

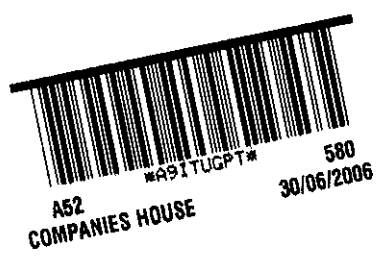
IAN ALLAN GROUP LIMITED

REGISTERED NUMBER 00739567

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2005

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DIRECTORS AND ADVISORS

CHAIRMAN	D.I. Allan
DIRECTORS	M.E. Allan Ian Allan OBE E.P. Allan G.S. 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

REPORT OF THE DIRECTORS**Financial statements**

The directors submit their report and the audited financial statements for the year ended 30 November 2005.

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 group businesses experienced varied fortunes in 2005. Both the organic horticultural products and travel companies produced good profits and a high level of return on investment. The property business continued to provide a steady income and the final contribution from the motor franchises was acceptable given the general state of the retail motor industry. Unfortunately poor performances from both the publishing and printing companies resulted in the group's consolidated results only showing a small profit before charging the amortisation of goodwill and corporation tax.

Looking forward to 2006, steps have been taken to rectify the situation in the two loss making entities by strengthening the senior management of those companies. Industry changes in the motor trade and travel management industry are being closely monitored and addressed. It is expected that the horticultural division will continue to improve on its strong performance and should benefit from the renewal of production of seaweed extract.

It is the intention of the directors to expand the property related business and to thus improve the contribution from this source.

The Directors expect to see an overall improvement in results in 2006.

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

Profits and dividend

The directors recommend a dividend of £3,315.

Fixed assets

The directors do not consider it practicable to quantify any difference between the market value and net book value of the group's interest in land at 30 November 2005.

Charitable and political contributions

The Group made charitable contributions during the year of £1,405.

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 2004 and at 30 November 2005 as recorded in the register maintained by the Group in accordance with the provisions of the Companies Act 1985, were as follows:

	30 November 2005		1 December 2004	
	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	-	-	-	-
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 2005 are listed on page 1.

Mr I. Allan and Mrs G.S. Allan retire by rotation and, being eligible, offer themselves for re-election.

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.

REPORT OF THE DIRECTORS

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

A handwritten signature in black ink, appearing to read 'D.A. Hart', is positioned above the printed name of the Secretary.

D.A. HART F.C.A.

Secretary

27 March 2006.

TO THE MEMBERS OF IAN ALLAN GROUP LIMITED

We have audited the financial statements of Ian Allan Group Limited for the year ended 30 November 2005 which comprise the Consolidated Profit and Loss Account, Consolidated and Company Balance Sheets, Consolidated Cash Flow Statement and 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 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the statement of Directors' Responsibilities contained within the Directors Report.

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 Directors' 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 the information specified by law regarding directors' remuneration and transactions with the group 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 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 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.

TO THE MEMBERS OF IAN ALLAN GROUP LIMITED

Qualified opinion arising from disagreement about accounting treatment

Included in fixed assets shown on the balance sheet is an amount of £2,863,000 being the carrying value of freehold investment properties. As stated in the accounting policies, the properties are not accounted for in accordance with Statement of Standard Accounting Practice 19 which requires such properties to be stated at market value. We are unable to quantify the financial effect of the non-compliance with this accounting standard.

Except for the absence of revaluation of freehold investment properties, in our opinion the financial statements give a true and fair view of the state of affairs of the company and of the group at 30 November 2005 and of the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

28 March 2006

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

Menzies

Menzies
Chartered Accountants and
Registered Auditor

CONSOLIDATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 NOVEMBER 2005

	Notes	2005 £000	2004 £000
Turnover	2	55,395	55,688
Cost of sales		45,261	45,402
Gross profit		10,134	10,286
Operating expenses			
Distribution		(735)	(712)
Administration		(9,574)	(9,650)
Profit on sale of fixed assets		3	1,041
Other operating income		166	104
Operating (loss) profit		(6)	1,069
Interest receivable	3	20	17
Interest payable	3	(48)	(50)
(Loss) profit on ordinary activities before taxation	2	(34)	1,036
Taxation on profit on ordinary activities	4	34	313
(Loss) profit on ordinary activities after taxation		(68)	723
Dividends	5	3	3
Retained (loss) profit for the financial year	17	(71)	720

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

CONSOLIDATED BALANCE SHEET

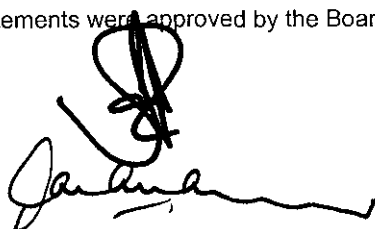
30 NOVEMBER 2005

	Notes	2005 £000	2005 £000	2004 £000	2004 £000
Fixed assets					
Intangible assets	8		612		779
Tangible assets	9		11,541		11,645
			<hr/>	<hr/>	
			12,153		12,424
Current assets					
Stock and work in progress	11	6,214		5,850	
Debtors	12	3,720		4,403	
Cash at bank		234		200	
			<hr/>	<hr/>	
			10,168		10,453
Creditors: amounts falling due within one year	13	6,050		6,535	
			<hr/>	<hr/>	
Net current assets			4,118		3,918
			<hr/>	<hr/>	
Total assets less current liabilities			16,271		16,342
Creditors: amounts falling due after more than one year	14		230		230
Provisions for liabilities and charges	15		95		95
			<hr/>	<hr/>	
			15,946		16,017
			<hr/>	<hr/>	
Capital and reserves					
Called up share capital	16		50		50
Share premium account			79		79
Profit and loss account	17		15,817		15,888
			<hr/>	<hr/>	
Shareholders' funds	18		15,946		16,017
			<hr/>	<hr/>	

The financial statements were approved by the Board of Directors on 27 March 2006.

Directors:

D.I. Allan



E.P. Allan

BALANCE SHEET

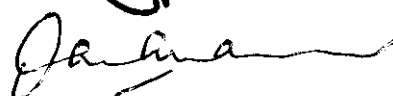
30 NOVEMBER 2005

	Notes	2005 £000	2005 £000	2004 £000	2004 £000
Fixed assets					
Tangible assets	9		80		63
Investments	10		2,481		2,481
			<hr/>		<hr/>
			2,561		2,544
Current assets					
Debtors	12	12,163		11,717	
Cash in hand		1		1	
		<hr/>		<hr/>	
			12,164		11,718
Creditors: amounts falling due within one year	13	7,857		7,223	
		<hr/>		<hr/>	
Net current assets			4,307		4,495
			<hr/>		<hr/>
Total assets less current liabilities			6,868		7,039
Creditors: amounts falling due after more than one year	14		230		230
			<hr/>		<hr/>
			6,638		6,809
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	16		50		50
Share premium account			79		79
Profit and loss account	17		6,509		6,680
			<hr/>		<hr/>
Shareholders' funds	18		6,638		6,809
			<hr/>		<hr/>

The financial statements were approved by the Board of Directors on 27 March 2006.

Directors:

D.I. Allan



E.P. Allan

CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 30 NOVEMBER 2005

	Notes	2005 £000	2004 £000
Cash inflow from operating activities	a	648	876
Returns on investments and servicing of finance	b	(28)	(33)
Taxation		(195)	(160)
Capital expenditure and financial investment	b	(423)	469
Equity dividends paid		-	(3)
Cash inflow before use of liquid resources and financing		2	1,149
Management of liquid resources			
Net movements in short term deposits		-	-
Increase in cash in the period		2	1,149
Reconciliation of net cash flow to movements in net funds			
Increase in cash in the period		2	1,149
Cash outflow from change in liquid resources		-	-
Change in net funds resulting from cash flows		2	1,149
Movement in net funds (debt) in the period		2	1,149
Net funds (debt) at 1 December 2004		183	(966)
Net funds at 30 November 2005	c	185	183

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 30 NOVEMBER 2005

a Reconciliation of operating profit to operating cash flows

	2005 £000	2004 £000
Operating (loss) profit	(6)	1,069
(Increase) decrease in stocks	(364)	195
Decrease in debtors	683	107
(Decrease) in creditors	(359)	(140)
Increase (decrease) in provision		6
Depreciation and amortisation	697	680
Net profit on disposal of tangible fixed assets	(3)	(1,041)
Net cash inflow from operating activities	648	876

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

	2005 £000	2004 £000
Returns on investments and servicing of finance		
Interest paid	(48)	(50)
Interest received	20	17
Net cash outflow for returns on investments and servicing of finance	(28)	(33)
Capital expenditure and financial investment		
Purchase of intangible fixed assets	(7)	(6)
Purchase of tangible fixed assets	(421)	(1,213)
Sale of tangible fixed assets	5	1,694
Purchase of investment	-	(6)
Net cash (inflow) outflow for capital expenditure and financial investment	(423)	469

c Analysis of net funds (debt)

	At 1 Dec 2004 £000	Cash flow £000	At 30 Nov 2005 £000
Cash at bank and in hand	183	2	185

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2005

1. Accounting policies

The principal accounting policies of the Group 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 2005. No profit and loss account is presented for the holding company as provided for by Section 230(3) of the Companies Act 1985.

A loss of £198,000 (2004 - £318,000) before dividends payable has been dealt with in the accounts of Ian Allan Group Limited.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Deferred tax assets are recognised only to the extent that the directors consider 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.

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	- 20% per annum on cost
Other	- 15% per annum on net book value, or 10 - 20% on cost

Investment properties

Investment properties are stated at historic cost and subject to annual depreciation in accordance with the policy stated above. This is not in accordance with Statement of Standard Accounting Practice 19 which requires such properties to be stated at market value and not subject to depreciation. The directors are of the opinion that the costs of obtaining professional valuations would outweigh the benefits to the company.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2005

1. Accounting policies (Continued)

Goodwill

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

Purchased goodwill has been fully written-down over the expected useful life.

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.

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 costs paid are charged to the profit and loss account as incurred

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2005

1. Accounting policies (Continued)**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.

2. Turnover and profit on ordinary activities before taxation

Turnover was contributed as follows.

	2005 £000	2004 £000
Vehicle sales and servicing	11,837	11,994
Printing and publishing sales	11,003	10,750
Travel sales	29,694	30,190
Property rentals and other operations	990	992
Horticultural product sales	1,871	1,762
	<hr/>	<hr/>
	55,395	55,688
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2005

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

(Loss) profit is stated after charging:

	2005 £000	2004 £000
Depreciation and amortisation	697	680
Auditors' remuneration - audit	62	62
Auditors' remuneration - non audit	16	24
Operating lease rentals - plant and machinery	174	80
Operating lease rentals - land and buildings	155	80
Loss on disposal of fixed assets	-	-
	<hr/>	<hr/>
and after crediting		
Other operating income		
Profit on disposal of fixed assets	3	1,041
Other sundry income	166	104
	<hr/>	<hr/>
	169	1,145
	<hr/>	<hr/>

3. Interest

	2005 £000	2004 £000
Interest receivable		
On bank deposit	2	10
Other	18	7
	<hr/>	<hr/>
	20	17
	<hr/>	<hr/>
Interest payable		
On bank overdraft	19	8
On other loans	29	42
	<hr/>	<hr/>
	48	50
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2005

4. Tax on profit on ordinary activities

(a) Analysis of charge for the year

	2005 £	2004 £
Current tax:		
UK Corporation tax on profits for the year	52	270
Adjustment in respect of prior years	(18)	20
	<hr/>	<hr/>
Total current tax (note 4b)	34	290
Deferred tax:		
Origination and reversal of timing differences	-	23
	<hr/>	<hr/>
	34	313
	<hr/>	<hr/>

(b) Factors affecting the tax charge for the year

The tax assessed for the year is higher than the standard rate of Corporation Tax in the UK. The differences are explained below:

	2005 £	2004 £
Profit on ordinary activities before tax	(34)	1,036
	<hr/>	<hr/>
Profit on ordinary activities before tax multiplied by the rate of Corporation Tax of 30% (2004 : 30%)	(10)	311
Expenses not deductible for tax purposes	(15)	17
Capital allowances in excess of depreciation	-	(27)
Depreciation in excess of capital allowances	84	-
Profit on disposal of fixed assets	(1)	-
Adjustments in respect of prior years	(18)	20
Chargeable gains indexation allowance	-	(62)
Other timing differences	9	(1)
Differences in group tax rates	(15)	32
	<hr/>	<hr/>
Current tax charge for the year	34	290
	<hr/>	<hr/>

(c) Factors that may affect future tax charges

No provision has been made for deferred tax on chargeable gains which have been rolled into certain of the company's fixed assets on the grounds that the directors have no intention of disposing of those assets without further reinvestment. The potential tax liability relating to the rolled over gain amounts to £1,388,000.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2005

5. Dividends

	2005 £000	2004 £000
Ordinary shares		
Final dividend proposed of 14p per share	3	3
	<hr/>	<hr/>
Total proposed final dividend	3	3
	<hr/>	<hr/>

6. Staff costs

Staff costs, including directors remuneration, were as follows

	2005 £000	2004 £000
Wages and salaries	6,612	6,536
Social security costs	699	671
Redundancy costs	3	7
Pension costs	77	182
	<hr/>	<hr/>
	7,391	7,396
	<hr/>	<hr/>

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

	No.	No.
Production	46	37
Sales	160	153
Administrative	99	99
	<hr/>	<hr/>
	305	289
	<hr/>	<hr/>

7. Directors

	2005 £000	2004 £000
Remuneration		
All directors		
Aggregate emoluments	722	777
Company pension contributions to money purchase schemes	40	137
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2005

7. Directors (continued)

	2005 £000	2004 £000
Highest paid director		
Aggregate emoluments	273	275
Company pension contributions to money purchase schemes	-	33
	<u>273</u>	<u>308</u>
Amount of rights to emoluments waived by three directors	-	181

Retirement benefits accrued to four directors under money purchase pension schemes during the year (2004 - five).

8. Intangible fixed assets

Group

	Goodwill £000	Development costs £000	Other £000	Total £000
Cost				
At 1 December 2004	389	7	1,436	1,832
Additions	7	-	-	7
At 30 November 2005	<u>396</u>	<u>7</u>	<u>1,436</u>	<u>1,839</u>
Amortisation				
At 1 December 2004	203	7	843	1,053
Charge for the year	36	-	138	174
At 30 November 2005	<u>239</u>	<u>7</u>	<u>981</u>	<u>1,227</u>
Net book amount				
At 30 November 2004	<u>186</u>	<u>-</u>	<u>593</u>	<u>779</u>
At 30 November 2005	<u>157</u>	<u>-</u>	<u>455</u>	<u>612</u>

"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 2005

9. Tangible fixed assets

Group	Freehold Land and Buildings £000	Vehicles Plant and Equipment £000	Total £000
Cost			
At 1 December 2004	10,808	2,924	13,732
Additions	24	397	421
Disposals	-	(469)	(469)
	<hr/>	<hr/>	<hr/>
At 30 November 2005	10,832	2,852	13,684
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 December 2004	223	1,864	2,087
Charge for the year	56	467	523
Released on disposals	-	(467)	(467)
	<hr/>	<hr/>	<hr/>
At 30 November 2005	279	1,864	2,143
	<hr/>	<hr/>	<hr/>
Net book value			
At 30 November 2004	10,585	1,060	11,645
	<hr/>	<hr/>	<hr/>
At 30 November 2005	10,553	988	11,541
	<hr/>	<hr/>	<hr/>

All freehold land and buildings are included at historical cost.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2005

9. Tangible fixed assets (Continued)

Company	Vehicles Plant and Equipment £000
Cost	
At 1 December 2004	224
Additions	41
Transfers from other group undertakings	11
Disposals	(32)
	<hr/>
At 30 November 2005	244
	<hr/>
Depreciation	
At 1 December 2004	161
Charge for the year	31
Transfers from other group undertakings	4
Disposals	(32)
	<hr/>
At 30 November 2005	164
	<hr/>
Net book value	
At 30 November 2004	63
	<hr/>
At 30 November 2005	80
	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2005

10. Investments

Group		
	2005 £000	2004 £000
Unlisted investment		
Net book value at 1 December 2004	-	-
Additions	-	6
Disposals	-	-
Provision	-	(6)
	<hr/>	<hr/>
Net book value at 30 November 2005	-	-
	<hr/>	<hr/>
Company		
	2005 £000	2004 £000
Shares in group companies		
At 1 December 2004	2,481	2,481
	<hr/>	<hr/>
At 30 November 2005	2,481	2,481
	<hr/>	<hr/>

The principal subsidiary undertakings wholly owned by the group at 30 November 2005 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
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		
	2005 £000	2004 £000
Work in progress	173	216
New and used motor vehicles	1,261	1,286
Raw materials	54	80
Finished goods	4,726	4,268
	<hr/>	<hr/>
	6,214	5,850
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2005

11. Stock and work in progress (continued)

The above amounts include consignment stock of £192,000 (2004 - £262,000) 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.

12. Debtors

	Group		Company	
	2005 £000	2004 £000	2005 £000	2004 £000
Trade debtors	3,262	3,692	-	-
Amounts due from group undertakings	-	-	12,132	11,681
Other debtors	154	288	12	11
Prepayments and accrued income	304	423	19	25
	<u>3,720</u>	<u>4,403</u>	<u>12,163</u>	<u>11,717</u>

All amounts included above are considered receivable within one year.

13. Creditors:

Amounts falling due within one year

	Group		Company	
	2005 £000	2004 £000	2005 £000	2004 £000
Bank overdrafts	49	17	7,472	6,745
Trade creditors	3,450	3,743	12	7
Amounts due to group undertakings	-	-	133	133
Current corporation tax	15	176	-	-
Social security and other taxes	310	319	98	117
Other creditors	410	419	27	2
Accruals and deferred income	1,810	1,858	109	216
Proposed dividend	6	3	6	3
	<u>6,050</u>	<u>6,535</u>	<u>7,857</u>	<u>7,223</u>

14. Creditors:

Amounts falling due after more than one year

	Group		Company	
	2005 £000	2004 £000	2005 £000	2004 £000
Other creditors	230	230	230	230

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2005

15. Provisions for liabilities and charges

Deferred taxation

Group

	2005 £	2004 £
Accelerated capital allowances	122	122
Other short term timing differences	(27)	(27)

Movements during the year were as follows:

	2005 £	2004 £
At 1 December 2004	95	72
Amount released	-	23
At 30 November 2005	95	95

16. Called up share capital

	2005 £000	2004 £000
Authorised		
Non-equity		
23,750 ordinary shares of £1 each	24	24
Equity		
105,000 founders shares of 25p each	26	26
	50	50
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
	50	50

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2005

17. Profit and loss account

	Group		Company	
	2005 £000	2004 £000	2005 £000	2004 £000
At 1 December 2004	15,888	15,168	6,680	7,001
(Loss) profit for the financial year	(71)	720	(171)	(321)
At 30 November 2005	15,817	15,888	6,509	6,680

18. Reconciliation of movement in shareholders' funds

	2005 £000	2004 £000
(Loss) profit for the financial year	(68)	723
Dividends	3	3
Opening shareholders' funds	(71) 16,017	720 15,297
Closing shareholders' funds	15,946	16,017
Analysis of shareholders' funds		
Non-equity interests	24	24
Equity interests	15,922	15,993
	15,946	16,017

19. Commitments under operating leases

At 30 November 2005 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	3	-
between one and five years	44	159
after five years	38	-
	85	159

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2005

20. Future capital expenditure

Capital expenditure contracted for but not provided for in the financial statements at 30 November 2005 amounted to £97,000 (2004 - £nil)

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 2005 of £111,000 (2004 - £135,000).

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.

Group pension costs for 2005 amounted to £77,000 (2004 - £182,000).

23. Contingent liabilities

- a. The company has provided Barclays Bank plc with guarantees to secure the bank borrowings of other companies within the group. At 30 November 2005 the group had net bank borrowings with Barclays Bank plc of £49,000 (2004 - £17,000).
- 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 2005 was £192,000 (2004 - £134,000).

24. Related party transactions

- a. The company has throughout the financial year, held a loan 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.

	2005 £000	2004 £000
At 1 December 2004	230	230
At 30 November 2005	230	230

- b. The company made a loan to EP Allan, a director and shareholder of the company, to assist the purchase of a property on which the loan was secured. The amount of the loan on 21 December 2004 was £685,690 and this was the maximum amount outstanding during the year. It was fully repaid by 31 March 2005.

IAN ALLAN GROUP LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 NOVEMBER 2005

	2005 £	2004 £
INCOME		
MANAGEMENT SERVICES	1,043,399	1,028,613
INTEREST RECEIVABLE	2,123	10,996
COMMISSIONS & SUNDRY REVENUES	6,573	9,884
PROFIT ON SALE OF ASSETS	3,140	4,111
	<hr/>	<hr/>
	1,055,235	1,053,604
ADMINISTRATIVE & OTHER COSTS		
SALARIES, N.I. & BENEFITS	901,188	954,595
PENSIONS	44,483	140,775
STAFF RECRUITMENT & TRAINING	14,938	639
RENT	50,000	50,000
REPAIRS & MAINTENANCE	1,049	1,332
INSURANCES	2,056	4,161
POSTAGE	1,261	1,224
COMPUTER SERVICES	27,096	24,869
TELEPHONES	8,401	10,671
PRINTING & STATIONERY	2,606	2,762
TRAVELLING, & ENTERTAINING	47,675	40,550
MOTOR VEHICLE EXPENSES	28,174	34,137
GENERAL EXPENSES	5,747	6,759
AUDIT & ACCOUNTANCY FEES	13,500	13,000
LEGAL & PROFESSIONAL EXPENSES	26,514	28,048
BANK CHARGES	2,118	1,906
DEPRECIATION	31,359	27,879
PUBLICITY & PROMOTION	4,673	1,411
DONATIONS	1,405	1,625
	<hr/>	<hr/>
	1,214,243	1,346,343
	<hr/>	<hr/>
	(159,008)	(292,739)
BANK INTEREST PAYABLE	(19,401)	(7,631)
OTHER INTEREST PAYABLE	(19,276)	(17,548)
	<hr/>	<hr/>
DIVIDEND	(197,685)	(317,918)
	(3,315)	(3,315)
	<hr/>	<hr/>
(LOSS) PROFIT	(201,000)	(321,233)
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