D. Watkins	-	-	-	-

In addition D.I. Allan and his family and E.P. Allan and his family each have an interest in 26,775 founders shares and 5,281 ordinary shares by being beneficiaries of settlements.

Partners in Menzies are trustees of settlements holding 53,550 founders shares and 10,562 ordinary shares in the company.

The directors in office at 30 November 2000 are listed on page 1. Mr N.W. Miles ceased to be director on 12 January 2000.

Mr D.I. Allan and Mr E.P. Allan retire by rotation and, being eligible, offer themselves for re-election.

REPORT OF THE DIRECTORS

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 Group and of the profit or loss of the Group for that period. In preparing those financial statements the directors are required to:

- a) Select suitable accounting policies and then apply them consistently.
- b) Make judgements and estimates that are reasonable and prudent.
- c) State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- d) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Menzies have expressed their willingness to continue in office as auditors and in accordance with Section 385(2) of the Companies Act 1985 a resolution proposing their re-appointment will be submitted to the annual general meeting.

By order of the Board



D.A. HART F.C.A.

Secretary

19 March 2001

TO THE MEMBERS OF IAN ALLAN GROUP LIMITED

We have audited the financial statements on pages 7 to 28, which have been prepared under the historical cost convention, and the accounting policies set out on pages 13 to 15.

Respective responsibilities of the directors and auditors

As described on page 5, the 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.

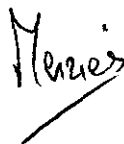
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the 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 and the group's affairs at 30 November 2000 and of the group profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

19 March 2001

Ashby House
64 High Street
Walton-on-Thames
Surrey KT12 1BW



Menzies
Chartered Accountants and
Registered Auditor

CONSOLIDATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 NOVEMBER 2000

	Notes	2000 £000	2000 £000	1999 £000
Turnover	2			
Continuing operations			63,140	47,415
Acquisitions			-	2,637
			<hr/>	<hr/>
			63,140	50,052
Cost of sales			53,598	42,264
			<hr/>	<hr/>
Gross profit			9,542	7,788
Operating expenses	2		(8,914)	(7,493)
Other operating income	2		119	210
			<hr/>	<hr/>
Operating profit				
Continuing operations		747		440
Acquisitions		-		65
		<hr/>	747	<hr/>
Profit on ordinary activities before interest			747	505
Interest receivable	3		34	53
Interest payable	3		(58)	(45)
			<hr/>	<hr/>
Profit on ordinary activities before taxation	2		723	513
Taxation on profit on ordinary activities	4		249	161
			<hr/>	<hr/>
Profit on ordinary activities after taxation			474	352
Dividends	5		103	3
			<hr/>	<hr/>
Retained profit for the financial year	17		371	349
			<hr/>	<hr/>

All amounts above are derived from continuing operations. The Group has no recognised gains or losses other than the profit for the financial years detailed above.

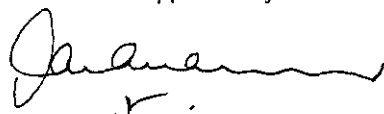
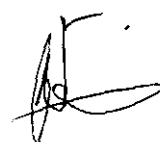
CONSOLIDATED BALANCE SHEET

30 NOVEMBER 2000

	Notes	2000 £000	2000 £000	1999 £000	1999 £000
Fixed assets					
Intangible assets	8		836		939
Tangible assets	9		12,008		11,544
			<hr/>		<hr/>
			12,844		12,483
Current assets					
Stock and work in progress	11	3,689		3,490	
Debtors	12	5,221		5,442	
Cash at bank		262		-	
		<hr/>		<hr/>	
			9,172		8,932
Creditors: amounts falling due within one year	13	6,676		6,420	
		<hr/>		<hr/>	
Net current assets			2,496		2,512
			<hr/>		<hr/>
Total assets less current liabilities			15,340		14,995
			<hr/>		<hr/>
Creditors: amounts falling due after more than one year	14		350		350
Provisions for liabilities and charges	15		191		217
			<hr/>		<hr/>
			14,799		14,428
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	16		50		50
Share premium account			79		79
Profit and loss account	17		14,670		14,299
			<hr/>		<hr/>
Shareholders' funds	18		14,799		14,428
			<hr/>		<hr/>

The financial statements were approved by the Board of Directors on 19 March 2001.

Directors:

E.P. Allan

A.D. Watkins

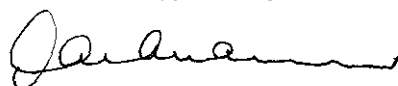
BALANCE SHEET

30 NOVEMBER 2000


	Notes	2000 £000	2000 £000	1999 £000	1999 £000
Fixed assets					
Tangible assets	9		102		100
Investments	10		2,481		2,478
			<hr/>		<hr/>
			2,583		2,578
Current assets					
Debtors	12	9,296		8,597	
Cash at bank		-		-	
		<hr/>		<hr/>	
		9,296		8,597	
Creditors: amounts falling due within one year					
	13	4,729		3,958	
		<hr/>		<hr/>	
Net current assets			4,567		4,639
			<hr/>		<hr/>
Total assets less current liabilities			7,150		7,217
			<hr/>		<hr/>
Creditors: amounts falling due after more than one year					
	14		350		350
			<hr/>		<hr/>
			6,800		6,867
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	16		50		50
Share premium account			79		79
Profit and loss account	17		6,671		6,738
			<hr/>		<hr/>
Shareholders' funds	18		6,800		6,867
			<hr/>		<hr/>

The financial statements were approved by the Board of Directors on 19 March 2001.

Directors:



E.P. Allan



A.D. Watkins

CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 30 NOVEMBER 2000

	Notes	2000 £000	1999 £000
Cash inflow (outflow) from operating activities	a	1,949	(1,142)
Returns on investments and servicing of finance	b	(24)	(25)
Taxation		(252)	(102)
Capital expenditure and financial investment	b	(1,155)	(411)
Acquisitions and disposals	d		
Purchase of subsidiary undertakings		-	(1,681)
Bank balances acquired with subsidiaries		-	1,277
			(404)
Equity dividends paid		(3)	(304)
Cash inflow (outflow) before use of liquid resources and financing		515	(2,388)
Management of liquid resources			
Net movements in short term deposits		-	1,500
Increase (decrease) in cash in the period		515	(888)
Reconciliation of net cash flow to movements in net funds (debt)			
Increase (decrease) in cash in the period		515	(888)
Cash outflow from change in liquid resources		-	(1,500)
Change in net funds (debt) resulting from cash flows		515	(2,388)
Movement in net funds (debt) in the period		515	(2,388)
Net (debt) funds at 1 December 1999		(253)	2,135
Net funds (debt) at 30 November 2000	c	262	(253)

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 30 NOVEMBER 2000

a Reconciliation of operating profit to operating cash flows

	2000 £000	1999 £000
Operating profit	747	505
Increase in stocks	(199)	(303)
Decrease in debtors	221	1,105
Increase (decrease) increase in creditors	386	(3,157)
Increase in provision	-	35
Depreciation and amortisation	806	706
Net profit on disposal of tangible fixed assets	(12)	(33)
Net cash inflow from operating activities	1,949	(1,142)

b Analysis of cash flows for items netted in the cash flow statement

	2000 £000	1999 £000
Returns on investments and servicing of finance		
Interest paid	(58)	(81)
Interest received	34	56
Net cash outflow for returns on investments and servicing of finance	(24)	(25)
Capital expenditure and financial investment		
Purchase of intangible fixed assets	(2)	-
Purchase of tangible fixed assets	(1,175)	(558)
Sale of tangible fixed assets	22	147
Net cash (outflow) inflow for capital expenditure and financial investment	(1,155)	(411)

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 30 NOVEMBER 2000

c Analysis of net (debt) funds

	At 1 Dec 1999 £000	Cash flow £000	At 30 Nov 2000 £000
Cash at bank and in hand	-	262	262
Bank overdraft	(253)	253	-
		<hr/>	
		515	
Short term deposits	-	-	-
	<hr/>	<hr/>	<hr/>
	(253)	515	262
	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2000

1. Accounting policies

Change in accounting policy

In order to comply with Financial Reporting Standard 15, the costs of the freehold buildings, as estimated by the directors, have been depreciated in accordance with their expected useful economic lives.

The effect of this change on the results of last year would have been to reduce profits by £40,000. This year's profit has been reduced by £42,000.

Apart from the above, the principal accounting policies of the Group have remained unchanged from the previous year and are set out below.

Accounting Convention

The financial statements have been prepared in accordance with applicable Accounting Standards and under the historical cost convention.

Basis of consolidation

All subsidiary companies are consolidated and all companies in the Group make up their financial statements to 30 November 2000. No profit and loss account is presented for the holding company as provided for by Section 230(3) of the Companies Act 1985.

A profit of £35,000 (1999 - loss of £87,000) before dividends payable has been dealt with in the accounts of Ian Allan Group Limited.

Deferred taxation

Provision is made for deferred taxation on the liability method for all short-term timing differences. Provision is also made for long-term timing differences, except to the extent that there is a reasonable probability of the tax not falling due for payment in the foreseeable future. Such tax not provided for is disclosed as a contingent liability.

Depreciation

Depreciation is charged on the following bases to reduce the cost of the Group's tangible fixed assets to their net realisable values over their estimated useful lives at the following rates.

Freehold land	- nil
Freehold buildings	- on straight line basis over expected economic life
Leasehold property	- on a straight line basis over the term of the lease
Vehicles	- 25% per annum on cost
Plant and equipment:	
Computers and computer based equipment	- 20-33% per annum on cost
Printing presses	- 20% per annum on cost
Telephone systems	- 10% per annum on cost
Other	- 10-20% per annum on net book value

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2000

1. Accounting policies (Continued)

Goodwill

Goodwill on the acquisition of subsidiary undertakings acquired during the year is amortised over a period of ten years on a straight line basis.

Goodwill brought forward at 1 December 1995 which had not yet been fully written-down is being amortised over a period of twenty years on a straight line basis as from 1 December 1981.

Goodwill purchased during the financial year ended 30 November 1996 is being amortized over the expected useful life of four years.

Intangible fixed assets - Research and development

Expenditure on research is charged to the profit and loss account in the year in which the expenditure is incurred.

The purchase of backlist titles for further development and expenditure on further back projects is capitalised and deferred to future periods in accordance with Statement of Standard Accounting Practice 13.

The cost, less estimated residual value, of the company's intangible fixed assets is amortised over their estimated useful lives to the business as follows:

Development costs	- 20% per annum on cost
-------------------	-------------------------

Stocks and Work in Progress

Stocks have been valued, as in previous years at cost and net realisable value, whichever is the lower, less an adjustment to cover wastage, spoilt work, shortages and deteriorated stock in the hands of representatives.

Cost of bringing each product to its present location comprises purchase cost of goods, direct labour and those overheads related to production based on a normal activity level.

Net realisable value is based on estimated selling price.

Consignment stock is recognised in the balance sheet of the Group with a corresponding liability once vehicles are delivered to the Group's premises. Consignment stock held at third party premises is disclosed as a financial commitment.

Turnover

Turnover is the total amount receivable by the Group for goods supplied and services provided, excluding value added tax and trade discounts. In so far as travel facilities are concerned the turnover included in these accounts represents the gross sales effected.

Short term deposits

Short term deposits are bank deposit accounts where the notice period is greater than 24 hours.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2000

1. Accounting policies (Continued)**Pension scheme arrangements**

The Group operates defined contribution pension schemes for the benefit of eligible employees and the funds of the schemes are administered by trustees and are separate from the Group funds. Pension costs are charged against profits as are the amount of contributions payable to the pension schemes in respect of the accounting period. The Group also made contributions to the defined benefit and defined contribution pension schemes of Kvaerner Plc for certain of its employees for two months of the year. The costs paid are charged to the profit and loss account as incurred

Lease and hire purchase commitments

Payments under operating leases are charged to the profit and loss account as incurred.

Assets financed under hire purchase contracts are capitalised in the balance sheet and are depreciated over their estimated useful economic lives.

Assets financed under finance leases are capitalised in the balance sheet at their fair value and are depreciated over the shorter of the term of the lease and their estimated useful economic lives.

Finance charges and interest in connection with finance leases and hire purchase contracts are charged to the profit and loss account on the sum of the digits basis.

Foreign currencies

Monetary assets expressed in foreign currencies are translated into sterling at the rate ruling at the balance sheet date. Revenues and costs are translated at the rate ruling on the date on which the transactions occur.

Turnover and profit on ordinary activities before taxation**2. Turnover was contributed as follows.**

	2000 £000	1999 £000
Vehicle sales and servicing	11,203	11,043
Printing, publishing and regalia sales	7,945	7,272
Travel sales	41,850	29,824
Property rentals and other operations	765	697
Horticultural product sales	1,377	1,216
	<hr/>	<hr/>
	63,140	50,052
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2000

2. Turnover and profit on ordinary activities before taxation (Continued)

Turnover and profit on ordinary activities before taxation were contributed by continuing operations as follows.

	2000 Continuing £000	1999 Continuing £000	1999 Acquisitions £000	1999 Total £000
Turnover	63,140	47,415	2,637	50,052
Cost of sales	53,598	40,356	1,908	42,264
Gross profit	9,542	7,059	729	7,788
Operating expenses				
Distribution	521	486	-	486
Administration	8,393	6,340	667	7,007
Other operating income	119	207	3	210
Operating profit	747	440	65	505

Profit is stated after charging:

	2000 £000	1999 £000
Depreciation and amortisation	806	706
Auditors' remuneration - audit	52	50
Auditors' remuneration - non audit	22	14
Operating lease rentals - plant and machinery	28	19
Operating lease rentals - land and buildings	30	60
and after crediting		
Other operating income		
Other sundry income	107	177
Profit on disposal of other fixed assets	12	33
	119	210

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2000

3. Interest

	2000 £000	1999 £000
Interest receivable		
On bank deposit	28	47
Other	6	6
	<hr/>	<hr/>
	34	53
	<hr/>	<hr/>
Interest payable		
On bank overdraft	7	2
On other loans	51	43
	<hr/>	<hr/>
	58	45
	<hr/>	<hr/>

4. Tax on profit on ordinary activities

	2000 £000	1999 £000
UK Corporation Tax:		
Current tax on profits of the year	276	192
Adjustment in respect of prior periods	(1)	(10)
	<hr/>	<hr/>
	275	182
	<hr/>	<hr/>
Transfer from deferred taxation	(26)	(21)
	<hr/>	<hr/>
	249	161
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2000

5. Dividends

	2000 £000	1999 £000
Ordinary shares		
Final dividend proposed of 14p per share	3	3
Founders' shares		
Final dividend proposed of £0.95 per share	100	-
	<hr/>	<hr/>
Total proposed final dividend	103	3
	<hr/>	<hr/>

6. Staff costs

Staff costs, including directors remuneration, were as follows

	2000 £000	1999 £000
Wages and salaries	5,340	4,595
Social security costs	593	430
Pension costs	153	95
	<hr/>	<hr/>
	6,086	5,120
	<hr/>	<hr/>

The average monthly number of employees during the year was as follows

	No.	No.
Production	37	36
Sales	131	126
Administrative	125	88
	<hr/>	<hr/>
	293	250
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2000

7. Directors

	2000 £000	1999 £000
Remuneration		
All directors		
Aggregate emoluments	474	496
Company pension contributions to money purchase schemes	72	61
	<u> </u>	<u> </u>
Highest paid director		
Aggregate emoluments	136	130
Company pension contributions to money purchase schemes	12	12
	<u> </u>	<u> </u>
	148	142
	<u> </u>	<u> </u>
Amount of rights to emoluments waived by three directors	119	88
	<u> </u>	<u> </u>

Retirement benefits accrued to five directors under money purchase pension schemes during the year (1999 - five).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2000

8. Intangible fixed assets

Group

	Goodwill £000	Development costs £000	Other £000	Total £000
Cost				
At 1 December 1999	29	36	1,184	1,249
Additions	-		2	2
30 November 2000	29	36	1,186	1,251
Amortisation				
At 1 December 1999	29	36	245	310
Charge for the year	-	-	105	105
30 November 2000	29	36	350	415
Net book amount				
At 30 November 1999	-	-	939	939
At 30 November 2000	-	-	836	836

"Other" assets under this heading represent the excess of cost of shares in subsidiary companies over book value of the net assets of these companies at the dates of acquisition.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2000

9. Tangible fixed assets

Group	Freehold Land and Buildings £000	Short Leasehold Property £000	Vehicles Plant and Equipment £000	Total £000
Cost				
At 1 December 1999	9,755	159	4,006	13,920
Additions	761	-	414	1,175
Disposals	-	-	(632)	(632)
At 30 November 2000	10,516	159	3,788	14,463
Depreciation				
At 1 December 1999	-	81	2,295	2,376
Charge for the year	42	18	641	701
Released on disposals	-	-	(622)	(622)
At 30 November 2000	42	99	2,314	2,455
Net book value				
At 30 November 1999	9,755	78	1,711	11,544
At 30 November 2000	10,474	60	1,474	12,008

All freehold land and buildings are included at historical cost.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2000

9. Tangible fixed assets (Continued)

Company	Vehicles Plant and Equipment £000
Cost	
At 1 December 1999	246
Additions	51
Disposals	(46)
	<hr/>
At 30 November 2000	251
	<hr/>
Depreciation	
At 1 December 1999	146
Charge for the year	45
Disposals	(42)
	<hr/>
At 30 November 2000	149
	<hr/>
Net book value	
At 30 November 1999	100
	<hr/>
At 30 November 2000	102
	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2000

10. Investments

Company	2000 £000	1999 £000
Shares in group companies		
At 1 December 1999	2,478	797
Additions	3	1,681
	<hr/>	<hr/>
30 November 2000	2,481	2,478
	<hr/>	<hr/>

The principal subsidiary undertakings wholly owned by the group at 30 November 2000 are listed below. All the undertakings are registered in England and Wales.

	<u>Nature of business</u>
Ian Allan Publishing Limited	Publishers and booksellers
Ian Allan Motors Limited	Car sales and service
Ian Allan Travel Limited	Business travel managers
Lysaker Travel Management Limited	Business travel managers
Ian Allan (Printing) Limited	Printers
Ian Allan (Miniature Railway Supplies) Limited	Miniature railway operator
Tennay Properties Limited	Property managers
Chase Organics (Great Britain) Limited	Horticultural products

Details of other subsidiary undertakings not listed here will be annexed to the company's next annual return.

11. Stock and work in progress

Group	2000 £000	1999 £000
Work in progress	247	240
New and used motor vehicles	962	1,125
Raw materials	53	64
Finished goods	2,427	2,061
	<hr/>	<hr/>
	3,689	3,490
	<hr/>	<hr/>

The above amounts include consignment stock of £216,000 (1999 - £251,000) delivered to the group's premises and recognised in the balance sheet of the group in accordance with FRS 5.

There are no significant differences between the replacement cost and the values disclosed for all categories of stock.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2000

12. Debtors

	Group		Company	
	2000 £000	1999 £000	2000 £000	1999 £000
Trade debtors	4,367	4,824	-	-
Amounts due from group undertakings	-	-	9,142	8,423
Other debtors	438	311	136	148
Prepayments and accrued income	416	307	18	26
	<u>5,221</u>	<u>5,442</u>	<u>9,296</u>	<u>8,597</u>

All amounts included above are considered receivable within one year.

13. Creditors:

Amounts falling due within one year

	Group		Company	
	2000 £000	1999 £000	2000 £000	1999 £000
Bank overdrafts	-	253	4,315	3,560
Trade creditors	3,756	3,616	22	5
Amounts due to group undertakings	-	-	133	185
Current corporation tax	215	192	-	6
Social security and other taxes	295	240	116	91
Other creditors	280	300	9	61
Accruals and deferred income	2,027	1,816	31	47
Proposed dividend	103	3	103	3
	<u>6,676</u>	<u>6,420</u>	<u>4,729</u>	<u>3,958</u>

14. Creditors:

Amounts falling due after more than one year

	Group		Company	
	2000 £000	1999 £000	2000 £000	1999 £000
Other creditors	350	350	350	350

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2000

15. Provisions for liabilities and charges

Provision for relocation of distribution and warehousing operations

Group	2000 £000	1999 £000
At 1 December 1998	35	-
Charge for the year	-	35
	<hr/>	<hr/>
At 30 November 1999	35	35
	<hr/>	<hr/>

The provision represents the anticipated costs of relocating the groups book distribution and warehousing operations. Notice was served during the year on the group's current service providers and it is anticipated that the relocation will occur in August 2000.

Deferred taxation

Deferred taxation provided in the financial statements and the potential liability unprovided are set out below.

Group	Amount provided		Potential liability unprovided	
	2000 £000	1999 £000	2000 £000	1999 £000
Accelerated capital allowances	156	182	-	-
Rolled over gains	-	-	1,380	1,380
	<hr/>	<hr/>	<hr/>	<hr/>
	156	182	1,380	1,380
	<hr/>	<hr/>	<hr/>	<hr/>

The unprovided liability shown above will only crystallise in the event of a disposal of certain tangible assets for their net book value at 30 November 2000.

As the directors have no intention of disposing of these assets in the foreseeable future without reinvestment no provision has been made in the financial statements.

Movements during the year were as follows

	2000 £	1999 £
At 1 December 1999	182	203
Transfer to corporation tax	(26)	(21)
	<hr/>	<hr/>
At 30 November 2000	156	182
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2000

16. Called up share capital

	2000 £000	1999 £000
Authorised		
Non-equity		
23,750 ordinary shares of £1 each	24	24
Equity		
105,000 founders shares of 25p each	26	26
	<hr/>	<hr/>
	50	50
	<hr/>	<hr/>
Allotted, called up and fully paid		
Non-equity		
23,682 ordinary shares of £1 each	24	24
Equity		
105,000 founders shares of 25p each	26	26
	<hr/>	<hr/>
	50	50
	<hr/>	<hr/>

The ordinary shares carry one vote per share. These shares have a preferential right to a dividend of up to 14% of the amount of the issued share capital, but no further rights to dividends. On a winding up the holders of the ordinary shares have a preferential right to repayment of the amount paid up with no rights to participate in any surplus over this amount.

The founders shares carry ten votes per share. No dividend may be received until the dividend rights of the ordinary shareholders have been satisfied, when they have rights to the full amount of the dividend declared. On a winding up the holders of founders shares participate in any surplus after repayment of the amounts paid up on the ordinary shares.

17. Profit and loss account

	Group		Company	
	2000 £000	1999 £000	2000 £000	1999 £000
At 1 December 1999	14,299	13,950	6,738	6,827
Profit (loss) for the financial year	371	349	(67)	(89)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 November 2000	14,670	14,299	6,671	6,738
	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2000

18. Reconciliation of movement in shareholders' funds

	2000 £000	1999 £000
Profit for the financial year	474	352
Dividends	103	3
	<hr/>	<hr/>
Opening shareholders' funds	371 14,428	349 14,079
	<hr/>	<hr/>
Closing shareholders' funds	14,799	14,428
	<hr/>	<hr/>
Analysis of shareholder's funds		
Non-equity interests	24	24
Equity interests	14,775	14,404
	<hr/>	<hr/>
	14,799	14,428
	<hr/>	<hr/>

19. Commitments under operating leases

At 30 November 2000 the group was committed to making the following payments under operating leases over the following twelve months.

	Land and Buildings £000	Other Assets £000
Contracts to expire:		
within one year	22,000	9,029
between one and five years	54,500	-
after five years	109,935	-
	<hr/>	<hr/>
	186,435	9,029
	<hr/>	<hr/>

20. Future capital expenditure

At 30 November 2000 the directors had authorised capital expenditure as follows.

	Group		Company	
	2000 £000	1999 £000	2000 £000	1999 £000
Contracted	194	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2000

21. Financial commitments

In accordance with normal motor car dealership practice, there is a commitment for vehicles on consignment plan from manufacturers. In accordance with FRS 5 vehicles delivered to the group's premises are recognised in the balance sheet. There were further commitments for vehicles on consignment plans from manufacturers at 30 November 2000 of £762,000 (1999 - £690,000).

22. Pension commitments

The group operates defined contribution pension plans for certain of its employees, the costs of which are calculated annually and charged in the profit and loss account. The Group also contributed to the defined benefit and defined contribution pension schemes of Kvaerner Plc for certain of the Group employees. On 31 January 2000, these employees ceased to be members of those schemes and their accrued pension funds have been transferred to defined contribution schemes operated by the Group. The Group has no unpaid funding liability in respect of these schemes as at 30 November 1999. The Group has contracted to pay pension contributions in respect of these employees up to a rate of 9 per cent of total pensionable salaries up to 3 November 2002.

Group pension costs for 2000 amounted to £153,000 (1999 - £90,000).

23. Contingent liabilities

- a. Ian Allan Group Limited has guaranteed the bank borrowings of other companies within the group. At 30 November 2000 the group had no net bank borrowings.
- b. The company has guaranteed the borrowing facility provided by Saab Finance Limited to finance the trading stock of the motor company. The value of the finance outstanding at 30 November 2000 was £137,000 (1998 - £285,000).

24. Related party transactions

The company has throughout the financial year, held a loan of £350,000 from the Ian Allan Group Limited Pension Fund, a scheme established for certain employees of the company. Interest is payable at 3% above base rate.

IAN ALLAN GROUP LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 NOVEMBER 2000

	2000 £	1999 £
INCOME		
ACCOUNTS' SERVICES	773,157	653,197
INTEREST RECEIVABLE	33,893	52,976
COMMISSIONS & SUNDRY REVENUES	3,975	3,729
PROFIT ON SALE OF ASSETS	4,000	9,742
	<hr/> 815,025	<hr/> 719,644
ADMINISTRATIVE & OTHER COSTS		
SALARIES, N.I. & PENSIONS	534,888	512,300
PENSIONS	55,383	54,017
STAFF RECRUITMENT & TRAINING	4,017	1,506
RENT & SERVICES	64,000	64,000
REPAIRS & MAINTENANCE	1,247	1,135
INSURANCES	2,524	4,421
POSTAGE	1,260	1,048
COMPUTER SERVICES	16,495	10,652
TELEPHONES	10,458	8,483
PRINTING & STATIONERY	3,273	3,098
TRAVELLING, & ENTERTAINING	28,517	25,948
MOTOR VEHICLE EXPENSES	25,429	26,571
GENERAL EXPENSES	4,551	3,836
AUDIT & ACCOUNTANCY FEES	10,000	10,950
LEGAL & PROFESSIONAL EXPENSES	40,134	26,651
BANK CHARGES	985	739
DEPRECIATION	44,525	49,608
PUBLICITY & PROMOTION	1,626	(2,040)
DONATIONS	8,191	3,901
	<hr/> 857,503	<hr/> 806,824
	<hr/> (42,478)	<hr/> (87,180)
BANK INTEREST PAYABLE	(6,814)	
OTHER INTEREST PAYABLE	(33,203)	(35,270)
DIVIDEND	100,000	-
	<hr/> 17,505	<hr/> (122,450)
(LOSS) PROFIT	<hr/> <hr/> 17,505	<hr/> <hr/> (122,450)