IAN ALLAN GROUP LIMITED

REGISTERED NUMBER 00739567

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2010

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DIRECTORS AND ADVISORS

CHAIRMAN	D I Allan
DIRECTORS	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 LLP King's House 12 - 42 Wood Street Kingston upon Thames Surrey KT1 1TG
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 2010

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.

In spite of a strong performance from the Travel company and satisfactory results from the Property, Horticultural and Miniature Railway companies, the Group sustained a loss as a result of the adverse performances from the Publishing company and the Woking garage

Despite changes made in 2009 and investment in new marketing and customer relations management software, Publishing's mail order and internet sales fell by 27.4% in 2010 However, improvements in efficiency maintained the department's loss at the 2009 level
There was a planned reduction in the book publishing programme which resulted in sales reduced by £206k and expense savings of £119k
Magazine sales increased by 5 1% over last year and profits increased by 10 4%
Bookshop sales were slightly down on 2009 by 2 3% and profits decreased by 1%

Due to poor results from the Peugeot dealership at Woking, this franchise was terminated on 31 December 2009, and was changed to a Ford retail dealership whilst retaining Peugeot authorised repairer status Because of delays in supply of equipment by Ford, the new franchise did not become fully operational for three months, with adverse effects on sales and profits

2010 saw a recovery in the business travel market and the Travel company has continued to be successful in its strategy of developing business within niche sectors, especially academic establishments Despite the disruption to air travel caused by volcanic ash, which forced the cancellation of two of the company's specialist tours, and strikes by British Airways staff, turnover increased by 22 3%
In order to reduce operating costs, the branch at Bracknell was closed during the year and staff were relocated into the Shepperton office

The property company sold a residential property during the year realising a profit of £432,000 This does not appear in the current year's profit and loss account as the property had been revalued in 2009

Future Developments

The directors are taking steps to further reduce overhead costs across the Group It is intended to dispose of properties which are surplus to trading requirements or do not fit with the investment portfolio, and rationalise loss making activities within the operating companies

The economic situation will continue to affect all businesses, but given the underlying strength of the balance sheet and the renewal of the bank facilities, the directors are confident of meeting the challenges ahead

Results and dividends

The loss for the year, after taxation, amounted to £785,000 (2009 loss of £902,000) Dividends of £100,000 were paid during the year

Close company status

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

REPORT OF THE DIRECTORS

Risks and uncertainties

Interest rate risk

The Company's banking arrangements form part of an overall Group facility, which have been renewed with the principal group bankers for a further period to 31 March 2012.
Under the group's banking arrangement there is a right of set off between all bank balances Interest is charged on the net position at a rate which moves with the bank base rate and wherever possible deposited funds are maximised to reduce the interest rate exposure

Credit risk

The Group's policy is to trade only with recognised, credit worthy third parties It is the policy of the Group that all clients who wish to trade on credit terms are subject to regular credit verification procedures involving established credit agencies, with the objective of minimising the exposure to bad debts

Liquidity risk

The funding needs of the Group are monitored by the Directors and facilities are made available to operating companies out of the group's banking facility to meet debts as they fall due

Commercial risk

The present economic uncertainties expose the Group to the risk of realising a loss, due to a reduction in business activity, which cannot be matched with a corresponding fall in expenditure in a similar timescale The Directors monitor activity levels on a continuous basis in order to minimise the impact of a decrease in business activity and are constantly reviewing the cost base of the Group and continuing the reorganisation of loss making departments

Directors

The directors listed below have held office during the whole of the period from 1 December 2010 to the date of this report

Mr D I Allan
Mr E P Allan
Mrs G S Allan
Mr A D Watkins FCA

Mr I Allan retired as a director on 2 August 2010
Mr M A Smith was appointed a director on 1 February 2011

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) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the 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

REPORT OF THE DIRECTORS

Directors' responsibilities (continued)

The directors are also responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and 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 2006 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

Charitable and political contributions

During the year the Group made the following contributions

	2010	2009
	£	£
Charitable	2,664	1,424

No contributions were made for political purposes

Auditor

Menzies LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Registered office
Terminal House
Station Approach
Shepperton
Middlesex TW17 8AS

Signed on behalf of the directors

D A HART F C A
Company Secretary

Approved by the directors on 15 March 2010

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 2010 on pages 6 to 27 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 and 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the group's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's affairs at 30 November 2010 and of its loss for the year then ended,
- and have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Menzies LLP

TERENCE GALE FCA (Senior Statutory Auditor)

For and on behalf of

Menzies LLP
Chartered Accountants and
Registered Auditor

King's House
12 - 42 Wood Street
Kingston upon Thames
Surrey KT1 1TG

CONSOLIDATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 NOVEMBER 2010

	Notes	2010 £000	2009 £000
Turnover	2	58,676	52,887
Cost of sales		49,680	43,422
Gross profit		8,996	9,465
Operating expenses			
Distribution		(881)	(966)
Administration		(9,218)	(9,481)
Profit on sale of fixed assets		54	4
Other operating income		106	115
Operating (loss)		(943)	(863)
Interest receivable	3	-	-
Interest payable	3	(26)	(29)
(Loss) on ordinary activities before taxation	2	(969)	(892)
Taxation on (loss)/ profit on ordinary activities	4	(184)	10
Retained (loss) for the financial year	17	(785)	(902)

All amounts above are derived from continuing operations

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 30 NOVEMBER 2010

	2010 £000	2009 £000
Profit for the financial year	(785)	(902)
Unrealised surplus on revaluation of freeholds	(89)	2,416
Total recognised gains and losses relating to the year	(874)	1,514
Total gains and losses recognised since the last annual report	(874)	1,514

CONSOLIDATED BALANCE SHEET

30 NOVEMBER 2010

	Notes	2010 £000	2010 £000	2009 £000	2009 £000
Fixed assets					
Intangible assets	8		65		111
Tangible assets	9		12,477		13,140
			12,542		13,251
Current assets					
Stock and work in progress	11	6,031		6,077	
Debtors	12	4,903		4,196	
Cash at bank		69		115	
		11,003		10,388	
Creditors. amounts falling due within one year	13	7,626		6,736	
Net current assets			3,377		3,652
Total assets less current liabilities			15,919		16,903
Creditors: amounts falling due after more than one year	14		254		264
Provisions for liabilities and charges	15		-		-
			15,665		16,639
Capital and reserves					
Called up share capital	16		50		50
Share premium account			79		79
Revaluation reserve	17		1,948		2,416
Profit and loss account	17		13,588		14,094
Shareholders' funds	18		15,665		16,639

The financial statements were approved by the Board of Directors on 15 March 2010 and signed on its behalf by

D.I. Allan **Director**

REGISTERED NUMBER 00739567

BALANCE SHEET

30 NOVEMBER 2010

	Notes	2010 £000	2010 £000	2009 £000	2009 £000
Fixed assets					
Tangible assets	9		34		26
Investments	10		1,110		1,110
			1,144		1,136
Current assets					
Debtors	12	7,268		7,203	
Cash in hand		-		1	
		7,268		7,204	
Creditors: amounts falling due within one year	13	3,421		2,532	
Net current assets			3,847		4,672
Total assets less current liabilities			4,991		5,808
Creditors: amounts falling due after more than one year	14		254		264
			4,737		5,544
Capital and reserves					
Called up share capital	16		50		50
Share premium account			79		79
Profit and loss account	17		4,608		5,415
Shareholders' funds			4,737		5,544

The financial statements were approved by the Board of Directors on 15 March 2010 and signed on its behalf by

D I. Allan **Director**

CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 30 NOVEMBER 2010

	Notes	2010 £000	2009 £000
Cash inflow /(outflow) from operating activities	a	(191)	235
Returns on investments and servicing of finance	b	(26)	(29)
Taxation		(4)	(12)
Capital expenditure and financial investment	b	323	(143)
Equity dividends paid		(100)	-
Cash inflow /(outflow) before use of liquid resources and financing		2	51
Management of liquid resources			
Net movements in loans		10	6
Increase /(decrease) in cash in the period		12	57
Reconciliation of net cash flow to movements in net funds			
(Decrease)/ increase in cash in the period		12	57
Cash outflow from change in liquid resources		-	-
Change in net funds /(debt) resulting from cash flows		12	57
Reclassification of other creditors as debt		-	-
Movement in net funds /(debt) in the period		12	57
Net (debt)/ funds at 1 December 2009		(876)	(933)
Net debt at 30 November 2010	c	(864)	(876)

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 30 NOVEMBER 2010

a Reconciliation of operating profit to operating cash flows

	2010 £000	2009 £000
Operating (loss)/ profit	(943)	(863)
Decrease/(increase) in stocks	46	119
Decrease (increase) in debtors	(521)	797
(Decrease)/increase in creditors	930	(240)
Depreciation and amortisation	351	426
Net profit on disposal of tangible fixed assets	(54)	(4)
Net cash inflow /(outflow) from operating activities	(191)	235

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

	2010 £000	2009 £000
Returns on investments and servicing of finance		
Interest paid	(26)	(29)
Interest received	-	-
Net cash outflow for returns on investments and servicing of finance	(26)	(29)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(231)	(151)
Sale of tangible fixed assets	554	8
Net cash inflow /(outflow) for capital expenditure and financial investment	323	(143)

c Analysis of net funds /(debt)

	At 1 Dec 2009 £000	Cash flow £000	At 30 Nov 2010 £000
Net cash			
Cash at bank and in hand	115	(46)	69
Overdrafts	(727)	48	(679)
	(612)	2	(610)
Debt			
Other creditors	(264)	10	(254)
	(264)	10	(254)
	(876)	12	(864)

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 (modified to include the revaluation of investment properties)

Basis of consolidation

All subsidiary companies are consolidated and all companies in the Group make up their financial statements to 30 November 2010 No profit and loss account is presented for the holding company as provided for by Section 408 of the Companies Act 2006
A loss of £715,000 (2009 - loss of £778,000) 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 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

Depreciation is not provided in respect of the company's freehold investment properties, which are reflected at a valuation This treatment has been adopted to comply with the requirements of Statement of Standard Accounting Practice Number 19, accounting for investment properties

Although this is a departure from the accounting requirements of the Companies Act 2006, which required such properties to be depreciated, the directors consider departure in this regard justified on the grounds of compliance with the Accounting Standard and the overriding requirement under section 394 of the Companies Act 2006 for the financial statements to show a true and fair view

1. Accounting policies (Continued)

Investment properties

The company's freehold investment properties are revalued annually and the aggregate surplus or deficit is transferred to the company's revaluation reserve

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 agency turnover is concerned, the amount included in these accounts includes the gross sales effected plus transaction and management fees

Short term deposits

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

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 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

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 (loss) on ordinary activities before taxation

Turnover was contributed as follows

	2010 £000	2009 £000
Vehicle sales and servicing	7,967	8,377
Printing and publishing sales	11,035	11,327
Travel sales	36,882	30,160
Property rentals and other operations	976	1,084
Horticultural product sales	1,816	1,939
	58,676	52,887

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

(Loss) before tax and exceptional items was contributed as follows

	2010 £000	2009 £000
Vehicle sales and servicing	(350)	(46)
Printing and publishing sales	(893)	(789)
Travel sales	199	16
Property rentals and other operations	226	160
Horticultural product sales	85	121
Holding company	(211)	(329)
	(944)	(867)
Reconciling items		
Amortisation of goodwill on acquisition	(25)	(25)
	(969)	(892)

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

	2010 £000	2009 £000
Vehicle sales and servicing	845	1,194
Printing and publishing sales	879	1,531
Travel sales	4,475	4,146
Property rentals and other operations	11,647	11,046
Horticultural product sales	544	382
Holding company	(2,725)	(1,660)
	15,665	16,639

(Loss) is stated after charging

	2010 £000	2009 £000
Depreciation and amortisation	351	426
Auditors' remuneration - audit	74	81
Auditors' remuneration - non audit	14	24
Operating lease rentals - plant and machinery	183	183
Operating lease rentals - land and buildings	206	146
and after crediting		
Other operating income		
Profit on disposal of fixed assets	54	4
Other sundry income	106	136
	160	140

3. Interest

	2010 £000	2009 £000
Interest receivable		
On bank deposit	-	-
Other	-	-
	-	-
Interest payable		
On bank overdraft	11	15
On other loans	15	14
	26	29

4 Tax on (loss) on ordinary activities

(a) Analysis of charge for the year

	2010 £000	2009 £000
Current tax		
UK Corporation tax on profits for the year	-	-
Adjustment in respect of prior years	2	14
Total current tax (note 4b)	2	14
Deferred tax		
Origination and reversal of timing differences	(177)	(4)
Effect of change of tax rate on opening balances	(9)	-
	(184)	10

4. Tax on (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

	2010 £000	2009 £000
(Loss) on ordinary activities before tax	(969)	(892)
(Loss) on ordinary activities before tax multiplied by the rate of Corporation Tax of 28% (2009 21%)	(271)	(183)
Expenses not deductible for tax purposes	80	25
Depreciation in excess of capital allowances	68	44
Capital gains	71	-
Adjustments in respect of prior years	2	14
Non-taxable income	(71)	(7)
Losses carried forward	123	121
Current tax charge for the year	2	14

(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 £1,665,000

5. Dividends

Amounts recognised as distributions to equity holders in the period

	2010 £000	2009 £000
2010 interim dividend of 50p	100	-

6. Staff costs

Staff costs, including directors remuneration, were as follows

	2010 £000	2009 £000
Wages and salaries	6,327	6,622
Social security costs	650	679
Redundancy costs	111	17
Pension costs	152	102
	7,240	7,420

The average monthly number of employees during the year was as follows	No	No
Production	49	42
Sales	126	142
Administrative	89	93
	264	277

7. Directors

	2010 £000	2009 £000
Remuneration		
All directors		
Aggregate emoluments	540	653
Company pension contributions to money purchase schemes	48	60
Highest paid director		
Aggregate emoluments	199	260
Company pension contributions to money purchase schemes	-	-
Amount of rights to emoluments waived by three directors	-	-

Retirement benefits accrued to four directors under money purchase pension schemes during the year (2009 - four)

8. Intangible fixed assets

Group

	Goodwill £000	Development costs £000	Other £000	Total £000
Cost				
At 1 December 2009	275	7	1,436	1,718
At 30 November 2010	275	7	1,436	1,718
Amortisation				
At 1 December 2009	205	7	1,395	1,607
Charge for the year	21	-	25	46
At 30 November 2010	226	7	1,420	1,653
Net book amount				
At 30 November 2009	70	-	41	111
At 30 November 2010	49	-	16	65

"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

9. Tangible fixed assets

Group	Investment Properties	Freehold Land and Buildings	Vehicles Plant and Equipment	Total
	£000	£000	£000	£000
Cost				
At 1 December 2009	8,429	4,405	2,905	15,739
Surplus on revaluation	(89)	-	-	(89)
Reclassification	138	(138)	-	-
Additions	-	-	231	231
Disposals	(500)	-	(151)	(651)
At 30 November 2010	7,978	4,267	2,985	15,230
Depreciation				
At 1 December 2009	-	197	2,402	2,599
Eliminated on revaluation	(4)	-	-	(4)
Reclassification	4	-	-	4
Charge for the year	-	22	283	305
Released on disposals	-	-	(151)	(151)
At 30 November 2010	-	219	2,534	2,753
Net book value				
At 30 November 2009	8,429	4,208	503	13,140
At 30 November 2010	7,978	4,048	451	12,477

The comparable amounts of freehold land and buildings included above at valuation determined according to the historical cost accounting rules are

	£000
Cost	6,344
Accumulated depreciation	351
Net book value	
At 30 November 2010	5,993
At 30 November 2009	6,013

Investment freeholds were revalued during the year by the directors on the basis of open market value for existing use

The last formal valuation was undertaken in 2009 by Vail Williams LLP

9. Tangible fixed assets (Continued)

Company

	Vehicles Plant and Equipment £000
Cost	
At 1 December 2009	173
Additions	27
Disposals	(27)
At 30 November 2010	173
Depreciation	
At 1 December 2009	147
Charge for the year	19
Disposals	(27)
At 30 November 2010	139
Net book value	
At 30 November 2009	26
At 30 November 2010	34

10. Investments

Company	2010 £000	2009 £000
Shares in group companies		
Cost		
At 1 December 2009	2,481	2,481
At 30 November 2010	2,481	2,481
Provision		
At 1 December 2009	1,371	1,371
At 30 November 2010	1,371	1,371
Net book value		
At 30 November 2009	1,110	1,110
At 30 November 2010	1,110	1,110

The principal subsidiary undertakings wholly owned by the group at 30 November 2010 are listed below All the undertakings are registered in England and Wales

	Nature of business
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	2010 £000	2009 £000
Work in progress	325	300
New and used motor vehicles	1,184	1,197
Raw materials	39	50
Finished goods	4,483	4,530
	6,031	6,077

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2010

11. Stock and work in progress (continued)

The above amounts include consignment stock of £165,000 (2009 - £184,000) 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	
	2010	2009	2010	2009
	£000	£000	£000	£000
Trade debtors	4,144	3,615	-	8
Amounts due from group undertakings	-	-	7,205	7,133
Other debtors	107	159	7	8
Deferred taxation	213	27	29	21
Prepayments and accrued income	439	395	27	33
	4,903	4,196	7,268	7,203

All amounts included above are considered receivable within one year

13. Creditors:
Amounts falling due within one year

	Group		Company	
	2010	2009	2010	2009
	£000	£000	£000	£000
Bank overdrafts	679	727	1,956	1,295
Trade creditors	4,427	3,688	34	36
Amounts due to group undertakings	-	-	946	1,033
Current corporation tax	-	2	-	-
Social security and other taxes	241	297	57	74
Other creditors	747	424	358	14
Accruals and deferred income	1,532	1,598	70	80
	7,626	6,736	3,421	2,532

14. Creditors:
Amounts falling due after more than one year

	Group		Company	
	2010	2009	2010	2009
	£000	£000	£000	£000
Other creditors	254	264	254	264

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2010

15 Provisions for liabilities and charges

Deferred taxation

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Accelerated capital allowances	(192)	(12)	(24)	(18)
Other short term timing differences	(21)	(15)	(5)	(3)
	(213)	(27)	(29)	(21)

Movements during the year were as follows

	2010	2009	2010	2009
	£	£	£	£
At 1 December 2009	(27)	(23)	(21)	-
Deferred tax asset (provided)/ released	(177)	(4)	(1)	(21)
	(204)	(27)	(22)	(21)
Effect of change of tax rate on opening balances	(9)	-	(7)	-
At 30 November 2010	(213)	(27)	(29)	(21)

16 Called up share capital

	2010	2009
	£000	£000
Authorised		
Equity		
100,000 'D' ordinary shares of 25p each	25	25
100,000 'P' ordinary shares of 25p each	25	25
	50	50
Allotted, called up and fully paid		
Equity		
99,864 'D' ordinary shares of 25p each	25	25
99,864 'P' ordinary shares of 25p each	25	25
	50	50

Both classes of share have equal voting rights

17. Reserves

	Group Revaluation Reserve £000	Group Profit & Loss Account £000	Company Profit & Loss Account £000
At 1 December 2009	2,416	14,094	5,415
(Loss) for the financial year	-	(785)	(707)
Dividends paid	-	(100)	(100)
Net surplus arising on revaluation of tangible fixed assets	(89)	-	-
Realised surplus on revalued fixed assets	(379)	379	-
At 30 November 2010	1,948	13,588	4,608

18. Reconciliation of movement in shareholders' funds

	2010 £000	2009 £000
(Loss) for the financial year	(785)	(902)
Dividends paid	(100)	-
Net surplus arising on revaluation of tangible fixed assets	(89)	2,416
	(974)	1,514
Opening shareholders' funds	16,639	15,125
Closing shareholders' funds	15,665	16,639

19. Commitments under operating leases

At 30 November 2010 the group was committed to making the following payments under operating leases over the following twelve months

	2010 Land and Buildings £000	2010 Other Assets £000	2009 Land and Buildings £000	2009 Other Assets £000
Contracts to expire				
within one year	-	106	-	1
in two to five years	115	23	115	182
after five years	35	-	30	-
	150	129	145	183

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2010

20. Future capital expenditure

Capital expenditure contracted for but not provided for in the financial statements at 30 November 2010 amounted to £ nil (2009 - £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 no commitments for vehicles on consignment plans from manufacturers at 30 November 2010 (2009 - £nil)

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 2010 amounted to £152,000 (2009 - £102,000)

23. Contingent liabilities

The company has provided Barclays Bank plc with fixed charges over three freehold properties and guarantees to secure the bank borrowings of the Group
At 30 November 2010 the group had net bank borrowings with Barclays Bank plc of £756,000 (2009 - £727,000)

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

	2010 £000	2009 £000
At 1 December 2009	230	230
At 30 November 2010	230	230

b The company holds loans from the David and Paul Allan's Children's Trusts Interest is payable at 1% above base rate

	2010 £000	2009 £000
At 1 December 2009	40	42
Loans repaid	(16)	(2)
At 30 November 2010	24	40

24 Related party transactions (continued)

c The company holds a loan from the Mr D.I Allan on which interest is payable at 2% above base rate

	2010 £000	2009 £000
At 1 December 2009	-	-
Amount loaned	250	-
At 30 November 2010	250	-

d The company holds balances due to Mr D I Allan and Mr E P Allan for undrawn expenses and dividends on which interest is payable at 1% above base rate

	2010 £000	2009 £000
At 1 December 2009	4	3
Movements in balances	99	1
At 30 November 2010	103	4

c Included in other creditors is £19,000 (At 30 November 2009 - £19,000) due to the Ian Allan Group Ltd Pension Fund relating to rent collected on behalf of 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