

DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 NOVEMBER 2016

IAN ALLAN GROUP
LIMITED



MENZIES
BRIGHTER THINKING

IAN ALLAN GROUP LIMITED

COMPANY INFORMATION

Directors

D I Allan
E P Allan
G S Allan
A D Watkins
M A Smith

Company secretary

D A Hart FCA

Registered number

00739567

Registered office

Terminal House
Station Approach
Shepperton
Middlesex
TW17 8AS

Independent auditors

Menzies LLP
Chartered Accountants & Statutory Auditor
Ashcombe House
5 The Crescent
Leatherhead
Surrey
KT22 8DY

Solicitors

Barlow Robbins LLP
Concord House
165 Church Street East
Woking
Surrey
GU21 6HJ

IAN ALLAN GROUP LIMITED

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IAN ALLAN GROUP LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 NOVEMBER 2016

Principal activity

The Group's principal activities during the year were business travel management, property management, motor dealers, publishing and retailing books, and retailing organic gardening products.

Business review

The Group achieved a turnover of £54,798k (2015: £48,908k), with performances in line with expectations.

As reported last year, the property management company acquired two tenanted freehold investment properties and turnover increased by 20.6%. The company had two properties which were vacant following the end of leases, one of which has required extensive refurbishment. New leases have been agreed and the company should enjoy a further increase in rental income in 2017. The directors will continue to seek further freehold investment opportunities.

For the travel management company, the new business and healthy pipeline of prospective clients, referred to last year, have delivered turnover growth of 18.1%. A strengthened sales team have continued to develop the sales pipeline, allowing us to forecast continued growth for the year ahead. Significant investment has been made in systems and technology with a focus on passenger tracking and traveller safety. Margins and overhead costs remain closely managed.

The motor company had a difficult year with turnover down by 6.5%. The new ranges of Cadillac and Chevrolet cars at the Virginia Water site were attracting customers and orders for 20 cars were held at the year end, but there was a delay in the introduction of the new Camaro and problems with UK type approval for some other models, which affected the results. A new MOT bay will be completed in March 2017 which should increase the number of service customers. Results from the Old Woking site continued to decline and the decision was taken to close the garage in January 2017 and redevelop the site.

The planned withdrawal from the publishing business continued. The Manchester bookshop was closed at the end of its lease. Publishing of railway books was wound down during the year and the stock and intellectual property of that part of the business was sold after the year end. Publishing turnover reduced by £365k but losses reduced from £255k in 2015 to £165k. The business retains two bookshops and the Masonic publishing division.

The organic gardening company's access to supplies of seaweed extract fertiliser had resumed in 2015, but during the prolonged interruption customers had sought alternative products and it will take some time to re-establish SM6 as their preferred product, due to the annual growing cycles. Turnover showed a small increase of 1.6%. New markets are being established in southern and eastern Africa.

Principal risks and uncertainties

The management of the business and the execution of the Group's strategy are subject to a number of key risks. The key risks and uncertainties vary amongst the business sectors. The motor business is affected by competition from other dealers, and by availability of vehicles to sell. Book retailing has been affected by internet retailers and specialist publishing is subject to changing demographics. Competition from other travel agents, evolving technology and licensing requirements affect the business travel management company.

The risk factors expose the Group to realising losses, 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. They are constantly reviewing the cost base of the Group and are continuing the reorganisation of loss making activities.

IAN ALLAN GROUP LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2016

Financial key performance indicators

The Group uses a series of key performance indicators to monitor the performance of the business. These include but are not limited to the following:

- Turnover by sector and department
- Gross profit by sector and department
- Net profit by sector
- Payroll to turnover
- Overheads to turnover
- Stock turn

Other key performance indicators

- Staff numbers
- New and lost clients

This report was approved by the board on *24 February 2017* and signed on its behalf.



D A Hart FCA
Secretary

IAN ALLAN GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2016

The directors present their report and the financial statements for the year ended 30 November 2016.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 responsible for keeping adequate 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation, amounted to £66,664 (2015 - loss £414,531).

Directors

The directors who served during the year were:

D I Allan
E P Allan
G S Allan
A D Watkins
M A Smith

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue operational existence for the foreseeable future. For this reason the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Future developments

The Group's strategy is to develop its profitable businesses of travel management and property, and to concentrate efforts to restructure the parts of the business which are failing to provide an adequate return on investment.

Matters covered in the strategic report

Matters considered by the Directors to be strategically important to the Group have been included in the Strategic Report.

IAN ALLAN GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2016

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

After the year end, Ian Allan Motors Limited closed the site at 63/65 High Street, Woking, GU22 9LN. This was undertaken with the aim of improving the company's trading performance.

Auditors

The auditors, Menzies LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on *27 February 2017* and signed on its behalf.



D A Hart FCA
Secretary

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF IAN ALLAN GROUP LIMITED

We have audited the financial statements of Ian Allan Group Limited for the year ended 30 November 2016, set out on pages 7 to 35. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, 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 members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement on page 3, 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council'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 and the parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 30 November 2016 and of the Group's profit or loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF IAN ALLAN GROUP LIMITED (CONTINUED)

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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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

Andrew Hookway FCA (Senior Statutory Auditor)

for and on behalf of

Menzies LLP

Chartered Accountants

Ashcombe House

5 The Crescent

Leatherhead

Surrey

KT22 8DY

Date: 27 February 2017

IAN ALLAN GROUP LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 NOVEMBER 2016

	Note	2016 £	2015 £
Turnover	3	54,797,933	48,908,447
Cost of sales		(48,397,178)	(42,550,513)
Gross profit		6,400,755	6,357,934
Distribution costs		(778,026)	(883,943)
Administrative expenses		(6,128,433)	(6,179,488)
Other operating income	4	61,213	86,458
Fair value movements		378,822	-
Operating loss	5	(65,669)	(619,039)
Interest receivable and similar income	9	8,458	28,511
Interest payable and expenses	10	(6,603)	(2,179)
Loss before taxation		(63,814)	(592,707)
Tax on loss	11	(2,850)	178,176
Loss for the year		(66,664)	(414,531)
(Loss) for the year attributable to:			
Owners of the parent Company		(66,664)	(414,531)
		(66,664)	(414,531)
Total comprehensive income for the year attributable to:			
Owners of the parent Company		(66,664)	(414,531)
		(66,664)	(414,531)

There was no other comprehensive income for 2016 (2015: £Nil).

IAN ALLAN GROUP LIMITED
REGISTERED NUMBER:00739567

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	14	222	2
Tangible assets	15	4,058,066	4,105,373
Investment property	17	9,146,084	6,933,968
		<u>13,204,372</u>	<u>11,039,343</u>
Current assets			
Stocks	18	2,816,120	2,792,616
Debtors: amounts falling due within one year	19	5,111,267	3,606,533
Cash at bank and in hand	20	1,753,299	4,282,670
		<u>9,680,686</u>	<u>10,681,819</u>
Creditors: amounts falling due within one year	21	<u>(6,290,443)</u>	<u>(5,048,911)</u>
Net current assets		<u>3,390,243</u>	<u>5,632,908</u>
Total assets less current liabilities		<u>16,594,615</u>	<u>16,672,251</u>
Creditors: amounts falling due after more than one year	22	-	(13,732)
Provisions for liabilities			
Deferred taxation	24	<u>(430,629)</u>	<u>(427,869)</u>
		<u>(430,629)</u>	<u>(427,869)</u>
Net assets		<u>16,163,986</u>	<u>16,230,650</u>
Capital and reserves			
Called up share capital	25	49,932	49,932
Share premium account	26	78,800	78,800
Profit and loss account	26	16,035,254	16,101,918
Equity attributable to owners of the parent Company		<u>16,163,986</u>	<u>16,230,650</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

24.02.17


D. Allan
Director

The notes on pages 15 to 35 form part of these financial statements.

IAN ALLAN GROUP LIMITED

REGISTERED NUMBER:00739567

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 30 NOVEMBER 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	15	91,643	59,964
Fixed asset investments		477,383	477,383
		<u>569,026</u>	<u>537,347</u>
Current assets			
Debtors: amounts falling due within one year	19	2,906,321	2,553,373
Cash at bank and in hand	20	735	654
		<u>2,907,056</u>	<u>2,554,027</u>
Creditors: amounts falling due within one year	21	(2,870,836)	(2,221,517)
Net current assets		<u>36,220</u>	<u>332,510</u>
Total assets less current liabilities		<u>605,246</u>	<u>869,857</u>
Provisions for liabilities			
Deferred taxation	24	22,295	22,662
		<u>22,295</u>	<u>22,662</u>
Net assets		<u>627,541</u>	<u>892,519</u>
Capital and reserves			
Called up share capital	25	49,932	49,932
Share premium account	26	78,800	78,800
Profit and loss account	26	498,809	763,787
		<u>627,541</u>	<u>892,519</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

24.02.17


D I Allan
Director

IAN ALLAN GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 NOVEMBER 2016

	Called up share capital	Share premium account	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£	£
At 1 December 2015	49,932	78,800	16,101,918	16,230,650	16,230,650
Comprehensive income for the year					
Loss for the year	-	-	(66,664)	(66,664)	(66,664)
Total comprehensive income for the year	-	-	(66,664)	(66,664)	(66,664)
Total transactions with owners	-	-	-	-	-
At 30 November 2016	49,932	78,800	16,035,254	16,163,986	16,163,986

IAN ALLAN GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 NOVEMBER 2015

	Called up share capital	Share premium account	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£	£
At 1 December 2014	49,932	78,800	17,316,449	17,445,181	17,445,181
Comprehensive income for the year					
Loss for the year	-	-	(414,531)	(414,531)	(414,531)
Total comprehensive income for the year	-	-	(414,531)	(414,531)	(414,531)
Dividends: Equity capital	-	-	(800,000)	(800,000)	(800,000)
Total transactions with owners	-	-	(800,000)	(800,000)	(800,000)
At 30 November 2015	49,932	78,800	16,101,918	16,230,650	16,230,650

The notes on pages 15 to 35 form part of these financial statements.

IAN ALLAN GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 NOVEMBER 2016

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 December 2015	49,932	78,800	763,787	892,519
Comprehensive income for the year				
Loss for the year	-	-	(264,978)	(264,978)
Total comprehensive income for the year	-	-	(264,978)	(264,978)
Total transactions with owners	-	-	-	-
At 30 November 2016	49,932	78,800	498,809	627,541

IAN ALLAN GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 NOVEMBER 2015

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 December 2014	49,932	78,800	1,309,003	1,437,735
Comprehensive income for the year				
Profit for the year	-	-	254,784	254,784
Total comprehensive income for the year	-	-	254,784	254,784
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(800,000)	(800,000)
Total transactions with owners	-	-	(800,000)	(800,000)
At 30 November 2015	49,932	78,800	763,787	892,519

The notes on pages 15 to 35 form part of these financial statements.

IAN ALLAN GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 NOVEMBER 2016

	2016 £	2015 £
Cash flows from operating activities		
Loss for the financial year	(66,664)	(414,531)
Adjustments for:		
Depreciation of tangible assets	202,758	189,585
Loss on disposal of tangible assets	(5,045)	(2,780)
Taxation charge	2,850	(178,176)
(Increase)/decrease in stocks	(23,504)	65,432
(Increase) in debtors	(1,420,899)	(85,091)
Increase in creditors	1,231,817	499,571
Net fair value (gains)/losses recognised in P&L	(378,822)	-
Corporation tax (paid)	(87,942)	(728,554)
Net inflow from long term accrual	-	6,737
Net cash generated from operating activities	(545,451)	(647,807)
Cash flows from investing activities		
Purchase of intangible fixed assets	(220)	-
Purchase of tangible fixed assets	(177,420)	(1,835,247)
Sale of tangible fixed assets	27,014	12,590
Purchase of investment properties	(1,833,294)	-
Net cash from investing activities	(1,983,920)	(1,822,657)
Cash flows from financing activities		
Dividends paid	-	(800,000)
Net cash used in financing activities	-	(800,000)
Net (decrease) in cash and cash equivalents	(2,529,371)	(3,270,464)
Cash and cash equivalents at beginning of year	4,282,670	7,553,134
Cash and cash equivalents at the end of year	1,753,299	4,282,670
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,753,299	4,282,670
	1,753,299	4,282,670

IAN ALLAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2016

1. General information

Ian Allan Group Limited is a limited company incorporated and domiciled in England. Details of the registered office and principal place of business can be found on the company information page.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 30.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group accounting policies.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 December 2014.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

IAN ALLAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2016

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

The estimated useful lives range as follows:

Freehold property	- on a straight line basis over estimated economic life
Vehicles, plant & equipment	- 10% to 25% per annum on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2.6 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated Statement of Comprehensive Income.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

IAN ALLAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2016

2. Accounting policies (continued)

2.12 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.13 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.15 Operating leases: the Group as lessor

Rentals income from operating leases is credited to the Consolidated Statement of Comprehensive Income on a straight line basis over the term of the relevant lease.

2.16 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

2.17 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.18 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

IAN ALLAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2016

2. Accounting policies (continued)

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.20 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

IAN ALLAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2016

3. Turnover

An analysis of turnover by class of business is as follows:

	2016 £	2015 £
Vehicle sales and servicing	6,577,880	7,031,914
Property rentals and other operations	986,543	905,429
Travel sales	43,130,660	36,526,709
Horticultural product sales	1,482,787	1,459,102
Publishing sales	2,620,063	2,985,293
	<u>54,797,933</u>	<u>48,908,447</u>

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	54,449,727	48,599,856
Overseas	348,206	308,590
	<u>54,797,933</u>	<u>48,908,446</u>

4. Other operating income

	2016 £	2015 £
Other operating income	42,613	71,883
Net rents receivable	18,600	14,575
	<u>61,213</u>	<u>86,458</u>

5. Operating loss

The operating loss is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	202,758	189,585
Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements	74,795	77,420
Exchange differences	(5,564)	602
Other operating lease rentals	148,423	128,432
Defined contribution pension cost	336,524	314,929

IAN ALLAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2016

6. Auditors' remuneration

	2016 £	2015 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>74,795</u>	<u>77,420</u>
Fees payable to the Group's auditor and its associates in respect of:		
All other services	<u>27,600</u>	<u>15,516</u>

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	4,409,363	4,356,954
Social security costs	431,800	425,951
Cost of defined contribution scheme	336,524	314,929
	<u>5,177,687</u>	<u>5,097,834</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2016 No.	2015 No.
Production staff	16	18
Distribution staff	93	96
Administrative staff	65	58
	<u>174</u>	<u>172</u>

IAN ALLAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2016

8. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	431,129	411,511
Company contributions to defined contribution pension schemes	97,353	91,771
	<u>528,482</u>	<u>503,282</u>

During the year retirement benefits were accruing to 2 directors (2015 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £147,322 (2015 - £136,082).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2015 - £Nil).

9. Interest receivable

	2016 £	2015 £
Other interest receivable	8,458	28,511
	<u>8,458</u>	<u>28,511</u>

10. Interest payable and similar charges

	2016 £	2015 £
Bank interest payable	1,147	179
Other loan interest payable	5,456	2,000
	<u>6,603</u>	<u>2,179</u>

IAN ALLAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2016

11. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	(110,122)	(187,924)
Adjustments in respect of previous periods	90	(91)
	<u>(110,032)</u>	<u>(188,015)</u>
 Group taxation relief	 110,122	 -
	<u>90</u>	<u>(188,015)</u>
 Total current tax	 <u>90</u>	 <u>(188,015)</u>
 Deferred tax		
Origination and reversal of timing differences	2,760	9,839
Total deferred tax	<u>2,760</u>	<u>9,839</u>
 Taxation on profit/(loss) on ordinary activities	 <u>2,850</u>	 <u>(178,176)</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 - *lower than*) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
Loss on ordinary activities before tax	<u>(63,814)</u>	<u>(592,707)</u>
 Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	 (15,200)	 (118,541)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	16,032	15,438
Capital allowances for year in excess of depreciation	3,840	(74,837)
Other timing differences leading to an increase (decrease) in taxation	25,756	-
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	(64,817)	-
Changes in provisions leading to an increase (decrease) in the tax charge	(25,556)	(236)
Unrelieved tax losses carried forward	62,795	-
Total tax charge for the year	<u>2,850</u>	<u>(178,176)</u>

IAN ALLAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2016

11. Taxation (continued)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

12. Dividends

	2016 £	2015 £
Ordinary D shares	-	400,000
Ordinary P shares	-	400,000
	<u>-</u>	<u>800,000</u>

13. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the parent Company for the year was £264,978 (2015 - profit £254,784).

14. Intangible assets

Group and Company

	Trademarks £	Goodwill £	Total £
Cost			
At 1 December 2015	60	8,000	8,060
Additions	220	-	220
At 30 November 2016	<u>280</u>	<u>8,000</u>	<u>8,280</u>
Amortisation			
At 1 December 2015	58	8,000	8,058
At 30 November 2016	<u>58</u>	<u>8,000</u>	<u>8,058</u>
Net book value			
At 30 November 2016	<u>222</u>	<u>-</u>	<u>222</u>
At 30 November 2015	<u>2</u>	<u>-</u>	<u>2</u>

IAN ALLAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2016

15. Tangible fixed assets

Group

	Freehold property £	Plant and machinery £	Total £
Cost or valuation			
At 1 December 2015	3,963,594	2,240,021	6,203,615
Additions	-	177,420	177,420
Disposals	-	(145,257)	(145,257)
At 30 November 2016	<u>3,963,594</u>	<u>2,272,184</u>	<u>6,235,778</u>
Depreciation			
At 1 December 2015	281,135	1,817,107	2,098,242
Charge for the period on owned assets	50,591	152,167	202,758
Disposals	-	(123,288)	(123,288)
At 30 November 2016	<u>331,726</u>	<u>1,845,986</u>	<u>2,177,712</u>
Net book value			
At 30 November 2016	<u>3,631,868</u>	<u>426,198</u>	<u>4,058,066</u>
At 30 November 2015	<u>3,682,459</u>	<u>422,914</u>	<u>4,105,373</u>

IAN ALLAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2016

15. Tangible fixed assets (continued)

Company

	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 December 2015	191,288	38,690	229,978
Additions	74,805	953	75,758
Disposals	(77,232)	-	(77,232)
At 30 November 2016	188,861	39,643	228,504
Depreciation			
At 1 December 2015	137,017	32,997	170,014
Charge for the period on owned assets	19,366	2,757	22,123
Disposals	(55,276)	-	(55,276)
At 30 November 2016	101,107	35,754	136,861
Net book value			
At 30 November 2016	87,754	3,889	91,643
At 30 November 2015	54,271	5,693	59,964

IAN ALLAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2016

16. Fixed asset investments

The following were subsidiary undertakings wholly owned by the Ian Allan Group Limited. All the undertakings are registered in England and Wales, and included within the consolidated accounts.

Subsidiary undertakings

Name	Principal activity
Ian Allan Publishing Limited	Publishers and booksellers
Ian Allan Motors Limited	Car sales and services
Ian Allan Travel Limited	Business travel managers
Tennay Properties Limited	Property managers
Chase Organics (Great Britain) Limited	Horticultural products
Ian Allan (Miniature Railway Supplies) Limited	Miniature railway operator
Ian Allan Limited	Dormant
OPC Limited	Dormant
The Organic Gardening Catalogue Limited	Dormant
Railway World Limited	Dormant
Synergi Global Travel Management Limited	Dormant
Ian Allan Printing Limited	Dormant

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 December 2015	1,473,986
At 30 November 2016	1,473,986
Impairment	
At 1 December 2015	996,603
At 30 November 2016	996,603
Net book value	
At 30 November 2016	477,383
At 30 November 2015	477,383

IAN ALLAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2016

17. Investment property

Group

	Freehold investment property £
Valuation	
At 1 December 2015	6,933,968
Additions at cost	1,833,294
Surplus on revaluation	378,822
At 30 November 2016	9,146,084

The 2016 valuations were made by Vail Williams, on an open market value for existing use basis.

18. Stocks

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Work in progress (goods to be sold)	46,157	136,028	-	-
Finished goods and goods for resale	2,769,963	2,656,588	-	-
	2,816,120	2,792,616	-	-

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Stock recognised in cost of sales during the year as an expense was £7,494,149.

19. Debtors

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade debtors	3,874,178	2,662,500	12,382	15,135
Amounts owed by group undertakings	-	-	2,530,862	2,261,000
Other debtors	480,695	431,377	308,950	219,270
Prepayments and accrued income	756,394	512,656	54,127	57,969
	5,111,267	3,606,533	2,906,321	2,553,374

IAN ALLAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2016

20. Cash and cash equivalents

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Cash at bank and in hand	1,753,299	4,282,670	735	654
Less: bank overdrafts	-	-	(2,495,998)	(1,911,502)
	<u>1,753,299</u>	<u>4,282,670</u>	<u>(2,495,263)</u>	<u>(1,910,848)</u>

21. Creditors: Amounts falling due within one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Bank overdrafts	-	-	2,495,998	1,911,502
Trade creditors	3,616,864	3,253,422	28,641	30,200
Amounts owed to group undertakings	-	-	41,042	83,698
Corporation tax	9,714	-	-	-
Other taxation and social security	153,136	123,676	50,508	37,996
Other creditors	410,477	324,441	151,567	68,731
Accruals and deferred income	2,100,252	1,347,372	103,080	89,390
	<u>6,290,443</u>	<u>5,048,911</u>	<u>2,870,836</u>	<u>2,221,517</u>

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

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Accruals and deferred income	-	13,732	-	-
	<u>-</u>	<u>13,732</u>	<u>-</u>	<u>-</u>

IAN ALLAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2016

23. Financial instruments

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	4,216,401	3,039,239	2,852,194	2,495,405
	<u>4,216,401</u>	<u>3,039,239</u>	<u>2,852,194</u>	<u>2,495,405</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(6,127,593)	(4,925,231)	(2,820,328)	(2,183,521)
	<u>(6,127,593)</u>	<u>(4,925,231)</u>	<u>(2,820,328)</u>	<u>(2,183,521)</u>

Financial assets that are debt instruments measured at amortised cost comprise of trade and other debtors.

Financial liabilities measured at amortised cost comprise trade and other creditors, loans payable and bank overdrafts.

24. Deferred taxation

Group	
	2016 £
At beginning of year	(427,869)
Charged to profit or loss	(2,760)
At end of year	<u>(430,629)</u>

IAN ALLAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2016

24. Deferred taxation (continued)

Company

	2016 £
At beginning of year	22,662
Charged to profit or loss	(367)
At end of year	<u>22,295</u>

	Group 2016 £	Company 2016 £
Fixed asset timing differences	(45,793)	22,662
Tax losses carried forward	21,356	-
Deferred tax on revaluation of investment properties	(403,432)	-
Profit and loss movement	(2,760)	(367)
	<u>(430,629)</u>	<u>22,295</u>
Comprising:		
Liability	(430,629)	22,295
	<u>(430,629)</u>	<u>22,295</u>

25. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
99,864 Ordinary D shares shares of £0.25 each	24,966	24,966
99,864 Ordinary P shares shares of £0.25 each	24,966	24,966
	<u>49,932</u>	<u>49,932</u>

Each share type is entitled to one vote in any circumstances and equally in dividends and distributions.

IAN ALLAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2016

26. Reserves

Share premium account

The amount in the share premium account represents the additional amount shareholders paid for their issued shares that was in excess of the par value of those shares.

Profit and loss account

This account records retained earnings and accumulated losses. Included within this account is £4,097,336 (2015: £3,518,836) of revaluation reserve.

27. Pension commitments

The group operates a defined contribution pension plan. Costs incurred during the year ended 30 November 2016 amounted to £336,524 (2015: £314,929).

28. Commitments under operating leases

At 30 November 2016 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2016 £	Group 2015 £
Not later than 1 year	21,592	29,645
Later than 1 year and not later than 5 years	8,472	30,044
	30,064	59,689

	Group 2016 £	Group 2015 £
Not later than 1 year	600,397	483,487
Later than 1 year and not later than 5 years	1,570,913	1,570,160
Later than 5 years	41,725	101,684
	2,213,035	2,155,331

IAN ALLAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2016

29. Related party transactions

The Group was under the control of Mr D.I.Allan, Mr E.P.Allan and their families throughout the current and previous year.

The Group has taken the availability of Section 33 of FRS 102 from disclosing transactions with Group companies.

The company holds loans from David and Paul Allan's Children's Trusts of £102,795 (2015: £19,216). Interest is payable at 1% above base rate.

The company holds balances due to Mr D.I.Allan and Mr E.P.Allan for undrawn expenses and dividends of £2,039 (2015: £983) and £31,295 (2015: £31,295) respectively. Interest is payable at 1% above base rate.

Included in other creditors is £3,250 (2015: £3,250) owed to the Ian Allan Group Ltd Pension Fund relating to rent collected on behalf of the pension fund.

Included within other debtors is a loan to Mrs M.Allan for the sum of £180,000 (2015: £120,000).

IAN ALLAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2016

30. First time adoption of FRS 102

The Group and Company transitioned to FRS 102 from previously extant UK GAAP as at 1 December 2014. The impact of the transition to FRS 102 is as follows:

Group

	<i>As previously stated 1 December 2014</i>	<i>Effect of transition 1 December 2014</i>	<i>FRS 102 (as restated) 1 December 2014</i>	<i>As previously stated 30 November 2015</i>	<i>Effect of transition 30 November 2015</i>	<i>FRS 102 (as restated) 30 November 2015</i>
Note	£	£	£	£	£	£
Fixed assets	9,403,494	-	9,403,494	11,039,343	-	11,039,343
Current assets	13,718,087	-	13,718,087	10,681,819	-	10,681,819
Creditors: amounts falling due within one year	(5,251,366)	-	(5,251,366)	(5,048,911)	-	(5,048,911)
Net current assets	8,466,721	-	8,466,721	5,632,908	-	5,632,908
Total assets less current liabilities	17,870,215	-	17,870,215	16,672,251	-	16,672,251
Creditors: amounts falling due after more than one year	(7,000)	-	(7,000)	(13,732)	-	(13,732)
Provisions for liabilities	13,396	(431,426)	(418,030)	(49,121)	(378,748)	(427,869)
Net assets	17,876,611	(431,426)	17,445,185	16,609,398	(378,748)	16,230,650
Capital and reserves	17,876,611	(431,426)	17,445,185	16,609,398	(378,748)	16,230,650

IAN ALLAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2016

30. First time adoption of FRS 102 (continued)

	Note	As previously stated 30 November 2015 £	Effect of transition 30 November 2015 £	FRS 102 (as restated) 30 November 2015 £
Turnover		48,908,447	-	48,908,447
Cost of sales		(42,550,513)	-	(42,550,513)
		6,357,934	-	6,357,934
Distribution expenses		(883,943)	-	(883,943)
Administrative expenses		(6,179,488)	-	(6,179,488)
Other operating income		86,458	-	86,458
Operating profit		(619,039)	-	(619,039)
Interest receivable and similar income		28,511	-	28,511
Interest payable and similar charges		(2,179)	-	(2,179)
Taxation	2	125,498	52,678	178,176
Loss on ordinary activities after taxation and for the financial year		(467,209)	52,678	(414,531)

Explanation of changes to previously reported profit and equity:

- 1 As a result of the implementation of FRS 102 deferred tax amounting to £431,426 (1 December 2015: £378,748) has been accounted for, reducing reserves by the same amount.
- 2 In relation to investment properties, a deferred tax credit has arisen of £52,678, increasing the profit for the year.

IAN ALLAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2016

30. First time adoption of FRS 102 (continued)

Company

The policies applied under the single entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit of loss.