

IAN ALLAN GROUP LIMITED

REGISTERED NUMBER 00739567

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2007

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THURSDAY



A05 "AD173ZQ4"
15/05/2008 119
COMPANIES HOUSE

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

The directors have pleasure in presenting their report and the financial statements for the year ended 30 November 2007

Principal activities and business review

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

With the exceptions of the Motors and Publishing companies, the group businesses produced acceptable profits for the year. Motors experienced management changes at the Peugeot garage, which adversely affected performance. The Publishing company sustained a smaller loss than the previous year but the improvement expected for the full year did not materialise as the mail order division performed poorly.

Future Developments

Plans are in hand for a major reorganisation of the Publishing company's mail order handling, with a view to returning that part of the business to profitability. Peugeot have indicated that all their dealers will receive 2 years notice of termination of their franchise agreements in Spring 2008 in order to reorganise the franchise network. The directors will continue to invest in the Group's property, business travel and horticultural companies to maximise their potential.

Results and dividends

The profit for the year, after taxation, amounted to £7,000 (2006: loss of £79,000). No dividends were paid during the year.

Close company status

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

Financial risk management objectives and policies

There are no matters concerning financial risk which are material for the assessment of the assets, liabilities, financial position and profit or loss of the Group.

Directors and their interests in the shares of the company

The directors' interests in the capital of the Group at 1 December 2006 and at 30 November 2007 as recorded in the register maintained by the Group in accordance with the provisions of the Companies Act 1985, were as follows:

	30 November 2007		1 December 2006	
	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	-	-	-	-

REPORT OF THE DIRECTORS**Directors (continued)**

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

The directors who served the company during the year are listed on page 1

Mrs M E Allan and Mr A D Watkins retire by rotation and, being eligible, offer themselves for re-election

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for the period.

In preparing those financial statements the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- 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 also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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 2007.

Charitable and political contributions

During the year the Group made the following contributions

	2007 £	2006 £
Charitable	3,553	6,729
No contributions were made for political purposes		

REPORT OF THE DIRECTORS

Disabled persons

The Group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the Group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Employee involvement

During the year, the policy of providing employees with information about the Group has continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the Group's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

Auditors

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

Signed on behalf of the directors

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

14 April 2008

TO THE SHAREHOLDERS OF IAN ALLAN GROUP LIMITED

We have audited the group and parent company financial statements ("the financial statements") of Ian Allan Group Limited for the year ended 30 November 2007 on pages 7 to 28, which have been prepared on the basis of the accounting policies set out on pages 13 to 15

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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' report is consistent with the financial statements

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if the information specified by law regarding directors' remuneration and other transactions is not disclosed

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group'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 SHAREHOLDERS 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 £2,683,907 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group and parent company's affairs at 30 November 2007 and of the company's profit for the year then ended,
- and have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

22 April 2008

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 2007

	Notes	2007 £000	2006 £000
Turnover	2	58,417	57,157
Cost of sales		47,818	46,555
		<hr/>	<hr/>
Gross profit		10,599	10,602
Operating expenses			
Distribution		(835)	(792)
Administration		(10,259)	(9,947)
Profit on sale of fixed assets		335	54
Other operating income		219	173
		<hr/>	<hr/>
Operating profit		59	90
Interest receivable	3	12	7
Interest payable	3	(52)	(43)
		<hr/>	<hr/>
Profit on ordinary activities before taxation	2	19	54
Taxation on profit on ordinary activities	4	12	133
		<hr/>	<hr/>
Retained profit /(loss) for the financial year	17	7	(79)
		<hr/>	<hr/>

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 STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 30 NOVEMBER 2007

	2007 £000	2006 £000
Profit /(loss) for the financial year attributable to shareholders	7	(79)
Total recognised gains and losses relating to the year	7	(79)
Prior year adjustment	-	80
Total gains and losses recognised since the last annual report	7	1

CONSOLIDATED BALANCE SHEET


30 NOVEMBER 2007


	Notes	2007		2006	
		£000	£000	£000	£000
Fixed assets					
Intangible assets	8		308		458
Tangible assets	9		11,145		11,431
			<hr/>		<hr/>
			11,453		11,889
Current assets					
Stock and work in progress	11	6,683		6,061	
Debtors	12	4,316		4,249	
Cash at bank		350		492	
			<hr/>		<hr/>
			11,349		10,802
Creditors amounts falling due within one year	13	6,499		6,390	
			<hr/>		<hr/>
Net current assets			4,850		4,412
			<hr/>		<hr/>
Total assets less current liabilities			16,303		16,301
Creditors amounts falling due after more than one year	14		230		230
Provisions for liabilities and charges	15		119		124
			<hr/>		<hr/>
			15,954		15,947
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	16		50		50
Share premium account			79		79
Profit and loss account	17		15,825		15,818
			<hr/>		<hr/>
Shareholders' funds	18		15,954		15,947
			<hr/>		<hr/>

The financial statements were approved by the Board of Directors on 14 April 2008

Directors:

D.I. Allan





E P Allan

BALANCE SHEET

30 NOVEMBER 2007

	Notes	2007 £000	2006 £000
Fixed assets			
Tangible assets	9	58	78
Investments	10	1,110	1,110
		<hr/>	<hr/>
		1,168	1,188
Current assets			
Debtors	12	14,076	13,122
Cash in hand		1	-
		<hr/>	<hr/>
		14,077	13,122
Creditors amounts falling due within one year	13	8,161	7,012
		<hr/>	<hr/>
Net current assets		5,916	6,110
		<hr/>	<hr/>
Total assets less current liabilities		7,084	7,298
Creditors amounts falling due after more than one year	14	230	230
		<hr/>	<hr/>
		6,854	7,068
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	16	50	50
Share premium account		79	79
Profit and loss account	17	6,725	6,939
		<hr/>	<hr/>
Shareholders' funds		6,854	7,068
		<hr/>	<hr/>

The financial statements were approved by the Board of Directors on 14 April 2008

Directors:


 D.I. Allan


 E.P. Allan

CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 30 NOVEMBER 2007

	Notes	2007 £000	2006 £000
Cash inflow /(outflow) from operating activities	a	418	(79)
Returns on investments and servicing of finance	b	(40)	(36)
Taxation		(100)	(15)
Capital expenditure and financial investment	b	114	(360)
Equity dividends paid		-	(6)
Cash inflow /(outflow) before use of liquid resources and financing		392	(496)
Management of liquid resources			
Net movements in short term deposits		-	-
Increase /(decrease) in cash in the period		392	(496)
Reconciliation of net cash flow to movements in net funds			
Increase /(decrease) in cash in the period		392	(496)
Cash outflow from change in liquid resources		-	-
Change in net funds /(debt) resulting from cash flows		392	(496)
Reclassification of other creditors as debt		(230)	-
Movement in net funds /(debt) in the period		162	(496)
Net (debt)/ funds at 1 December 2006		(311)	185
Net debt at 30 November 2007	c	(149)	(311)

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 30 NOVEMBER 2007

a Reconciliation of operating profit to operating cash flows

	2007 £000	2006 £000
Operating profit	59	90
(Increase)/ decrease in stocks	(622)	153
(Increase)/ in debtors	(67)	(449)
Increase /(decrease) in creditors	726	(497)
Depreciation and amortisation	657	678
Net profit on disposal of tangible fixed assets	(335)	(54)
Net cash inflow /(outflow) from operating activities	418	(79)

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

	2007 £000	2006 £000
Returns on investments and servicing of finance		
Interest paid	(52)	(43)
Interest received	12	7
Net cash outflow for returns on investments and servicing of finance	(40)	(36)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(381)	(450)
Sale of tangible fixed assets	495	90
Net cash inflow /(outflow) for capital expenditure and financial investment	114	(360)

c Analysis of net funds /(debt)

	At 1 Dec 2006 £000	Cash flow £000	Other changes £000	At 30 Nov 2007 £000
Net cash				
Cash at bank and in hand	492	(142)	-	350
Overdrafts	(803)	534	-	(269)
	(311)	392	-	81
Debt				
Other creditors	-	-	(230)	(230)
	0	0	(230)	(230)
	(311)	392	(230)	(149)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2007

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 2007. 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 £214,000 (2006 - profit of £430,000) 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.

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.

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 term of lease
Vehicles	- 25% per annum on cost
Plant and equipment	
Computers and electronic 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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2007

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 2007

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

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities, or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

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

Turnover was contributed as follows

	2007 £000	2006 £000
Vehicle sales and servicing	10,397	11,730
Printing and publishing sales	10,961	10,785
Travel sales	33,806	31,590
Property rentals and other operations	1,132	992
Horticultural product sales	2,121	2,060
	<hr/>	<hr/>
	58,417	57,157
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2007

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

Profit /(loss) before tax was contributed as follows

	2007 £000	2006 £000
Vehicle sales and servicing	(51)	107
Printing and publishing sales	(405)	(445)
Travel sales	120	361
Property rentals and other operations	566	277
Horticultural product sales	201	150
Holding company	(282)	1,734
	<hr/>	<hr/>
	149	2,184
Reconciling items		
Dividends from group undertakings	-	(2,000)
Amortisation of goodwill on acquisition	(130)	(130)
	<hr/>	<hr/>
	19	54

Net assets, net of inter company balances, were employed as follows

	2007 £000	2006 £000
Vehicle sales and servicing	1,480	1,563
Printing and publishing sales	4,048	4,386
Travel sales	6,640	6,401
Property rentals and other operations	10,792	9,609
Horticultural product sales	1,059	760
Holding company	(7,997)	(6,772)
	<hr/>	<hr/>
	16,022	15,947

Profit /(loss) is stated after charging

	2007 £000	2006 £000
Depreciation and amortisation	657	678
Auditors' remuneration - audit	79	73
Auditors' remuneration - non audit	25	33
Operating lease rentals - plant and machinery	179	176
Operating lease rentals - land and buildings	161	290
	<hr/>	<hr/>
and after crediting		
Other operating income		
	<hr/>	<hr/>
Profit on disposal of fixed assets	335	54
Other sundry income	219	173
	<hr/>	<hr/>
	554	227

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2007

3 Interest

	2007 £000	2006 £000
Interest receivable		
On bank deposit	2	2
Other	10	5
	<hr/>	<hr/>
	12	7
	<hr/>	<hr/>
Interest payable		
On bank overdraft	20	18
On other loans	32	25
	<hr/>	<hr/>
	52	43
	<hr/>	<hr/>

4. Tax on profit (loss) on ordinary activities**(a) Analysis of charge for the year**

	2007 £000	2006 £000
Current tax		
UK Corporation tax on profits for the year	21	77
Adjustment in respect of prior years	(4)	27
	<hr/>	<hr/>
Total current tax (note 4b)	17	104
Deferred tax		
Origination and reversal of timing differences	(5)	29
	<hr/>	<hr/>
	12	133
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2007

4. Tax on profit (loss) on ordinary activities (continued)**(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

	2007 £000	2006 £000
Profit (loss) on ordinary activities before tax	19	54
Profit (loss) on ordinary activities before tax multiplied by the rate of Corporation Tax of 30% (2006 30%)	6	16
Expenses not deductible for tax purposes	14	16
Depreciation in excess of capital allowances	85	63
Profit on disposal of fixed assets	(70)	-
Adjustments in respect of prior years	(4)	27
Other timing differences	-	1
Marginal relief	(14)	(19)
Current tax charge for the year	17	104

(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

5. Dividends

No distributions were made to equity shareholders in the period

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2007

6. Staff costs

Staff costs, including directors remuneration, were as follows

	2007 £000	2006 £000
Wages and salaries	6,926	6,798
Social security costs	730	724
Redundancy costs	25	31
Pension costs	75	77
	<u>7,756</u>	<u>7,630</u>

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

	No	No
Production	44	46
Sales	146	157
Administrative	105	101
	<u>295</u>	<u>304</u>

7. Directors

	2007 £000	2006 £000
Remuneration		
All directors		
Aggregate emoluments	703	712
Company pension contributions to money purchase schemes	40	40
	<u>703</u>	<u>712</u>
Highest paid director		
Aggregate emoluments	263	260
Company pension contributions to money purchase schemes	-	-
	<u>263</u>	<u>260</u>
Amount of rights to emoluments waived by three directors	5	14
	<u>5</u>	<u>14</u>

Retirement benefits accrued to four directors under money purchase pension schemes during the year (2006 - four)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2007

8. Intangible fixed assets

Group

	Goodwill £000	Development costs £000	Other £000	Total £000
Cost				
At 1 December 2006	396	7	1,436	1,839
At 30 November 2007	396	7	1,436	1,839
Amortisation				
At 1 December 2006	263	7	1,111	1,381
Charge for the year	21	-	129	150
At 30 November 2007	284	7	1,240	1,531
Net book amount				
At 30 November 2006	133	-	325	458
At 30 November 2007	112	-	196	308

"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 2007

9. Tangible fixed assets

Group	Freehold Land and Buildings £000	Vehicles Plant and Equipment £000	Total £000
Cost			
At 1 December 2006	10,825	2,799	13,624
Additions	31	350	381
Disposals	(133)	(158)	(291)
	<hr/>	<hr/>	<hr/>
At 30 November 2007	10,723	2,991	13,714
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 December 2006	333	1,860	2,193
Charge for the year	56	451	507
Released on disposals	-	(131)	(131)
	<hr/>	<hr/>	<hr/>
At 30 November 2007	389	2,180	2,569
	<hr/>	<hr/>	<hr/>
Net book value			
At 30 November 2006	10,492	939	11,431
	<hr/>	<hr/>	<hr/>
At 30 November 2007	10,334	811	11,145
	<hr/>	<hr/>	<hr/>

All freehold land and buildings are included at historical cost

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2007

9. Tangible fixed assets (Continued)

Company	Vehicles Plant and Equipment £000
Cost	
At 1 December 2006	212
Additions	27
Disposals	(46)
	<hr/>
At 30 November 2007	193
	<hr/>
Depreciation	
At 1 December 2006	134
Charge for the year	39
Disposals	(38)
	<hr/>
At 30 November 2007	135
	<hr/>
Net book value	
At 30 November 2006	78
	<hr/>
At 30 November 2007	58
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2007

10. Investments

Company	2007 £000	2006 £000
Shares in group companies		
Cost		
At 1 December 2006	2,481	2,481
At 30 November 2007	2,481	2,481
Provision		
At 1 December 2006	1,371	-
Provided in year	-	1,371
At 30 November 2007	1,371	1,371
Net book value		
At 30 November 2007	1,110	1,110

The principal subsidiary undertakings wholly owned by the group at 30 November 2007 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	2007 £000	2006 £000
Work in progress	367	242
New and used motor vehicles	1,430	1,142
Raw materials	70	53
Finished goods	4,816	4,624
	6,683	6,061

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2007

11. Stock and work in progress (continued)

The above amounts include consignment stock of £261,000 (2006 - £61,000) 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	
	2007	2006	2007	2006
	£000	£000	£000	£000
Trade debtors	3,717	3,603	-	-
Amounts due from group undertakings	-	-	14,021	13,089
Other debtors	171	241	15	8
Prepayments and accrued income	428	405	40	25
	<u>4,316</u>	<u>4,249</u>	<u>14,076</u>	<u>13,122</u>

All amounts included above are considered receivable within one year

13. Creditors:

Amounts falling due within one year

	Group		Company	
	2007	2006	2007	2006
	£000	£000	£000	£000
Bank overdrafts	269	803	7,831	6,691
Trade creditors	3,953	3,141	8	8
Amounts due to group undertakings	-	-	134	133
Current corporation tax	21	104	-	-
Social security and other taxes	324	328	58	59
Other creditors	402	345	3	8
Accruals and deferred income	1,530	1,669	127	113
Proposed dividend	-	-	-	-
	<u>6,499</u>	<u>6,390</u>	<u>8,161</u>	<u>7,012</u>

14. Creditors:

Amounts falling due after more than one year

	Group		Company	
	2007	2006	2007	2006
	£000	£000	£000	£000
Other creditors	230	230	230	230

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2007

15. Provisions for liabilities and charges

Deferred taxation

Group

	2007 £	2006 £
Accelerated capital allowances	119	124
Other short term timing differences	-	-
	<u>119</u>	<u>124</u>

Movements during the year were as follows

	2007 £	2006 £
At 1 December 2006	124	95
Deferred tax asset released	(5)	29
	<u>119</u>	<u>124</u>

16 Called up share capital

	2007 £000	2006 £000
Authorised Equity		
23,750 ordinary shares of £1 each	24	24
105,000 founders shares of 25p each	26	26
	<u>50</u>	<u>50</u>
Allotted, called up and fully paid Equity		
23,682 ordinary shares of £1 each	24	24
105,000 founders shares of 25p each	26	26
	<u>50</u>	<u>50</u>

The ordinary shares carry one vote per share. These shares have a preferential right to any dividend declared by the directors 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2007

16. Called up share capital (continued)

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	
	2007	2006	2007	2006
	£000	£000	£000	£000
Balance brought forward as previously reported	15,818	15,817	6,939	6,509
Prior year adjustment	-	80	-	-
Balance brought forward restated	15,818	15,897	6,939	6,509
Profit (loss) for the financial year	7	(79)	(214)	430
Dividends	-	-	-	-
At 30 November 2007	15,825	15,818	6,725	6,939

18. Reconciliation of movement in shareholders' funds

	2007	2006
	£000	£000
Profit (loss) for the financial year	7	(79)
Dividends	-	-
Opening shareholders' funds	15,947	16,026
Closing shareholders' funds	15,954	15,947

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2007

19 Commitments under operating leases

At 30 November 2007 the group was committed to making the following payments under operating leases over the following twelve months

	2007		2006	
	Land and Buildings £000	Other Assets £000	Land and Buildings £000	Other Assets £000
Contracts to expire within one year	35	1	16	-
between two and five years	25	180	60	159
after five years	74	2	39	-
	<hr/>	<hr/>	<hr/>	<hr/>
	134	183	115	159
	<hr/>	<hr/>	<hr/>	<hr/>

20. Future capital expenditure

Capital expenditure contracted for but not provided for in the financial statements at 30 November 2007 amounted to £ nil (2006 - £5,000)

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 2007 of £295,000 (2006 - £103,000)

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 2007 amounted to £75,000 (2006 - £75,000)

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 2007 the group had net bank borrowings with Barclays Bank plc of £269,000 (2006 - £804,000)
- 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 2007 was £ nil (2006 - £54,000)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2007

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

	2007 £000	2006 £000
At 1 December 2006	230	230
At 30 November 2007	230	230

- b Included in other debtors is £24,000 (2006 £61,000) due from the Ian Allan Group Ltd Pension Fund relating to refurbishment costs on a property owned by the Pension Fund

25. Controlling parties

The directors consider that the ultimate controlling parties are D I Allan and E P Allan, together with their families